

Hexagon Housing Association Ltd

Minutes of the Board Meeting held on Tuesday, 26th May 2015 at 4:30pm at 130-136 Sydenham Road, Sydenham, London SE26 5JY.

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

In attendance: Chris Melville (+ minutes); Jon Cross; Kerry Heath; Hosina Zuberi and Patience Ohabuiro (Resident Forum observers).

Apologies: Phil Newsam and Val Sharpe

15/44	The Chair welcomed everyone to the meeting and introductions were made.	
15/45	<i>Declarations of interest</i>	
15/45/1	None.	
15/46	<i>Minutes of 31 March Board meeting</i>	
15/26/1	The following corrections were made: 15/32/4 3 rd paragraph to read 31 March 2016 not 2015 15/33/1 4 th paragraph The word “panel” to be inserted after “members.” The minutes were then agreed as were the confidential minutes.	
15/47	<i>Matters arising</i>	
15/47/1	Dermot said that the arrangements for Board members attending the Residents Forum were not clear. The arrangements will be clarified.	BH

15/48	Chief Executive's report	
15/48/1	Tom introduced his report and said that he would be providing in future a more detailed briefing on the issues affecting us arising from the election result.	
15/48/2	<p>The Chair set out the arrangements for the Away Day in September and asked members to propose items for the agenda. He proposed to use Campbell Tickell and one of their associates. There would be a facilitated self-assessment of the Board.</p> <p>Other suggestions made were:</p> <ul style="list-style-type: none"> • Issues arising from the new government's policies especially the impact of the RTB and the benefit changes • A report back from the resident Board members' group on the issue of recruitment of residents to the Board. • Lead Board members effectiveness • Development in London • Who are Board members accountable to? • Efforts should be made to ensure <u>all</u> Board members contribute to the discussions 	
15/48/3	The Board agreed the Board dates for 2016 as set out in section 9 of the report and noted the remainder of the report.	
15/49	Strategic matters arising from annual review of Care and Support	
	Ian Mansell introduced the report.	
15/49/1	Concern was expressed about the arrangements for the rehousing of the residents of Kirkwood Road. Chris explained that the residents who were on non-secure tenancies should be moving on anyway and would be rehoused mostly by Southwark, and probably some by us if they did not have enough of a local connection.	

15/49/2	Ruth felt that the results of the evaluation of the peer mentor service should be reported back to the Board next year.	CM
15/49/3	Ian Watts supported the idea of a management review and said we needed to keep an eye on succession planning. In relation to the peer mentor project, we need to ensure that the mentors are well supported to fulfill the role properly. He suggested that with the change in client group at Kirkwood Road, the fire regulations should be reviewed as the new residents may be deemed to be potentially more vulnerable. The Chair asked for a report back to the Board on this issue.	CM
15/49/4	The Board: <ul style="list-style-type: none"> • endorsed the plans for the closure of the Townley Road service and the opening of a new service at Kirkwood Road. • endorsed the plan to review the management structure in Care and Support • endorsed the plan to start to test the feasibility of the Athena project in 2015/16 • continued to endorse the priority being given to reducing the void levels in Supported Housing. 	
15/50	<i>Business Plan update</i>	
15/50/1	Debbie introduced this item. She stressed that under the business plan, none of the covenants are breached within the plan period, but that the regulator now requires us to stress test the plan “to destruction.” In describing this scenario and the response to it, Debbie felt it was important to explicitly state that we would cancel “uncommitted development” first. Section 6.5 set out the possible responses in the event of the business plan no longer being viable because of a series of massively adverse external events: The Chair suggested that the Board set up a task group to	

	prioritise the responses. He would like the group to meet in July if the estimates of the impact of each measure could be made available by then. Ruth suggested looking also at the non-quantifiable effects of taking these actions.	PN
15/50/2	Volunteers were sought for this task group – Roy, Debbie, Martin, Kellie, Gaius and Ian M.	All to note
15/50/3	The Board agreed the assumptions and forecasts in to the plan. The Board noted the results of the stress testing and agreed to establish the task group described above to examine a mitigation plan in more detail before reporting back to the full Board.	
15/51	<i>Treasury management report</i>	
15/51/1	Debbie introduced the report, highlighting the risk of ending up with potentially too much money if no outright sales schemes were identified. Tom said that we now have security in place to reduce the risk of Barclays cash calls on the swap.	
15/51/2	The report was noted	
15/52	<i>New loans from AHF</i>	
15/52/1	Debbie introduced this item. The report sought approval for a loan of £34m which is more than the Board has previously approved. This sum will free up monies to pay off the HBOS loan which has a 60% gearing covenant. Gaius asked whether the possible future withdrawal of the UK from the EU would have any impact. This will be investigated and a response given.	PN
15/52/2	The Board agreed the following: <ul style="list-style-type: none"> • in principle, two new loans from AHF for a total of £34m • In principle the repayment of the HBOS loan in full once both loans have been secured 	

	<ul style="list-style-type: none"> That the approval of the detail of both loans be delegated to an Urgency Committee, recording that approval in the format of a slightly revised version of Appendix B, that was tabled at the meeting. 	Urgency sub-com
15/53	Q4 Management accounts	
15/53/1	Seme presented. She explained the reasons for the main changes from the forecasts at Q3 especially in relation to the rent adjustment.	
15/53/2	Ian Watts queried whether we were now confident that we were accruing properly for service costs which should be met within the financial year. Officers responded that the accrual issues have been sorted out but we would not be able to fully recover the extra expenditure incurred as some costs are non-recoverable from tenants.	
15/53/3	Ian Mansell said he was concerned that we had set a relatively low budget for 15/16. Dermot said that he was concerned that we were only using three contractors now for repairs rather than the larger number of small companies we had used when RRR failed. Jon responded that using 15+ was an emergency measure following Richardsons but that managing this volume of contractors in the longer term would be unmanageable.	
15/53/4	Debbie thanked the officers for producing the balance sheet at her request and for the explanations in the appendices.	
15/53/5	The accounts were noted .	
15/54	Request for additional Hexagon subsidy to support the development programme	
15/54/1	Jeanette introduced the item.	
15/54/2	The questions and comments covered the following issues with the officer responses in brackets: <ul style="list-style-type: none"> the risk of over-bidding (partly covered by obtaining two independent site valuations) 	

	<ul style="list-style-type: none"> the risk of a future drop in prices leading to an impairment situation (more of a risk for shared ownership but we would only progress if we could “cover the downside” following scenario testing) was staircasing assumed in the appraisal for shared-ownership? (to a very modest extent vs. the assumption in the business plan) do we bid against other housing associations? (We are all in competition so this happens sometimes). 	
15/54/3	Martin said that the references to subsidy in the different papers are confusing. Could a briefing note be circulated to explain subsidy and cross-subsidy further? This was agreed .	KH
15/54/4	Kerry reported that the latest information is that we believe we have secured 148 homes in the 15/18 programme.	
15/54/5	On a vote of 11 to 1, the Board approved the additional subsidy of £1,017,916 to deliver the 15/18 programme.	
15/55	Q4, 2014/15 Performance Indicators	
15/55/1	Rosalind introduced this item.	
15/55/2	<p>Board members commented that there really needed to be a marked improvement in the turnaround time for voids</p> <p>The Chair encouraged members to clarify with officers in advance of the meeting any factual questions they have on the PIs.</p>	<p>CM/JC</p> <p>All Board members</p>
15/55/3	<p>The Board:</p> <ul style="list-style-type: none"> Noted the Q4 performance overall and approved the actions being taken as shown in the commentaries in the tables to improve performance where necessary 	

	<ul style="list-style-type: none"> • Approved the addition to the indicator for Fire Risk Assessments reviews to include progress on implementing the actions identified in the reviews • Approved a new target for Supported Housing arrears of 4.8% and a new target for sickness absence of 2.5%. 	
15/56	Corporate plan update on progress	
15/56/1	Tom introduced this report.	
15/56/2	Rosalind asked about the plan for obtaining resident repairs satisfaction survey data and Jon said the plan was to use Customer Services to do the surveys once the interim contractors send completion data back to us immediately after the repair is done. He is raising this with the contractors this week.	
15/56/3	The progress report was <u>noted</u> .	
15/57	NHF code of governance 2015	
15/57/1	Tom introduced this item.	
15/57/2	Kellie asked if the code is open to interpretation. After some discussion, it was agreed that when the panel of Board members reports back, they could offer an opinion where relevant.	Board member panel
15/57/3	The Board approved the action points and timescales in the progress report.	
15/58	Resident Involvement impact assessment	
15/58/1	Chris introduced this report, written by the Resident Involvement Manager.	
15/58/2	Members commented as follows with officer responses in brackets: <ul style="list-style-type: none"> • Although much of the work is excellent, residents are not influencing strategy (This is one of the drivers for the review of the Residents 	

	<p>Forum)</p> <ul style="list-style-type: none"> • There should have been a section on surveys (Agreed and will be included next year) • To look again at the material we publish on how to get involved. (Agreed this will be reviewed.) • Was Residents' Day regarded as VFM? Yes, as per the report. This will be made more explicit in future • How do we know whether residents are reading the information we put out? We could use tools to analyse how residents access the website although this would require some training. (We do need to get more feedback. We may be able to get some using our new communications supplier.) • Gaius said he felt that "empowerment" had dropped out of the language of Resident Involvement. <p>In relation to the last point, the Chair invited Gaius and other TBMs to produce a list of key issues for the away-day with practical suggestions on how things could improve.</p>	<p>CM</p> <p>CM</p> <p>CM</p> <p>CM</p> <p>Tenant Board Members</p>
15/58/3	The Board approved the impact assessment	
15/59	<i>Customer Contact Strategy</i>	
15/59/1	Chris introduced this item	
15/59/2	<p>Members made the following points:</p> <ul style="list-style-type: none"> • In relation to service standards, the response should be the same whether responding by letter or email. 5 days seems reasonable. • The management of emails presents a lot of technical issues that will need to be considered further. • An approach to social media will need further consideration • Could we investigate doing repair surveys electronically in the future 	JC
15/59/3	The Board approved the strategy and noted the action plan.	

15/60	Changes to corporate risks	
15/60/1	Tom introduced this item	
15/60/2	The Board noted the risks identified and the management strategies to address them.	
15/61	Notes of Board discussion on whether Hexagon should continue to build new homes	
15/61/1	Kerry was asked to circulate the clarifications she had sent to Rosalind to all Board members.	KH
15/61/2	Gaius said he was sorry to have missed the discussion but would circulate the points he would have made if he had attended, for information.	GV
15/62	Minutes of PRG meeting of 14 May	
15/62/1	Chris said that the PRG meeting had been held close to the dispatch date for the Board reports so there had been no time to formulate a management response to the recommendation about reviewing the complaints policy but this would be done for the next meeting.	CM
15/62/2	The minutes were noted .	
15/63	Use of company seal	
15/63/1	The Board noted the report.	
15/64	Report on complaint 5457	
15/64/1	Jeanette introduced this item	
15/64/2	There was some discussion about whether a more commercial approach should be taken with shared owners.	
15/64/3	The Board endorsed the management actions in section 3 of the cover report.	

15/65	Any Other Business	
15/65/1	There was a query about the absence of the usual starters and leavers' report. Tom said this would be rectified at the next meeting.	TMc
15/65/2	Minutes of the Board Meeting held on Tuesday, 26 th May 2015. Signed(Chair) Date	