

YHN Board

Tuesday 24 September 2019 at 5.00 pm

YHN House, Benton Park Road, Newcastle upon Tyne NE7 7LX

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AGENDA

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Introduction Items

1. **Welcome and Apologies for Absence**
2. **Declarations of Interests**

To exclude the press and public during discussion of remaining agenda items because of the likely disclosure of confidential information. The definitions of what is considered confidential are contained within Section 16 of the Company's Standing Orders.

3. **Appointments to the Board** 1 - 6
4. **Chair's Items**
5. **Health and Safety**

Main Business Items

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Minutes/Action Log/Forward Plan

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	<ul style="list-style-type: none">• Finance and Performance 27 August (briefing note)• JCC 24 September	
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Board 30 July 2019 (5pm to 7:15pm)

Present:

J Boaden (Chair), R Clark, R Higgins, L Hobson, D Huddart, K Lowry, J McCarty, M Page, P Scope, E Snaith, H Simpson, B Tebay

In attendance:

A Baker-Daley	Governance Officer
J Davison	Company Secretary
T Drury	Managing Director
M Foreman	Customer Services Director
J Greenwood	Customer Services Committee (member - observer)
D Langhorne	Assets and Development Director
T Moore	Customer Services Committee (Chair – observer)
R Morrissey	Finance and Commercial Director
A Senior	Head of Fairer Housing

688 Welcome and Apologies for Absence

There were no apologies for absence.

The Chair asked for a round of introductions for the benefit of new members and welcomed Tony Moore from the Customer Service Committee as an observer, adding that Jackie Greenwood would also be attending the meeting. As such, the agenda order would be amended to allow consideration of all non-confidential reports first.

Following appraisal feedback, there will be more time allocated for discussion.

689 Declaration of Interests

P Scope declared an interest as a Partner at Wardhadaway should there be any reference to the governance review.

690 Annual Report and Financial Statements

R Morrissey presented the report, which sought approval of the annual accounts for the YHN Group and Abri Trading Ltd. The following notes were highlighted:

- The audit by Ernst and Young (EY) was a relatively clean one, with only a couple of points highlighted which were already known, such as the stock system and company balances. No adjustments were recommended
- At the time the Group Audit and Risk Committee were considering the accounts, there were two outstanding items; a pension adjustment in light of an outside legal case (McLeod) which increased liability by £5m. Secondly, in being prudent to account for the loss in the year it related to, it was decided that we would provide for some debt in relation to the administration of a NFS customer on 1st June. This related to an adjustment of £109K. The impact on tax has been considered by Mazars. R Morrissey confirmed that both notes had been checked by EY and signed off and ready for approval

R Clark noted that at the Committee meeting the members had the opportunity to discuss the accounts thoroughly and in private with EY. Given it was a complex year, they were comfortable with the information and had no causes for concern.

R Higgins asked for more information regarding the mention of deferred tax, to which R Morrissey provided; prudently providing for now as a liability contingent, going against our bottom line but reversed next year, looking at capital expenditure and using tax rules to decide what we might be liable to pay for in future in relation to current financial statements. R Morrissey agreed to send him information to explain deferred tax – **ACTION**

M Page highlighted the McLeod case, noting that across other forums it was felt that it was a bit early to judge the impact, asking if EY insisted on the adjustment. R Morrissey confirmed that EY claimed it was material to the accounts and wouldn't be signed off without it.

On behalf of the Board, the Chair acknowledged the amount of work undertaken by officers in producing the accounts, commending R Morrissey and their team for a tremendous piece of work.

RESOLVED – that the Board approved:

- The Directors' Reports;
- The Strategic Reports;
- The financial statements and notes;
- The going concern assessment;
- The letters of representation; and
- The letter of support to Asfaleia

691 General Data Protection Regulation Compliance Progress Update and YHN Data Protection Policy

J Davison introduced the update, which informed Board of progress towards ensuring YHN is compliant with General Data Protection Regulations 2018 and sought approval of a new Data Protection Policy.

The following key areas of the report were highlighted:

- A table outlined key tasks undertaken since the last GDPR update to Board, demonstrating the scope of work completed to become compliant. Though led by the Business Support team, the whole organisation has been involved
- A second table outlined actions yet to be completed, with target end dates to give assurance YHN is in the right place and ensuring the business is fit for purpose
- Attention is focused on three emerging data protection themes:
 - Retention of personal information; whilst the move towards digital is ongoing, there are a number of tenancies going back many years in paper form
 - Security/loss of equipment; communicating the importance of using and storing safely
 - Accidental sharing of information
- A table illustrating the number of breach cases handled since March 2019. Though it may appear high, the figure included near misses. Staff are recognising potential incidents and reporting them to the team, this has enabled us to offer advice and training and know where the risk areas are to put correct measurements in place. One incident was self-reported to the ICO but no further action was taken as they were satisfied with internal investigations.

The updated Data Protection Policy is part of mitigating actions against the strategic risk to ensure YHN is effectively governed. Once approved, the Policy will be launched with further training and testing of awareness across the organisation.

The following comments and questions from Members were raised:

M Page commented that 16 breaches seemed a high number suggesting that perhaps more needs to be done around culture, J Davison confirmed that there are areas to tighten up on.

H Simpson commented that it is encouraging to hear about the issues and the actions being taken.

K Lowry suggested that, given GDPR is a significant governance issue, within the policy there should be a reference to a signed record of attendance for the mandatory training, breaches should be reported directly to the Data Protection Officer (DPO) and not to a generic service desk, all breaches should be reported to Board, and that the Board should receive an annual report of near misses. K Lowry expressed concern sharing data protection officer (DPO) with NCC, regardless of relationship. As an entity, YHN should be big enough to justify having their own officer, from a governance perspective there needs to be reassurances that there is enough capacity to manage the 72-hour turnaround, there needs to be an understanding of capacity and whether we retain an DPO internally. J Davison acknowledged the concern, noting that there is an Information Governance Team at YHN that undertakes investigations. The biggest area of data YHN manage is related to NCC tenants, therefore a robust Information Sharing Agreement is in place

with NCC, who share their DPO with YHN (Phil Slater), The generic ICT email address for reporting breaches acts as a triage system, because of their many interlinked systems they can take the first point of call and direct onward. T Drury added that as NCC are the main shareholder who own YHN, there is a need for them to have an overview, which is partly the reason for sharing the DPO who reports within the Council.

R Higgins highlighted the importance of information sharing between agencies, no doubt staff are approached on a regular basis by other partners or agencies seeking to share information that is crucial in terms of health and safety, and asked how much support and guidance staff are given. J Davison replied that staff across the whole organisation have undertaken training, and that YHN are trying to work the best way within regulations.

Summarising, the Chair acknowledged the concerns raised and the practicalities of managing data sharing to meet requirements, asking if the Board were satisfied with explanations given to questions. K Lowry replied that NCC can't mitigate YHN responsibilities; the Board have to have the comfort of knowing there is enough to the approach to give assurances to avoid drift setting in following potential breach.

RESOLVED – that:

- The report be received and information noted;
- The Board approved the YHN Data Protection Policy provided the following amendments are made:
 - Mandatory training will include a reference to signed records of attendance;
 - The Board will receive an annual report;
- It was agreed that issues of serious breaches will be reported in a timely manner to the Board and regular reporting will be given via the Managing Director report;
- J Davison is to provide assurance on the shared DPO position to K Lowry.

692 Slavery and Human Trafficking Statement

J Henderson introduced the report, which sought approval of the 2018/19 Slavery and Human Trafficking Statement as required under the Modern Slavery Act 2015. Supply chains are managed through procurement policies and risk assessments, determining whether individual cases need further work through due diligence. The Act itself does not have any legally binding requirements with regards to due diligence, only guiding companies to control the first tier and pass down the chain.

D Huddart noted that they had attended a Police seminar in Newcastle recently, despite controls in place there is still an issue, mostly in agriculture.

R Clark added that the risk appetite statement references supply chains, emphasising the importance of ensuring checks are being carried out with contractors and suppliers.

H Simpson commented that in another role, there was an audit exercise that highlighted a lot of links in the supply chain, suggesting that YHN might consider conducting a similar exercise. J Henderson noted that suppliers receive a presentation by the Procurement team. It is thought that it can take ten years to control all parts of the chain, and that problems tend to arise at the 3rd and 4th stage, which includes material suppliers.

RESOLVED – that the Board approved the Slavery and Human Trafficking Statement, to be signed by a director and published on the YHN website by 30th September.

693 Re-election of Directors and Vice Chair

J Davison introduced the report, which considered the recommendation from the Remuneration and Nominations Committee to re-appoint Board Members eligible for re-election, and a recommendation for the position of Vice Chair.

P Scope is coming to the end of his second term, and his statement of support was considered by the Remunerations and Nominations Committee. The Committee are recommending his re-appointment for a term of three years. The new Articles state that directors who are seeking re-appointment are deemed to be appointed provided the Board accept. Confirmation will be sent to NCC as member in lieu of an AGM.

The Chair highlighted that the report was written prior to the announcement of her resignation. In making a decision on the Vice Chair role, the Board will have to bear in mind that the person in the position will need to step in until a new Chair is appointed. The Chair nominated J McCarty, noting that she had given her tremendous support, and though the Articles note that the Board should have an Independent Chair, the Board can agree on such terms in the short term. J Davison reminded the Board that should another nomination be made, then a ballot would be held. There could also be two Vice-Chairs. No other nominations were declared.

D Huddart asked how long the process normally takes in appointing a Chair. T Drury replied that it is expected to take around three months, with an announcement made between October and December.

RESOLVED – that:

- The Board accepted the recommendation of P Scope to be given a third term of three years
- The Board approved the re-appointment of J McCarty as Vice Chair and to act as Chair until the appointment of the new Chair

694 Minutes of 4th June

The minutes of the Board held on 4th June were agreed as a correct record and signed by the Chair.

695 Matters Arising and Action Log

The Action Log was received and information noted. The Board were reminded to contact Jill if they want more information in specific business areas.

696 YHN Board Forward Plan 2019

Linked to appraisal feedback, a Board and Committee Calendar was attached to the Forward Plan that included learning and development briefing sessions which will be held prior to currently scheduled meetings, covering a variety of topics. T Drury noted that whilst it will help members learn more about an area of the business, it will also allow the business to learn from members' experience and expertise.

J McCarty asked that thanks were passed on to those who organised the recent bus tour.

P Scope asked if the planned Health and Safety Training in October would be similar to the session held last year or a follow-on. J Davison replied that the team are awaiting further information, but it could be similar to last year but with updated legislation and case studies.

The Chair reminded the Board that the Health and Safety Committee will need another member to be quorate, to which R Higgins expressed their interest.

D Huddart commented that the homelessness prevention presentation held recently was excellent.

The Forward Plan was received and information noted.

697 Any Other Business

Paperless meetings

In response to appraisal feedback, J Davison discussed digital options with the Board. The next meeting in September could be paperless via the Modern.gov app, used by councillors at NCC which independent Members could also access, using their own tablet or one purchased by YHN. The Governance Team would coordinate rollout and set up with all members. J McCarty added that a lot of local authorities are declaring climate emergencies across the country, of which saving on paper usage is part of that.

Chair resignation

On behalf of the Board, J McCarty gave thanks to the Chair in guiding the Board and YHN through two years of change and hard work; BCE, the Enquiry Centre, keeping the focus on customers and tenants. The Chair has helped ensure the Board has had the right information at the right time and has sifted through dozens of appraisal conversations to identify themes. The Board wished the Chair well in their new role and offered help and support to any pilot or opportunity to be involved with the work of the Regulator.

On behalf of the Executive Team, T Drury thanked the Chair for her support and commitment during her tenure, it has been an unusual process and journey given the

governance review and restructure, so to bring the Board together and steer through big decisions has been very helpful. The Chair has been a valuable sounding Board.

The Chair gave thanks for the well wishes, acknowledging that it hasn't been the easiest of times in gelling, but it has been interesting and illuminating to see the inner workings and how hard both the Board and Executive Team have worked. It will be important that the Regulator has someone with an understanding of social housing and northern representation as regulation changes occur.

699 Date and Time of Next Meeting

24th September at 5pm.

J McCarty
Chair
24 September 2019

YHN Board 24 September 2019 Action Log (Public)

Minute ref.	Action required	By whom	Target date for completion	Current status
643	Board members to contact Jill Davison regarding any work areas they would like further information on or additional involvement with	Board members	No end date	On-going
690	<u>Annual Report and Financial Statements</u> R Higgins to receive further information on deferred tax	R Morrissey	Before next Board meeting	Complete
691	<u>General Data Protection Regulation Compliance Progress Update and YHN Data Protection Policy</u> The YHN Data Protection Policy is to be amended with the following: <ul style="list-style-type: none"> • Mandatory training will include a reference to signed records of attendance • The board will receive an annual report 	J Davison	Before next Board meeting	Complete
691	<u>General Data Protection Regulation Compliance Progress Update and YHN Data Protection Policy</u> J Davison to provide assurance on the shared DPO position to K Lowry	J Davison	Before next Board meeting	Complete

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YHN Board Forward Plan 2019-20

Meeting 26 November 2019

Report Name	Purpose	Confidential?	Report Author
1hr Asset Management Strategy Briefing 5-6pm			
Strategic Risk Register	Approval	✓	Finance & Commercial Director
Health and Safety Policy	Approval	×	Assets and Development Director
Housing Investment Update	Discussion	✓	Assets and Development Director
Housing Plus Vision	Information	✓	Customer Services Director
Assurances from subsidiaries: <ul style="list-style-type: none">• Asfaleia Ltd. 24th October	Discussion	✓	Customer Services Director
Assurances from Committees: <ul style="list-style-type: none">• Customer Service Committee 25th September• Property Group 23rd October• Health and Safety Committee 30th October• Finance and Performance 5th November• Group Audit and Risk 12th November	Discussion	✓	N/A

Meeting 28 January 2020

Report Name	Purpose	Confidential?	Report Author
Draft Budget/Delivery Plan/Risk Register 2019-20	Discussion	✓	Finance and Commercial Director
Business Strategy	Discussion	✓	Managing Director
Committee Terms of Reference	Approval	×	Company Secretary
Governance Documents Review	Approval	×	Company Secretary
ABRI TRADING			
Abri Trading – Business Activity Update	Discussion	✓	Finance and Commercial Director

Meeting 24 March 2020

Report Name	Purpose	Confidential?	Report Author
Budget/Delivery Plan/Risk Register 2020-21 including Gift Aid payment to Afaleia	Approval	✓	Finance and Commercial Director
2020-2021 BCE Targets	Discussion	✓	Assets and Development Director
Safeguarding Annual Report	Discussion	✓	Customer Services Director
Housing Investment Update	Discussion	✓	Assets and Development Director
Pat Ritchie	Discussion	✓	N/A
ABRI TRADING			
Abri Trading – Budget	Approval	✓	Finance and Commercial Director
Abri Trading – Business Activity Update	Discussion	✓	Finance and Commercial Director