



Board

24 March 2009

(5.00 – 6.50 pm)

Present: S Murphy (Chair), G Allison, W Bowman, J Common, J Cuthbertson, W Drury, R Higgins, G Knox, J McLaughlin, A Mirza, M O'Callaghan, J J Reid, R Renton, N Shukla, D Slesenger, 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
D Creighton	- Executive Assistant to Chief Executive
M Dickson	- Company Administrator and Board Support Officer
A Hodgson	- Head of Housing Management
I Gallagher	- Head of Property Maintenance
W Keilty	- Manager, Customer Service & Improvement
A Lister	- Finance Manager (Financial Business Support)
S Doyle	- Diversity Manager
J Raffo	- Principal Housing Manager
L Dixon	- Lead Officer, Tenant Involvement
L Henderson-Gray	- Central Administration

Observers:

J Hussain	- Newcastle City Council
G Mansbridge	- Newcastle City Council
N Stephenson	- Newcastle Tenants Federation

90 APOLOGIES

Apologies for absence were received from R Harral, G Keating and P J Morrissey.

91 ITEMS NOT ON AGENDA

In response to a question about the review of the concierge service, N Scott confirmed that an interim report had been considered by Board at the February meeting. The three options agreed by Board were now being consulted upon. N Scott confirmed that Newcastle City Council elected members would be consulted and that the next report would be submitted to Board in July.

92 MINUTES

The Minutes of the meeting held on 24 February 2009 were approved as a correct record and signed by the Chair.

Matters Arising

(a) YHN Charitable Subsidiary (Minute No 84 (a) refers)

The Chair informed Board that four Trustees were to be appointed: D W Midgley, C Tweedie, J Emmerson and T Weightman. Confirmation of the City Council's nominees was awaited. Registration with Companies House and the Charity Commission would then proceed.

(b) Your Choice Homes Update – Local Lettings Plan (Minute No 85 refers)

Board was informed that the two new bungalows at Throckley had been let.

(c) Performance Monitoring Report Quarter 3 (Minute No 86 refers)

S Breslin reported that following a further analysis of the dip in overall satisfaction, the element that people were most dissatisfied with related to feedback and communication with tenants on major issues. A review of how the organisation communicates with tenants was to be carried out and the outcomes would be reported back to Board.

(d) YHN and HRA Revenue Budgets and Medium Term Plan Update – rent increase (Minute No 84 (b) refers)

A Lister gave a presentation to Board on the government's proposal to reduce the level of rent increase from 6.2% to 3.1%. Local Authorities were being given the opportunity to bid for additional subsidy, if they were preparing to revisit the level of rents set and reduce them by that amount.

A Lister described the mechanism for enabling a reduction in rent increase, noting that the reduction in average rent by £1.75 per week would mean a loss to the HRA of £73,000. A graph illustrated the impact of the proposed rent increase amendment.

During the presentation, Board's attention was drawn to the issues that had to be considered, including the administrative costs of rebilling; the possibility of tenants experiencing higher rent increases in March 2010 and the impact on future years HRA subsidy. A Lister also pointed out that because the detail behind the proposal had not been released, the full implications of the proposal were unknown.

It was noted that government would be issuing a 4 week consultation document on the detail behind the proposals and that local authorities would have to indicate if they were taking up the proposal by the end of April.

Questions/Comments

- For clarification, A Lister explained that the government had applied an average reduction of 3.1% without looking at the implications for individual HRA holders. In Newcastle's case, there would be a loss to the HRA because Newcastle paid more to government than it collected in rents. J P Lee added that as the subsidy system was complicated it might be useful for Board to have a presentation about the impact of operating within/outside of the HRA subsidy system at a future meeting.
- A Board Member asked about the consultation process. A Lister said that when the document was received from government, YHN would respond appropriately. He also said that this was likely to be a joint response with the City Council. Other groups in the area, for example Northern ALMOs group and Core Cites could also be involved in the response.
- A Board Member asked what the affect would be for people who paid by Direct Debit. J P Lee said that it was unlikely that any changes would be introduced until later in the year and people should continue to pay the current level of rent. Once the detail was known it would be important to make sure that there were no financial impacts on the services delivered to tenants. Any changes to the rent policy would require the approval of Newcastle City Council. He also explained that each rent would have to be individually calculated and it would be necessary to work out a method that reflected the reduction from April in what people paid over the remainder of the year.

RESOLVED - that

- (i) a revised rent increase of 3.1% be approved in principle;
- (ii) Councillors, Members of Parliament, Newcastle Tenants Federation and other involved parties be informed of this position;
- (iii) further detail about the proposal by government be submitted to Board when it becomes available.

93 DELIVERY PLAN 2009/10

Submitted: Report by Assistant Chief Executive and Director of Business (previously circulated, copy attached to Official Minutes).

S Breslin explained that the Delivery Plan was an annual document that contained information about what the organisation did and how performance was measured and monitored. The Service Plan, included as an appendix to the Delivery Plan, listed major actions and targets for all teams in the organisation for the coming year.

The 2009/10 Delivery Plan was shorter than in previous years. The Balanced Scorecard had been replaced with a set of business critical targets that should provide a better indicator of how well the organisation was doing.

Questions/comments

- A Board Member asked whether there was evidence to show how the organisation compared to ALMOs and whether YHN was compared with ALMOs within the North East.

S Breslin explained that the present quarterly performance reports and graphs would be replaced with the Top 20 targets. YHN was measured against other ALMOs through HouseMark's national benchmarking scheme, but was not measured locally.

- The Board Member said that if YHN aimed to be the best housing provider in the North East, it would be useful to be measured locally and the Chair suggested looking at how we could do this.
- Referring to the target to ensure equality and diversity issues were addressed in all board reports, a Board Member said that there should be less concentration on processes and more information about outcomes.

RESOLVED - That the 2009/10 Delivery Plan be approved and the above comments noted.

94 SKILLS TO WORK STRATEGY

Submitted: Report by Director of Tenancy Services (previously circulated, copy attached to Official Minutes) introducing the first Skills to Work Strategy which set out how Your Homes Newcastle would work with local partners to bring housing and employment together to reduce worklessness among residents and improve overall employability. In developing the Strategy, Your Homes Newcastle had worked closely with Newcastle City Council and Newcastle Futures.

The Strategy was a response to government's goal of achieving an 80% employment rate and also a response to the Audit Commission who although commending the work already being done to help residents into employment

and training, felt that the organisation could do more.

To build on what had been achieved and to work with partners to improve employability amongst residents and support more people into work and training, four key priorities had been identified. These were:

- Embedding tackling worklessness into our culture
- Pre-employment support of unemployed and economically inactive residents
- Improving employability
- Getting people into work

N Scott asked Board to note that mention was made in the Action Plan to an Employability Co-ordinator. If a Co-ordinator was required the position would be resourced from savings elsewhere.

Questions/Comments

- A board member asked whether there was any intention of encouraging business people to work with residents to develop opportunities for employability.
- N Scott said that although there was nothing specific in the Action Plan, about working with partners, the Team would be able to identify champions in local offices and part of the activities would be enabling the Team to signpost individuals into employment. However, the organisation would be working primarily through Newcastle Futures.

RESOLVED – That the Skills to Work Strategy be approved.

95 DISTRICT AND GROUP HEATING

Submitted: Report by Chief Executive (previously circulated, copy attached to Official Minutes).

W Drury, Chair of the Time Limited Committee, introduced the report updating Board on the work carried out to date on the installation of meters and controls and the key decisions that would be required to facilitate the start of the work in summer 2009.

Gas Price

J P Lee reminded Board that each year a decision on the purchase price of gas for the Byker District Heating was made by Management. Appendix 1 of the report illustrated how the price of gas had changed significantly over the last year. The contract price for gas for the Byker District Heating from 1 December 2008 was 3.082p/kwh compared with the previous contract of 1.794p/kwh

The Time Limited Committee had considered a number of options for the purchase of gas including buying gas on a variable basis. Another option was to change the date when the gas contract was negotiated, however the impact this would have on budget allocation needed further investigation. J P

Lee asked Board to note that the 'blend and extend' option had now been withdrawn by British Gas. Management would be exploring the most advantageous solution for Your Homes Newcastle with British Gas.

Tenant and Leaseholder Survey

A survey of tenants and leaseholders using district group heating had been conducted to find out their views on the installation of meters.

Respondents were concerned about the upheaval and levels of control. Respondents from Byker were split in their opinions on the costs of heating, with only 15% in favour of meters. A common theme running through the responses related to the level of knowledge and understanding about metering.

Tenants and leaseholders would need to be convinced that meters and controls would lead to cost savings; information would be needed about energy efficiency and how the various controls could be used.

Installation Programme

J P Lee explained that because of internal management issues, Atkins (the technical consultants) had been unable to deliver their final report to the Time Limited Committee on 19 March. They had, however, been able to do so earlier on 24 March. The Chair and a member of the Time Limited Committee were satisfied with Atkins' ability to proceed with the procurement of a meter supplier with a view to the installation programme commencing on site in July 2009.

Because the procurement and installation programme did not fit into the Board meeting cycle, J P Lee asked that the Chair and Chair of the Time Limited Committee be authorised to make relevant decisions that may be required outside of the board timetable. Any decisions would be reported back to Board.

Questions/Comments

- A Board Member asked whether people's concerns about the introduction of metering could be dealt with in the timescales.

J P Lee said that it was the intention to install meters but not change the paying mechanism. This would allow people to receive guidance on the use of the system. Experience of other district and group heating meter installations had shown significant advantages in terms of reduced costs. If helpful, visits for tenant groups could be arranged to other schemes.

- A Board Member asked whether Cruddas Park tenants had been consulted about the expansion of the Cruddas Park district heating system and installation of additional Bio Mass boilers.

J P Lee said that the expansion of the scheme had always been part of the overall plan for the regeneration of Cruddas Park. He

undertook to find out to what extent tenants had been consulted. However, he pointed out that as the blocks were being refurbished they were unoccupied and that new tenants would be offered a package including district heating. He added that Bio Mass boilers produced less pollution.

- A Board Member asked whether all the respondents to the survey reflected the tenants within the district heating scheme. L Dixon said she was confident that the respondents reflected the residents living in the area. A 32% response had been received.
- A Board Member commented that people did not support meter installation because they had concerns that meters would increase costs. However, evidence from elsewhere that showed that meters had resulted in reduced costs would be helpful to convince people that meters would save costs.
- The Chair of the Time Limited Committee said that in order to address the concerns raised in the survey, Your Homes Newcastle was working with an agency to produce a guidance leaflet.
- A Board Member asked whether there was a contingency plan in place in the event that Atkins could not deliver what was expected of them.

J P Lee said that in view of the information received earlier in the day, he was confident that Atkins would be able to deliver what was expected of them. Atkins would be required to produce the tender document and go out to tender. Once the installer was appointed, Your Homes Newcastle would manage the business. The fallback position would be that nothing would happen until next year, as installation of meters would not be undertaken during the winter months. J P Lee also said that as controls must be installed either prior to or at the same time a meter was installed, it was intended to carry out the meter installations in conjunction with the modern homes programme. The programme of future modern homes work was set out in Appendix 3 to the report.

RESOLVED – That

- (i) the Programme of Works detailed in Appendix 2 to the report be approved;
- (ii) the Chair and the Chair of the Time Limited Committee be delegated to make relevant decisions that may be required outside of the Board timetable and report back to Board;
- (iii) changes to the future purchase of bulk gas be agreed with the Chair of the Time Limited Committee.

Submitted: Report by the Chair (previously circulated, copy attached to Official Minutes) on the outcomes of the Board Awayday and proposals for a new committee structure including the creation of a Remuneration Committee. The Chair also proposed that Board move to a six weekly cycle and that a new format for board reports be piloted.

The Chair proposed the following committee structure to take effect from September 2009:

- Audit Committee (quarterly)
- Finance and Resources (6 weekly)
- Performance (quarterly)
- Customer and Service Delivery (Bi monthly)
- Remuneration (three times yearly)

It was noted that governance issues would be dealt with by Board. The Chair said that a gap in relation to the Strategic Independent Advisory Group (SIAG) had been identified as there was no relationship between this group and Board or any committee. In the new structure, it was proposed that the work of SIAG be reported to the Performance Committee.

The Chair proposed that Remuneration Committee membership be made up of the Vice Chairs and Chairs of Committee and that he would Chair the Committee. He proposed that the first meeting take place at the end of April.

The Chair said that although board report format had not been discussed at the awayday, he thought it an appropriate time to review the format and proposed that a new format be piloted before adopting a new format for all areas of work.

Questions/comments

- A Board Member asked how the frequency of Performance Committee meetings was decided and if SIAG's role was to scrutinise equality and diversity issues whether the membership was representative.

J P Lee said that membership of SIAG was voluntary and it was difficult to create an independent voluntary group that was representative. Recruitment to SIAG was ongoing and he was happy to take on board suggestions that would help to make the group more representative of the communities that lived in Newcastle and that Your Homes Newcastle provided services for.

S Breslin explained that performance reports were produced quarterly in line with data collection, although performance was monitored on a regular basis by managers.

- A Board Member expressed concerns about the length of time between committees and the amount of training that might be required
- A Board Member commented that the main change was for Finance & Resources to meet six weekly. Currently Finance Committee held training sessions at Committee meetings; in the new timetable training sessions could be held outside of committee meetings.

R Atkinson added that the six weekly cycle for Finance & Resources would fit into the board cycle and the primary focus for each meeting would cover a different area of work, although finance matters would be considered at each meeting.

- The Chair said that if committees had an unexpected burden they would be able to hold additional meetings.

RESOLVED - That

- (i) Board move to a six weekly meeting cycle;
- (ii) the new committee structure be approved;
- (iii) the membership of Remuneration Committee be approved;
- (iv) a new format for board reports be piloted.

97 BOARD MEMBERSHIP

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

R Atkinson presented the report, noting the Audit Commission's comment that the Board was not fully representative of the communities served by Your Homes Newcastle. This had been recognised by Board who had previously agreed the Action Plan 'Towards a Representative Board'.

R Atkinson reminded Board of the rotational requirements for independent and tenant board members to stand down. In 2009, R Harral and N Shukla (independent members) and J Cuthbertson and M O'Callaghan (tenant members) were required to stand down. All four were eligible to put themselves forward for re-appointment if they wished.

The process for recruiting independent members was set out in Section 3.1.2 of the report. The independent members standing down and wishing to be re-considered for appointment, would be considered along with any other applicants for the positions.

To help make sure that tenant board members were broadly representative of all tenants, the process this year would be for a panel to interview and appoint tenant board members. In the event that two successful candidates for one area were endorsed by the panel, then a ballot would be held in that area.

RESOLVED – That the recruitment process for independent and tenant board members be approved.

98 ITEMS FOR INFORMATION

RESOLVED – That the following items be received for information:

- (i) Chief Executive's Report
- (ii) Delegated Decisions 13 February to 13 March 2009
- (iii) Minutes :
 - Property Committee held on 19 January 2009
 - Outer West & North Area Board held on 19 January 2009
 - Inner West Area Board held on 20 January 2009
 - East Area Board held on 22 January 2009
 - Finance Committee held on 12 February 2009

99 EXCLUSION OF PRESS AND PUBLIC

RESOLVED – that in accordance with the organisation's Access to Information provisions, the press and public be excluded for the remainder of the meeting.