

Hexagon Housing Association Ltd

Minutes of the Board Meeting held on Tuesday, 24th November 2015 at 4:30pm at 130-136 Sydenham Road, Sydenham, London SE26 5JY.

Present: Roy Coulter (Chair), Debbie Bankole-Williams, Ruth Chambers, Kellie Elmes, Dermot Finn, Jeanette Kenyon, Martin Large, Ian Mansell, Tom McCormack, Ian Watts, and Rosalind Watson.

In attendance: Jon Cross, Jacqui Fergus (Residents' Forum representative), Kerry Heath, Chris Melville, Phil Newsam, and Val Sharpe.

Apologies: None

		Action
15/108	<i>Declarations of Interest</i>	
15/108	There were no declarations of interest.	
15/109	<i>Minutes of the meeting held on 29th September 2015</i>	
15/109/1	The minutes were <u>agreed</u> .	
15/110	<i>Chief Executive's report</i>	
15/110/1	Tom McCormack presented his report which provided an update across the following range of issues: <ul style="list-style-type: none">- NHF Vote Results on Right to Buy;- ONS re-classification;- Housing & Planning Bill;- Pensions consultation;- Southwark & London Diocesan Housing Association;- Board Away-Day Action Plan;- Development Innovation Working Group;- NHF Board Members Conference; and- NHF Report to Board Members.	

- 15/110/2 The Board **agreed** the recommendation to rule out a dismissal and re-engagement implementation option should the Board agree in January 2016 to close the Final Salary Pension Scheme to existing members.
- 15/110/3 Board Away-Day Action Plan – Members **agreed** Rosalind Watson’s suggestion that she will issue a questionnaire to members inviting ideas on tenant board recruitment prior to her report on the election/selection process. Dermot Finn said he would like to be involved in the review of the recruitment process. This was agreed.
- It was therefore **agreed** that Item 14 of the Action Plan (Review arrangements for tenant elections to Board) will be revised to reflect the above.
- 15/110/4 Members **agreed** the Terms of Reference for the Development Innovation Working Group and agreed the Group’s composition will be: Jeanette Kenyon, Martin Large, Rosalind Watson, Dermot Finn and Kerry Heath.
- 15/110/5 NHF Board Members Conference – it was **agreed** that the conference will be attended by Jeanette and Dermot and Rosalind, who will both attend for one day each.
- 15/111 *Strategic matters arising from the annual review of Finance***
- 15/111/1 Debbie Bankole-Williams presented the report.
- 15/111/2 Members **noted** the continued intention to report covenants to lenders on the basis of current UK accounting practice, deferring any re-negotiation to an FRS102 basis for at least three years.
- 15/112 *Strategic matters arising from the annual review of Stock Improvement***
- 15/112/1 The report was presented by Ian Watts.

15/112/2 Members **agreed** Martin Large's suggestion to check that any changes to existing cyclical decorations cycles do not breach lease provisions, either now or in the future.

15/112/3 The Board **agreed** to change the target of 2017 to achieve a minimum SAP65 to April 2020.

15/112/4 Debbie said she would like to see the information presented in a "simpler format".

15/113 *Strategic issues arising from the review of Responsive Repairs*

15/113/1 Ian Watts presented the report and after some discussion, Members **approved**:

- The actions outlined and the timetables for an interim report on contractor performance from the Lead Board Member at the end of January 2016 to review detailed progress re: contractor performance; and
- The actions outlined and the timetables for a report on budgetary control, taking into account the impact of the interim contractors due to cease at the end of January 2016, highlighting the lessons learnt and improvements made.

15/113/2 Debbie said she would have preferred to have more "visibility" in the report in relation to the spend with the contractors KNK and P&R, being expressed in numbers rather than narrative. It was agreed that she will discuss this with Jon Cross outside the meeting.

JC/DBW

15/114 *Approval of main Responsive Repairs Contractors*

15/114/1 Ian Watts presented the report which outlined the process undertaken to secure three new Responsive Repairs contractors.

15/114/2 After discussion, the Board **approved** the recommendation to appoint KNK for Lot 1, R&R for Lot 2 and Laker BMS for Lot 3 and to enter into a contract

with them to provide our responsive repairs and maintenance services between February 2016 and February 2021, with an option to continue until February 2023.

15/115 *Management Accounts – Quarter 2*

15/115/1 Referring to the action plan developed following a detailed review of the entire repairs ordering process, Debbie suggested that the action is shared with all board members and not just Ian Watts as Lead Board Member for Repairs. This was **agreed**.

JC

15/115/2 Members **noted** the report which was presented by Phil Newsam.

15/116 *Performance Indicators – Quarter 2*

15/116/1 Rosalind Watson presented the performance information for Q2. A revised version of the Fire Risk Assessments Review Action information was tabled. This showed that the number of FRA review actions outstanding was 3 as opposed to the 34 stated in the previous table.

15/116/2 Members **noted** the report and **approved** the actions shown in the commentaries to improve performance where required to meet targets.

15/117 *Treasury Management Report – Quarter 2*

15/117/1 Debbie presented the report which summarised the Association's treasury management activities over the last quarter.

15/117/2 Phil said we are hoping to finalise the EIB loan documentation in early January via an Urgency Sub-Committee meeting. She confirmed that the delay in signing the loan agreement will not affect the planned start on site dates for 15/18 programme schemes, as the final application form has been accepted in November.

15/117/3 The Board **approved** the proposal to repay £8.25m of the HBoS loan, in exchange for the gearing covenant being increased to 70%.

15/117/4	Members also <u>noted</u> the main terms of the EIB loan and the proposal for the Urgency Sub-Committee to agree detailed terms using the delegation already agreed at the May 2015 meeting.	
15/118	<i>Horniman's Business Plan</i>	
15/118/1	The Board <u>approved</u> Horniman Housing Association's financial Business Plan on the basis that it demonstrated that Horniman maintained viability over the 30-year period. The plan has been stress tested and a mitigation plan has been put in place.	
15/119	<i>Land Investment Proposal</i>	
15/119/1	Jeanette Kenyon introduced the report which recommended that a more strategic approach to buying sites be adopted in light of the challenges faced with securing sites for the 2015/18 development programme, and in the context of the impending Right to Buy programme, which will have a time limit on producing replacement homes.	
15/119/2	Martin Large said an addition to the list of risks should be the risk of not obtaining planning permission. It was agreed this be added to the list.	KH
15/119/3	After further discussion, the Board <u>approved</u> the approach to acquiring land as set out in the report and the land investment policy, setting an initial limit of £5m, rising to £8.5m once the EIB loan is available.	
15/120	<i>2016/17 Budget Assumptions</i>	
15/120/1	Members <u>approved</u> the budget assumptions and guidelines as set out in the report presented by Debbie Bankole-Williams.	
15/121	<i>Stress test mitigation plan</i>	
15/121/1	Phil Newsam agreed to check with L&Q's Finance Director or Treasury Manager the next time she met either of them, as to whether it is feasible to include a point regarding asking a cash-rich housing association to provide a loan as part of the mitigation plan.	PN

15/121/2 The Board **approved** the mitigation plan as set out in the report and noted the triggers for considering whether the plan needs to be activated.

15/122 *Review of the Residents' Forum*

15/122/1 It was **agreed** to add the following to the recommendations:

'The Board encouraged the Forum to work collaboratively and collectively with officers'

15/122/2 The Board asked the Residents' Forum to focus on responding to the consultant's recommendations and **agreed** that the Forum will bring a report to the March 2016 Board meeting.

15/123 *Corporate Risks*

15/123/1 The Board **noted** the report, which had been discussed at the recent Audit & Risk Committee meeting.

15/124 *Sector Wide Risk report*

15/124/1 The Board **noted** the report, which had been discussed at the 3rd November Audit & Risk Committee meeting.

15/125 *Minutes of the Audit & Risk Committee meeting held 7th July 2015*

15/125/1 Members **noted** the minutes which, Ian Watts said, were approved with one minor change by the ARC at their 3rd November meeting.

15/126 *Minutes of the Performance Review Group meeting held 23rd July 2015*

15/126/1 The Board **noted** the minutes of the PRG meeting held on 23rd July.

15/127 *Use of the Company Seal*

15/127/1 The Board **noted** the use of the company seal since the last meeting.

15/128 *Starters and Leavers*

15/128/1 The Board **noted** the report.

15/129 *Feedback from Board Members*

15/129/1 Ian Watts reported that he will be attending the NHF Audit Conference on 1st December.

15/129/2 Debbie Bankole-Williams reported that she had attended the NHF Finance Conference on 12th November.

15/129/3 Rosalind Watson reported that she had attended the recent HOMES event.

15/130 There being no other business, the Chair declared the meeting closed.

Minutes of the Board Meeting held on Tuesday, 24th November 2015.

Signed (Chair)

Date