

Hexagon Housing Association Ltd

Minutes of the Board Meeting held on Tuesday, 28th July 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, Gaius Vincent, and Rosalind Watson.

In attendance: Jon Cross, Pamela Daley (Residents' Forum observer), Kerry Heath, Barbara Jacobs (Residents' Forum observer), Chris Melville, Phil Newsam, and Val Sharpe.

Apologies: Ian Watts

		Action
15/66	The Chair welcomed everyone to the meeting and introductions were made all around.	
15/67	<i>Declarations of Interest</i>	
15/67/1	Ruth Chambers declared that she was now employed on an interim basis by the National Housing Federation.	
15/67/2	Gaius Vincent declared that he had a commercial relationship with two companies, A T Bone & Sons Ltd and Frontier Developments Ltd and that as part of a deal arising from a land sale, he hoped to persuade them both to employ some apprentices, possibly in partnership with the Hexagon Academy.	
15/68	<i>Minutes of the meeting held on 26th May 2015</i>	
15/68/1	Minute 15/50/1 – Business Plan Update – the second paragraph of the minute was amended to read: In describing this scenario and the response to it, Debbie felt it was important to explicitly state that we would consider <i>cancelling</i> “uncommitted development” first.	
15/68/2	This change made, the Minutes were <u>agreed</u> .	

15/69

Matters arising from the minutes

- 15/69/1 **15/59/2 – Customer Contact Strategy** – Jon Cross confirmed that the ability for contractors to carry out repair surveys electronically in the future forms part of the requirements in the new contract.
- 15/69/2 **15/47/1 – Matters arising** – the arrangements for Board Member attendance at Residents’ Forum meetings have been clarified.
- 15/69/3 **15/54/3 – Request for additional Hexagon subsidy to support the Development programme** – Kerry Heath confirmed that the briefing note explaining ‘subsidy’ and ‘cross-subsidy’ has been circulated to Martin Large as requested.
- 15/69/4 **15/61/1 – Notes of the Board discussion on whether Hexagon should continue to build new homes** – Kerry also confirmed that the clarifications she had sent to Rosalind have also been sent to all members.
- 15/69/5 **15/61/2 – Notes of the Board discussion on whether Hexagon should continue to build new homes** - GV
Gaius apologised for not yet circulating the points he would have made if he had attended the April meeting, but said he still intends to do so.
- 15/69/6 **15/65/1 – Starters & Leavers** – Tom McCormack confirmed that the Starters & Leavers report provided for this meeting incorporates the report that should have been presented at the last meeting.

15/70

Chief Executive’s report

- 15/70/1 Tom McCormack presented his report which reported on the following areas:
- Update on ‘Right to Buy’
 - Update on Welfare Reforms
 - Investors in People Gold Award
 - Inaugural Pensions Meeting
 - Board Away-Day reminder
 - Invitation to Residents’ Day
 - NHF Quarterly update

15/70/2 Jeanette Kenyon agreed to attend this year's Residents' Day.

15/70/3 Members **noted** the report.

15/71 *Strategic matters arising from the annual review of Housing Services*

15/71/1 The Board **approved**:

- The preparations being made to administer the Right to Buy;
- The work being done to improve service charges and costs;
- The continuing work to improve the relet time for voids;
- The work to improve the quality of our estate services.

15/71/2 Members also **endorsed** the work done by officers so far in planning for welfare reform and cuts.

15/72 *Internal Controls Assurance*

15/72/1 Tom presented the report and confirmed that the report had been approved by the Audit & Risk Committee at their 7th July meeting.

15/72/2 The Board **approved** the statement contained in Appendix A to the report for inclusion in the Financial Statements for 2014/15.

15/73 *Financial Statements 2014/15 & Audit Management Letter*

15/73/1 Phil Newsam explained that Note 32 (Post Balance Sheet events) has been added to the Financial Statements after the Audit & Risk Committee meeting of 7th July and reflects the proposals contained in the Chancellor's Summer Budget Announcement which was made on 8th July.

15/73/2 Debbie drew Members' attention to Section 2.7 which set out the adjustments made to reach the audited surplus.

15/73/3 After some discussion, Members **approved** the 2014/15 accounts and representation letter for signature and **noted** the Audit Management Letter and the BDO Audit Executive report.

15/74 Q1 Treasury Management report

15/74/1 Debbie Bankole-Williams presented the report. She drew particular attention to paragraph 5.1 which stated that cash balances are still much higher than the treasury target range of £0.5m to £1m. The reasons were set out in the report.

15/74/2 Members **noted** the report and **agreed** that, as an exception to the current Treasury Policy, no further swap trades be undertaken this quarter.

15/75 Treasury Management Strategy

15/75/1 Debbie presented the paper and reported that a revised Business Plan will come back to the Board in due course following the Summer Budget Announcement.

15/75/2 Tom drew the Boards attention to the requirement of the AHF bond loan that Hexagon build around 90 affordable homes as part of the current development programme. He said that, once this requirement had been met, Directors would not approve any further development schemes needing subsidy, until the Board had reconsidered Hexagon's plans in the light of the Summer Budget at the September Board meeting.

15/75/3 The Board:

- **Approved** the 2015/16 Treasury Management Strategy;
- **Agreed** that no further interest rate fixes are sought (other than the new AHF bond loan) until the interim financial business plan has been revised in light of the Summer Budget Announcement;
- **Noted** the interim financial business plan.

15/76**Q1 Management Accounts**

15/76/1

Phil Newsam presented the Management Accounts for the three month period to the end of March. After discussion, Members **noted** the report, including Appendix 1 which explained the £303k overspend in the Responsive Repairs budget.

15/77**Q1 Performance Indicators**

15/77/1

The Performance Indicators for Quarter 1 were presented by Rosalind Watson. Rosalind reported that, although the indicators are down compared to last year, there has been improvement in the quarter.

15/77/2

The Chair asked Pamela and Barbara whether they had noticed an improvement to the repairs service. Pamela said she thought that overall the repairs service is getting better and the interim contractors are doing a relatively good job. She has also spent some time reviewing the repairs reporting system and has seen areas for improvement which she has discussed with Jon Cross.

15/77/3

Gaius asked whether the suite of PIs was ever reviewed as previously agreed. It was agreed that he will discuss this with Chris Melville outside the meeting.

GV/CM

15/77/4

The Board **noted** the Q1 performance, including the new measure for 'capital at risk' and **approved** the actions shown in the commentaries to improve performance where required to meet targets.

15/78**HCA 'Regulating the Standards'**

15/78/1

Tom presented his report. He said the HCA have indicated that they will seek to engage with board members as part of their recently introduced 'In-Depth Assessments'.

15/78/2

Debbie said Members need to note that there are deadlines for the submission of key returns for which the Board will be held accountable. Therefore the Board needs to have its own assurances that these deadlines will be met. She said the HCA will check

	what assurances are received by the Board to ensure that Hexagon is compliant.	
15/78/3	Debbie suggested that officers provide a report to the Board which lists the deadlines of the various reports, together with details of when the reports are returned/submitted. She said an alternative to this would be for assurance to be provided via inclusion in the annual Internal Controls Assurance statement.	
15/78/4	After discussion, Members agreed that assurance is provided via the Internal Controls Assurance report, <u>subject to</u> assurance that Hexagon has complied in the past and the provision of a statement that confirms all returns were done on time.	PN
15/78/5	It was also agreed that immediately there is a breach, the Chair of the Board and the Chair of the Audit & Risk Committee are informed.	TMc
15/79	<i>Changes to Corporate Risks</i>	
15/79/1	Phil Newsam presented the report which detailed the most serious gross and net risks recorded on the revised Corporate Risk Map. She said the report was also presented to the 7 th July Audit & Risk Committee meeting.	
15/79/2	Members noted the report.	
15/80	<i>Summer Budget Announcement</i>	
15/80/1	Tom presented his report which outlined the elements of the summer budget announcements of 8 th July as they related to Hexagon. He said Members will have an opportunity to discuss further at the upcoming away-day and when a follow up report is presented to the September meeting.	
15/80/2	Members noted the report and agreed that more detailed analysis takes place followed by a further report to the September meeting.	

- 15/81** **2015/16 Funding Conditions Approval**
- 15/81/1 Kerry Heath presented the report and confirmed that there were no clauses which impacted on the Association's ability to comply with the conditions in delivering the Mayor's Housing Covenant Building the Pipeline programme or the Mayor's Housing Covenant 2015/18 programme.
- 15/81/2 The Board **approved** the GLA Funding Conditions for 2015/16.
- 15/82** **Draft Minutes of the Performance Review Group meeting held 14th May 2015**
- 15/82/1 The Board **noted** the draft minutes of the PRG meeting held 14th May and noted that these had already been provided to the May Board meeting.
- 15/83** **Minutes of the Audit & Risk Committee meeting held 12th May 2015**
- 15/83/1 Members **noted** the minutes of the 12th May Audit & Risk Committee meeting which, Debbie said, were agreed by the Committee at its 7th July meeting.
- 15/84** **Minutes of the AHF Loan Approval urgency Sub-Committee meeting**
- 15/84/1 The Board **noted** the minutes from the Urgency Sub-Committee meeting convened to approve the proposed borrowing from AHF (Affordable Housing Finance Plc).
- 15/85** **Use of the Company Seal**
- 15/85/1 Members **noted** the use of the company seal since the last meeting.
- 15/86** **Starters and Leavers**
- 15/86/1 The Board **noted** the report.

15/87 *Any Other Business*

15/87/1 Barbara Jacobs and Pamela Daley thanked the Board for the invitation to observe a board meeting. The Chair said the Board is keen to improve communication between the Residents' Forum and the Board.

15/87/2 Phil Newsam, Kerry Heath, Jon Cross, Pamela Daley and Barbara Jacobs left the meeting at this point.

15/87/3 **Confidential minute**

15/87/8 **Confidential minute**

15/87/15 **Confidential minute**

15/87/17 **Confidential minute**

15/87/20 There being no other business, the Chair declared the meeting closed at 6:58pm.

Minutes of the Board Meeting held on Tuesday, 28th July 2015.

Signed (Chair)

Date