



Board

16 December 2008

(5.00 – 7.30 pm)

Present: S Murphy (Chair), G Allison, W Bowman, J Cuthbertson, W Drury, R Harral, R Higgins, G Keating, G Knox, J McLaughlin, A Mirza, P J Morrissey, M O'Callaghan J J Reid, R Renton, L Stephenson.

In Attendance:

J P Lee	- Chief Executive
R Atkinson	- Director of Finance & Resources & Company Secretary
S Breslin	- Assistant Chief Executive and Director of Business
N Scott	- Director of Tenancy Services
A Hodgson	- Head of Housing Management
M Burn	- Head of Support and Care
A Benbow	- Regeneration & Property Projects Manager
R Smith	- H R Manager
A Lister	- Financial Manager (Revenue)
A Crute	- Financial Manager (Income)
S Doyle	- Diversity Manager
P Hickey	- Central Services Manager
B Neill	- Your Homes Newcastle
K McDonald	- Your Homes Newcastle
K Timms	- Your Homes Newcastle
D Gall	- Your Homes Newcastle
M Dickson	- Company Administrator and Board Support Officer
S O'Donnell	

R Lumley and J Glover, P Ho, C McDonnell, C Nicholson, A Walker, M Watson, M Winship, C Cunningham and C Wood, St Mary's School

Observers:

J Hussain	- Newcastle City Council
N Rippon	- Newcastle City Council
A Rainey	- Newcastle City Council
E Burns	- Resident
R Winder	- Newcastle Tenants Federation

42 WELCOME

The Chair welcomed Board Members and visitors to the meeting and explained that the order of business had been amended and a revised Agenda tabled.

43 APLOGIES

Apologies for absence were received from J Common, N Shukla and D Slesenger.

44 WORKLESS AND SOCIAL HOUSING – Presentation by Shadow Youth Board

The Chair welcomed R Lumley and pupils from St Mary's School. In Your Homes Newcastle's work with schools, the former Chair had proposed the setting up of a Shadow Youth Board to research particular topics and to present their findings to Board.

This was the first presentation by the Shadow Youth Board and pupils from St Mary's School gave a presentation about Worklessness and Social Housing and the possible responses by Your Homes Newcastle.

The Chair asked each member of the Shadow Youth Board to introduce themselves and the presentation started with an overview of the Hills Report and the links between social housing and worklessness. The second part of the presentation focused on responses to the Hills Report and other intervention issues. In the third part of the presentation, the Shadow Youth Board concentrated on localised issues, reporting figures for unemployment by individual Wards within the City. The presentation concluded with suggestions for ways in which Your Homes Newcastle could respond to worklessness and some examples were provided from initiatives that were helping to get unemployed people into work.

Questions/comments

- In response to a comment by a Board Member, the Shadow Youth Board considered that the SAVE scheme run by the Joseph Rowntree Housing Trust was effective.
- A Board Member thanked the Shadow Youth Board for their presentation which had provided some very useful ideas and asked whether any work had been done around skills gap and whether Your Homes Newcastle could equip people with skills.
- A member of the Shadow Youth Board commented on the work of Connexions and possible links that could be developed.

- J P Lee thanked the Shadow Youth Board. Your Homes Newcastle had produced a draft Worklessness Strategy and the information from the presentation would be passed to officers who were developing the Strategy.

The Chair congratulated the Shadow Youth Board on their presentation and commented that he and the Chief Executive would continue to work with the Shadow Youth Board in the coming year.

45 MINUTES

The Minutes of the meeting held on 25 November 2008 were approved as a correct record and signed by the Chair.

Matters Arising

(a) Engagement through Diversionary and Leisure Activities (Minute No 31(a) refers)

J P Lee reported that 240 tenants had attended the Pantomime dress rehearsal at the Theatre Royal. People who had attended had expressed a desire to attend other shows at the theatre and in response to a comment from a Board Member, J P Lee confirmed that community workshops in locations across the city had been set up in partnership with the Theatre Royal.

46 REVIEW OF STRATEGIC RISK REGISTER

S O'Donnell explained that in this session Board would be reviewing the major risks (red) that were most likely to occur and/ or which would have the most impact on Your Homes Newcastle. For the benefit of new Board Members, she briefly explained how the review would be conducted and how the grading and impact of each risk would be assessed.

Taking each risk in turn it was noted that:

Decline in Housing Stock (Numbers)

Update on ongoing actions

- Your Homes Newcastle now an approved managing agent by HCA.
- Recommendation to create a Charitable Subsidy to be considered by NCC Executive on 17 December 2008.
- Private sector leasing for homeless being explored.
- New build bungalows – on site.
- Discussions and purchasing stock ongoing.

- Your Homes Newcastle on track to submit an application to National Affordable Housing Programme in April/May 2009.

Questions/comments

- J P Lee confirmed that Right to Buy applications had decreased in the current year with fewer than one per week. The situation would be regularly reviewed because as the housing market changed there would be a time when Right to Buy applications might increase.
- A Board Member asked whether partnerships with building developers was a potential risk that should be looked at.

J P Lee responded that because new build within Newcastle was not as widespread as in other parts of the region, there was limited opportunity for such partnerships. The Board Member raised a further point about the new build bungalows which were being developed in partnership with a private developer. J P Lee acknowledged that in future developments the ratio of homes for sale/rent would be carefully considered. If developers were unable to sell, there could be opportunities for those properties to be rented for a short period of time.

In response to whether this was a long term risk, J P Lee confirmed that taking into account the processes for the procurement of development partners; application for NAHP grant; and the necessary planning permission, it would be 2010 at the earliest before new homes could be built.

Failure to ensure adequate IT business continuity plans and testing of these

Update on ongoing actions

- R Atkinson reported that an external review of Your Homes Newcastle's IT infrastructure had concluded that Newcastle City Council should continue to provide the infrastructure as this provided adequate business continuity and value for money. He also confirmed that disaster recovery plans were in place, although these had not been tested by Newcastle City Council because of the cost of such an exercise. It was noted that the IT Strategy would be reported to Board in January 2009.

Questions/comments

- A Board Member asked whether in the likelihood of a disaster, whether staff knew where to report, etc. J P Lee acknowledged that this should be considered as a new strategic risk. He explained that there had recently been a failure with the water supply to YHN House and this had highlighted the need for a continuity plan.

Financial Impact from Single Status/Equal Pay Claims

Update on ongoing actions

- R Atkinson reported that Your Homes Newcastle was dependent upon decisions by Newcastle City Council and until then it was not known what the impact would be on Your Homes Newcastle, although some provision had been in the Medium Term Plan. When the final outcome of the exercise was known, there would be a report to Board.

Failure to ensure adequate contractor management processes

Update on ongoing actions

- S Breslin reported that the Modern Homes Programme contractors were benchmarked on a quarterly basis as well as an annual benchmarking exercise that looked at cost/quality to inform the work package allocations for the following year. In addition, bi monthly meetings took place with contractors. Internal Audit was reviewing the contractor allocations process and had indicated that the management of the Modern Homes Programme was thorough, although the final report was awaited.
- It was suggested that the risk priority could be changed to Amber; however a Board Member suggested that it would be prudent to await the outcome of the Internal Audit review.

Failure to acquire and retain skilled employees

Update on ongoing actions

- J P Lee commented that this would always be a risk as Your Homes Newcastle staff would be attractive to other organisations. Staff were one of the organisation's valuable resources and the Great Place to Work workstream was looking at a range of benefits that would promote the wellbeing of staff as well as demonstrating the organisation's commitment to making Your Homes Newcastle a great place to work. There were some concerns about the impact of Single Status and until this was resolved, this remained a risk.
- The Chair commented that the potential impact of losing members of senior management was now greater in view of the development agenda and this issue was one that the Chair and Board needed to address.
- A Board Member asked whether the staff survey had been conducted; it was confirmed that this would be carried out in 2009.

Having considered the major risks, S O'Donnell asked for comments on any additional risks that should be included in the Register.

Questions/comments

- J P Lee suggested the following:
 - the risks associated with Board reports (whether sufficient information was provided to enable Board to make the right decision);
 - the need for a Business Continuity Plan (identified earlier in the meeting);
 - whether the organisation was well placed to deal with a major fire incidence;
 - District and Group Heating level of deficit;
 - impact of rent increases on tenants in low income employment.
- A Board Member commented that it was important for Board to consider the overall level of deficit and the impact on the HRA and the Management Fee.
- A Board Member suggested that there might be a risk around construction partners who might be involved in other aspects of work that did not have financial security and could impact on their work for Your Homes Newcastle. S Breslin confirmed that contractors went through a rigorous financial check but accepted that that could change. This was a potential risk that could be included in the Directorate Risk Log.
- A Board Member asked what was in place for second tier management. S Breslin explained that there was a range of opportunities available for aspiring managers, including leadership and management courses.
- A Board Member commented that the appointment of trainees could be looked.
- A Board Member referred to his recent visit to the Community Care Alarm Service and expressed thanks to Alyson Bell who had shown him around the Service. He commented that there were a number of commercial opportunities that Your Homes Newcastle could exploit.

In concluding the review session, S O'Donnell confirmed that the following new risks would be included in the Strategic Risk Register:

- Business Continuity Plan (Action: Management Team for submission to Board).
- Fire hazard
- District and Group Heating Deficit (Action: Board and Management Team)

The updated Strategic Risk Register would be submitted to Board for approval.

47 EXCLUSION OF PRESS AND PUBLIC

RESOLVED –That in accordance with the organisation’s Access to Information provisions, the press and public be excluded from the meeting during consideration of the revised Agenda Items 9 – 12).

At the conclusion of the consideration of these items, the exclusion of the press and public was lifted for the remainder of the meeting.

52 SUSENSION OF STANDING ORDERS

RESOLVED – That Standing Order 10 be suspended to allow the meeting to last longer than two hours.

53 COUNCIL HOUSE RENT INCREASE

Submitted: Report by Director of Finance and Resources (previously circulated, copy attached to Official Minutes).

R Atkinson presented the report asking Board to consider increases in council house rents and associated charges to take effect from 6 April 2009 in line with Government Guidelines and the Draft Housing Revenue Account (HRA) Subsidy Determination. He informed Board that the Final HRA Subsidy Determination would be known on 17 December and asked that in the event of any changes to the Final Determination these be reflected in the recommendations.

For the benefit of new Board Members, R Atkinson explained that the government assumed that Local Authorities and ALMOs would recommend rent increases in line with government’s recommendation. Any increase below government recommendations would result in a reduction in income to the HRA.

In addition, the Government’s Rent Restructuring Policy also had to be complied with. The aim of this Policy was to raise council house rents to similar rent levels Registered Social Landlords (RSLs) by 2012. This was referred to as convergence. The date for convergence had been moved back to allow ‘affordable’ rent increases to be applied annually and it was not clear when the final date for convergence would be.

R Atkinson explained that increases in rents and service charges were based nationally on the October Retail Price Index (RPI) of 5%. However, the RPI was now 3% and this was seen as an opportunity by government to speed up convergence

Council House Rent Increase

Questions/comments

- In response to a question about convergence, R Atkinson confirmed that it was government policy and had to be complied with.
- The Chair commented that Your Homes Newcastle would be making representations to government about the burden placed on tenants by the latest rent increase.

Service Charges

Questions/Comments

- Referring to the increase in service charges, a Board Member commented on the deficit on Concierge charges and asked whether the review of the service would result in reduced costs for tenants.

J P Lee commented that the review would identify those areas contributing to the deficit; and cautioned about moving to a neutral position too quickly. The organisation provided a range of services to a number of people at or below neutral cost because of income from other services. The organisation did not want to be in the position of encouraging people into work and then creating more poverty by increasing charges.

- A Board Member commented that in order for the Service to break even, it would be necessary to increase costs by over 10% over a 2-3 year period.
- A Board Member commented that in some areas of the City the Concierge Service had been imposed. The organisation should think carefully about increasing charges as this would create a burden on some tenants.
- It was noted that 67% of tenants were in receipt of benefit, which meant that the impact of increased charges would be faced by 33% of tenants, some of whom might be on low incomes.

Garage rents

R Atkinson explained that the report recommended that garage rents be increased at the same rate as council house rents; however in view of the number of empty garages, which had increased to 470 from the 264 in 2007, he proposed that no increase be applied as higher rents could result in more empty garages.

Medium Term Plan (MTP)

A revised Appendix 2 was tabled (copy attached to Official Minutes). R Atkinson reported that Finance Committee continued to monitor the budget on a monthly basis.

Questions/comments

- R Atkinson clarified that there would be no increase in the Disabled Persons Garage Allowance (DPGA).
- A Board Member commented that it was important to flag up the impact of increases on those tenants who were not in receipt of benefits.
- R Atkinson clarified that any income from future new build would be reflected in Your Homes Newcastle or the Charitable Subsidiary accounts. Any surplus attributable to Your Homes Newcastle could reflect in a reduced management fee.

RESOLVED - That Newcastle City Council Executive be recommended to agree the following:

- (i) an average increase in general Council house rents of £3.43 per week (6.31% increase) in line with Government Guidelines;
- (ii) an increase in the level of service charges including Concierge, Resident Concierge, Furniture, TV, Wardens, Communal Heating, Heating Infrastructure, Garden Care Service and Security Alarms of 5.5% per week in line with Government Guidelines;
- (iii) to increase charges for Supporting People funded services (Community Care Alarm Service and Wardens Care) in line with the recommendation of the Supporting People Commissioning Body (expected in January 2009);
- (iv) no increase in garage rents for the financial year 2009/2010 in view of the number of empty garages.

54 FIRE SAFETY

Submitted: Report by Chief Executive (previously circulated, copy attached to Official Minutes) proposing a programme of works to bring all Your Homes Newcastle buildings covered by the 'Regulatory Reform (Fire Safety) Order' up to current legislated standards.

J P Lee presented the report, advising Board that an initial three year programme should be put in place to ensure the replacement or upgrade of the facilities described in section 2.7 of the report.

For information of Board, J P Lee confirmed that currently Your Homes Newcastle complied with the Regulation Order and was not in breach of legislation.

Questions/comments

- A Board Member asked whether it would be possible to carry out the work over 18 months. J P Lee replied that this was a major task that could not be undertaken in a shorter period.
- A Board Member commented on the need to take all reasonable steps

to ensure the safety of all staff and tenants and supported the proposal.

RESOLVED – That

- (i) a three year programme to repair, replace and upgrade fire and smoke detection and alarm systems in sheltered accommodation be approved and the work be tendered for through the appropriate procurement route;
- (ii) a three year programme to upgrade and maintain fire doors including the installation of intumescent and cold seal strips, signage and closers be approved and the development of a Service Level Agreement with Newcastle City Council to undertake this work be approved;
- (iii) a three year programme to replace seven Wet Riser pump systems be approved and the work be tendered for through the appropriate procurement route.
- (iv) an ongoing inspection programme for Wet and Dry Risers be approved and the work be tendered for through the appropriate procurement route.

55

ITEMS FOR INFORMATION

RESOLVED – That the following items be received for information:

- (i) Delegated Decisions 14 November – 15 December 2008;
- (ii) Minutes of Governance Committee held on 7 October 2008.