

SOLIHULL COMMUNITY HOUSING MINUTES OF THE MEETING HELD ON

MONDAY 10 December 2018

ENDEAVOUR HOUSE

Present: Richard Hyde – Chair
Patricia Smith – Vice Chair
Ben Burton
Jenny Fletcher
Julie Hlland
Andy Mackiewicz
Louise Tubbs

In attendance: Fiona Hughes - Chief Executive
Surjit Balu - Executive Director of Housing and Communities
Deborah Good – Interim Executive Director of Customer and Business Services
Mark Pinnell – Executive Director of Assets and Development
Sam Gilbert – Chief Financial Officer
Mark Wills - H&S Manager (Item 12 only)
James Gorton – H&S Advisor (Item 12 only)
Mary Moroney – Company Secretary
Sarah Brookes – Minutes

1. Chair's Welcome and Introduction

The Chair thanked Patricia for writing the Christmas cards to SCH staff and on behalf of the Board, Patricia, Jenny and Louise will be visiting the SCH offices on 12 and 13 December 2018 to pass on the Board's festive wishes.

David Irwin (Solihull News) was also in attendance to observe the meeting.

2. Apologies for Absence were received from:

David Bell, Chris Williams and Nigel Page.

3. Declarations of Interest:

3.1 There was one new declaration from Richard Hyde who will be involved with the Governance Structure at Warwick University.

4. Minutes of the Meeting held on 22 October 2018

4.1 The minutes were reviewed and agreed as a true and accurate record.

DECISION THE BOARD

(i) **APPROVED** the minutes of the meeting held on 22 October 2018.

5. Matters Arising from the meeting held on 22 October 2018

5.1 Action Log - the six monthly financial reports on activities, previously reported to the Development and New Business Committee, will be included on the Board's forward plan.

5.2 Deborah will arrange for Board members to engage with the Block and Street Champions.

5.3 The action log will be amended to incorporate the above actions.

DECISION THE BOARD

(i) **APPROVED** the Board Action Log, subject to agreed amendments.

6. Strategic Reflections from Board

6.1 This is a new agenda item to enable the Board to operate more effectively at a strategic level.

6.2 The visit to Nottingham City Homes, Landlord of the year, identified similarities between their organisation and SCH. The key learning points will be reviewed during the Board away day and included in the strategic plan.

6.3 There were 3 external reports identified as useful reading for Board members:

- UK Collaborative Centre for Housing Evidence – Social Housing Governance
- University of Birmingham – Housing and Communities Research - Tenant Involvement in Governance
- The Hyde Group – The Value of a Social Tenancy

6.4 Jenny referred to the changes in the Energy Performance Certificate (EPC) regulations. Mark confirmed that SCH have approximately 100 properties that fall into the categories of E, F and G. It was agreed that Mark will complete a comparison exercise and provide feedback to the Board.

6.5 Energy funding models have changed and Mark reported that he is undertaking further work around funding options to maximise returns on capital employed.

7. Chief Executive's Update

7.1 Fiona provided an update to the Board on the work of the CE identifying that there were three key strategic reports:

- Organisational Performance – SCH is generally a low cost organisation with challenges around customer satisfaction.
 - Annual Delivery Plan 19/20 – the Delivery Plan maps out our milestones for the coming year as well as the metrics we will deliver through our KPI's. The proposed draft Delivery Plan was shared with the Board for discussion and comments.
 - Budget for 19/20 – includes the HRA budget, SCH Management Fee and proposed rents for noting and approval.
- 7.2 It was noted that 19/20 will be the third year of the 5 year Strategic Vision and Fiona is proposing a review of the existing plan. It will be included on the agenda for the away day in January 2019.
- 7.3 Fiona informed the Board that we will be engaging an external organisation to monitor customer satisfaction to ensure external validation. It was acknowledged that leaseholders have some specific issues and these were noted. Fiona will update Board on the framework in due course.
- 7.4 Work will be undertaken to map key customer journeys. This will review their experience highlighting gaps or improvements that can be introduced to improve satisfaction.
- 7.5 Work is being undertaken to consider how best to align the profiling of our stock investment with available HRA resources. Board will be updated accordingly.
- 7.6 SCH are jointly working with SMBC to increase stock growth and the first meeting took place on 6 December. It is anticipated that the joint work with SMBC will prevent schemes being delayed pending appropriate approvals. It has been confirmed that the HRA borrowing cap has been lifted.
- 7.7 The launch of the Customer Portal is due to go live week commencing 17 December 2018. The role out of the SCH app has been included in the Delivery Plan.
- 7.8 It was identified that gathering a better understanding of vulnerable residents with specific needs is a challenging task. It was suggested that a sample of our existing data is reviewed and the learning points from the sample are fed back to the Board.
- 7.9 It has already been noted that we need to undertake more work to address the wellbeing needs of our staff and make SCH 'a better place to work'. This links in with the work being undertaken to reduce sickness levels. Deborah discussed the work in progress and our new HR Advisor, Emma Birch, will be developing strategies for mental health and wellbeing.

- | DECISION | THE BOARD |
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| (i) NOTED | the content of the report. |
| 8. Budget 2019/20 | |
| 8.1 | The HRA budget is balanced over a 4 year period from 2018/19 (forecast) to 2021/22, the worsening position in 2021/22, mainly due to additional capital spend, will need to be addressed during 2019/20. |
| 8.2 | 2019/20 is the final year of the four years' mandatory 1% reductions to social rent levels. From 2020/21 these rents will be subject to an uplift of CPI+1% for a period of at least 5 years. The charges for HRA properties will be proposed to Full Cabinet on 7 February 2019 for approval. The Board is asked to approve the rent charges for SCH properties. |
| 8.3 | The electrical sub mains programme has increased significantly, inspections undertaken within communal areas of the blocks, have highlighted the need for increased investment in this area. A briefing note will be prepared to cover the need for this expenditure and justification based on value for money (VFM). |
| 8.4 | The Chair asked that the Audit and Risk Committee receive a report on the budget setting methodology and assess whether for 2020/21 a zero based approach should be adopted. |

- | DECISION | THE BOARD |
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| (i) NOTED | the 2019/20 proposed HRA Budget and SCH Management Fee. |
| (ii) APPROVED | the adoption of the 2019/20 SCH Revenue Budget. |
| (iii) NOTED | the 2019/20 HRA rent proposals to be considered by the Council. |
| (iv) APPROVED | the proposed rent increase of 3.4% for SCH owned Affordable homes. |
| (v) APPROVED | the proposed rent increase for SCH owned part ownership properties of RPI (February 2019) + 0.5%. |
| (vi) APPROVED | the proposed schedule of fees and charges. |
| (vii) NOTED | the update on the 3 year housing capital programme and 2019/20 budget. |
| (viii) NOTED | the SIL 2019/20 capital budget. |

9. Financial Performance Update Q2 2018/19

- 9.1 The report provided an update on the financial performance for the 6 months to 30 September 2018 (quarter 2).
- 9.2 There were no additional comments.

DECISION

THE BOARD

- (i) **NOTED** the financial performance for 6 months to date of the current financial year 2018/19 and the latest forecast to year end.
- (ii) **NOTED** the progress on delivery of 2018/19 planned savings.
- (iii) **NOTED** the current and forecast reserves position.
- (iv) **NOTED** the current debt position in SCH and the HRA.

10. SCH Performance HouseMark Benchmarking Report

- 10.1 The report provided an update on the annual HouseMark core benchmarking exercise for the year ending 31 March 2018.
- 10.2 The benchmarking report allows service costs to be calculated and performance compared to other HouseMark members. SCH benchmark against the ALMO group which consists of 30 organisations. The outcomes of this year's benchmarking are showing generally improved performance and the report detailed the factors influencing performance where it has deteriorated.
- 10.3 A detailed review of Table 9 "performance 2017/18, current performance 2018/19 to date and the proposed targets for 2019/20" took place to ensure the targets were set at the appropriate level.
- NS1 – currently in quartile 3 and whilst the challenging environment of Universal Credit was noted it was agreed to increase the proposed target for 19/20. This will be a stretched target of 98.00%.
 - NS2 – we need to identify additional leaseholder debts instead of only reporting the percentage of service charges collected. Deborah confirmed that work is already being undertaken on this and reporting will be included in the management information monitored by EMT.
 - NS9 - the low and high rise cleaning inspections have been combined.
 - NS10 – a new indicator that needs to be developed so that it is measurable.
 - H03 – Chris Williams requested clarity with regard to the rationale for setting a target of 42 days. It was considered that the target should

reflect the current performance. After discussion, a target of 10 days was agreed.

- WB2 - this had been incorrectly typed and the proposed target was agreed at 99%.
- AM1 – it was accepted that this target can only be 100%. SCH need to demonstrate that all reasonable efforts have been made to gain access for gas servicing. Mark confirmed the legal process that we are obligated to follow before eviction is considered. Further work is ongoing to ensure we are following current best practice.
- AM2, 3, 4 & 7 – these are all stretched targets that will be achieved through detailed action plans. Mark identified that the strap line for repairs is to “complete less repairs better”.
- CR5 – short term sickness days reflects the position of the organisation and improve Wellbeing Strategies will influence this indicator.
- The Chair requested that EMT consider whether we should have a cost per property target. Fiona agreed to bring this back to Board.

DECISION

THE BOARD

(i) NOTED

the contents of the report.

(ii) APPROVED

the KPI schedule for 2019/20.

11. Draft Delivery Plan for 2019/20

- 11.1 The draft 2019/20 Delivery Plan was presented to the Board for consultation. The final draft will be presented to the Board on 26 February 2019, which will then be considered by the Economic Development and Managed Growth Scrutiny Board on 5 March 2019. A final draft will be submitted for approval to the Cabinet Member for Environment and Housing on 27 March 2019.
- 11.2 Fiona talked through the four SCH organisational challenges and key delivery points identified within the plan.
- 11.3 Fiona confirmed the position of the new brand; we are working with IT to roll out the new brand on our website. A timetable will be produced identifying the key dates for rolling out the re-brand.
- 11.4 Chris Williams had emailed a question about a communication plan, following on from a meeting of a Board Task and Finish Group on this subject. A meeting with Chris is being arranged about this.

DECISION	THE BOARD
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| (i) NOTED & COMMENTED | the draft Delivery Plan for 2019/20. |
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12. Health and Safety (H&S) Report for Q2 2018/19

- 12.1 This was Mark Wills' first Board meeting since he was appointed as SMBC's H&S Manager. Mark confirmed that it was good practice to have a Board member as a Corporate H&S Champion to provide contribution to the effective management of H&S as well as strategic leadership.
- 12.2 Andy Mackiewicz is the Board's Champion however it was agreed that training should be provided to more than one additional Board member to allow for succession planning. This will be added to the action plan.
- 12.3 It was noted that there was an error in the report under item 4.2 – ISO 18001. ISO 45001 is the standard replacing 'OHSAS' 18001.
- 12.4 Mark Pinnell confirmed that the format of the Fire Safety Action Tracker will be amended so that it is more reflective of current actions and ongoing industry best practice.
- 12.5 Mark Wills advised setting up a working group to consider the environmental modules associated with ISO 45001. A key area would be identified and discussed at Board meeting.

DECISION	THE BOARD
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| (i) NOTED | the content of the report. |
| (ii) NOTED | Appendix 1 – HSG65; Managing for Health and Safety (SCH Health and Safety Management System). |
| (iii) APPROVED | Appendix 2 – Training/qualification for Board Member Health and Safety Champion. Agreed to offer training to all Board members. |
| (iv) NOTED | Appendix 3 – Fire Safety Action Tracker V22 (09.11.18) |

13. Chair's Report from Housing Operations Committee Meeting 19 November 2018

- 13.1 The report was noted and there were no further questions.

DECISION	THE BOARD
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| (i) NOTED | the content of the report. |
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For information, members of the public and press were excluded for the following two items.

**14. Chair's Report from Human Resources and Remuneration Committee
26 November 2018**

- 14.1 The Chair provided an update from the Committee meeting and the Board were asked to ratify the recommendation of the HR&R Committee in relation to a new pay band structure. This will provide a positive impact on reducing the gender pay gap. The increase will be funded from staff vacancies and in future years it will be funded from the staff payroll budget.
- 14.2 Sickness levels have increased and EMT will be reporting on recommendations to improve the wellbeing of staff during the next Committee meeting.

DECISION

THE BOARD

- (i) **NOTED** the content of the report.
- (ii) **APPROVED** the recommendations of the HR&R Committee to adopt the changes to the pay band structure.
- (iii) **NOTED** Board will receive a further report in February 2019 if there are any further revisions to the proposed grading structure after trade union negotiations.

**15. Chair's Report from Audit and Risk Committee Meeting
3 December 2018**

- 15.1 The A&R Committee reviewed the procurement proposal for Major Adaptations and Improvement works and agreed the proposal to set up a Framework Agreement. It is intended to appoint a number of contractors (anticipated 3/4 under each lot) to ensure a value for money framework.

DECISION

THE BOARD

- (i) **NOTED** the content of the report
- (ii) **APPROVED** to set up a Framework Agreement for the Delivery of Major Adaptations and Improvement Works.
- (iii) **RECOMMENDED** that the procurement process is approved by the Cabinet Member for Housing and Environment.

16. Board Forward Plan

- 16.1 It was agreed to invite the Cabinet Member for Environment and Housing, Tony Diccio to the Board Away Day in January 2019.

DECISION THE BOARD

(i) NOTED the contents of the Forward Plan.

17. Any Other Business

17.1 Confidential reports need to be classified correctly on the agenda.

The meeting was concluded at 6.15 pm.

The next meeting will be on Tuesday 26 February 2019 at 6.00pm.

Signed as a true record of the meeting:
(Chair)

Date: