



(Company number: 06972673)

Minutes of meeting of the Board of Directors held in the Board Room at Keelman House, Fifth Avenue Business Park, Team Valley, Gateshead on Thursday 19 September 2013 at 9am.

Present:

Ordinary Trustees

Brian Kelly (Chair)
Joanne Carr
Anne Connolly
Linda Hitman
Peter Mole

In attendance

Jon Mallen-Beadle (Company Secretary and TGHC Managing Director)
Neil Bouch (TGHC Director of Customers and Communities)
Natalie Hewitt (TGHC Head of Corporate Services)
Phil Gallagher (TGHC Head of Investment and Development)
Julie McCartney (TGHC Head of Neighbourhood Services)
Stuart Gibson (TGHC Governance and Risk Officer)

Apologies

Hannah Shepherd

26 DECLARATIONS OF INTEREST

No interests were declared.

27 MINUTES

The minutes of the last meeting of Keelman Homes held on 11 July 2013 were approved as a correct record.

28 MATTERS ARISING – KIBBLESWORTH REGENERATION UPDATE

It was noted that the Kibblesworth Celebration Event is taking place on 28 September 2013 and all members of the Board have received a flyer inviting them the event.

29 BOARD TRAINING AND DEVELOPMENT PLAN/ANNUAL APPRAISALS

Keelman Homes has been established since September 2009. To date, members of the Board have not received or agreed any specific training.

TGHC Board members receive annual appraisals with the Chair. To date, no appraisal process has been put in place for members of Keelman Homes. Given the evolving role of the Board with the management of other new properties and empty homes, it is now felt necessary to agree an appropriate training and development plan for the Board.

TGHC Board, at its meeting on 14 May 2013, agreed its training and development plan. These include a series of workshops around the following topics: -

- Equality and Diversity Legislation
- Self-financing
- New Build or Safeguarding

Some or all these topics could be relevant to members of Keelman Homes and it is proposed that they be invited to the workshops where they are considered relevant. All these workshops are being delivered in-house.

TGHC Board members receive annual appraisals with the Chair. The Chair is appraised by members of Resources Committee.

The appraisals are confidential and used to discuss the last 12 months and identify any issues they might have. The only information that is shared with the TGHC Governance and Risk Officer is any training and development needs. These are used to inform the next year's training and development plan and to address any individual needs.

It is proposed that annual Board appraisals be introduced in November/December 2013 and in the same months in subsequent years. It is proposed that the Chair of Keelman Homes be appraised by the Chair of TGHC Board.

A proposed appraisal form was submitted.

- RESOLVED – (i) That the proposal to invite Board Members to the TGHC Board Workshops be approved and Board Members be advised of the dates and times of the workshops.
- (ii) That annual Board Appraisals be introduced and the Appraisal Form be approved.

30 FINANCIAL STATEMENTS AND DIRECTORS' REPORT

The Report of the Board and Financial Statements will be presented to the Annual General Meeting which will be held on 21 November 2013.

The Report of the Board and Financial Statements are for the financial year 1 April 2012 to 31 March 2013. This is the third full financial year in which trading activity has taken place within Keelman Homes.

The Report of the Board must follow the format as set out in the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005 and as set out in the Companies Act 2006.

The Report of the Board has been prepared in accordance with these standards and was submitted. This report details the principle activities of Keelman Homes for the financial year ended 31 March 2013 including the structure, governance and managements arrangements in place, the objectives and activities of Keelman Homes and the achievement and performance in the year as well as highlighting the future activities.

The Financial Statements for the year ended 31 March 2013 were also submitted.

The Financial Statements show total funds in the balance sheet at £7.1million (2012: £6.8million). This includes the land value and the first and second tranches of grant received from the Homes and Communities Agency.

The financial activities during the year show that the unrestricted funds carried forward were £333,725 (2012: £127,191). Restricted funds carried forward are £6,812,787 (2012: £6,683,354). Restricted fund is the grant income received from the Homes and Communities Agency to build the properties at Kibblesworth. Unrestricted funds include the rent and service charge income as well as investment income through investing cash balances in short term deposits.

Expenditure during the year is also split between restricted and unrestricted funds. The restricted expenditure relates to the depreciation charge on properties and the loan interest repayment charge. Unrestricted spend relates to the management fee payable to The Gateshead Housing Company who manage the properties on behalf of Keelman Homes, as well as the auditors fee and additional spend on the arts project undertaken at the Kibblesworth site.

These accounts have been audited by KPMG as external auditors and they have been signed off as a true and accurate record.

- RESOLVED – (i) That the Report of the Board and Financial Statements for the year ended 31 March 2013 be approved.
- (ii) That the Chair of the Board be authorised to sign the Report of the Board and Financial Statements as a correct record.
- (iii) That members of Gateshead Council's Cabinet and other relevant people be invited to visit the Kibblesworth site.

31 KIBBLESWORTH REGENERATION UPDATE

The Board received an update regarding the progress on site and any issues that have come to light since the previous update.

Of the 81 properties, all phases are fully occupied, with the exception of Phase 4 which has now been completed.

All 54 Keepmoat sales properties are now sold.

The Public Art is being led by the Council's Art Team. Artists have been appointed who have worked with the local community to develop five individual pieces of art work that will be sited within the new development and some parts of the existing village. The art work is progressing, details of which were reported.

The on-site fixed play area within Phase 4 and the off-site play equipment within Kibblesworth Park have both now been installed.

So far, 101 home loss payments have been made equating to £474,000 less any outstanding debt due to rent arrears, water rates, Council Tax arrears, or any other court costs or rechargeable repairs. Disturbance payments of £40,986 have also been made to pay for out of pocket moving expenses. These payments are made by the Council.

The cumulative value of works carried out by Keepmoat to date is £8,147,438 which is inclusive of the latest valuation. All valuations will be paid less 5% retention. It has been agreed to release half of the allocated retention at completion of each phase, with the balance being released after 12 months.

RESOLVED – That the Kibblesworth regeneration update be noted.

32 KIBBLESWORTH DEVELOPMENT FINANCE UPDATE

The Board received an update on the financial element of the Kibblesworth development.

The total cost of the Kibblesworth development is forecast to be £9.3million. This is being funded through a grant from the Homes and Communities Agency of £4.8million and a loan from the Council of £4.5million.

The original budget was amended in January 2013 to detail the updated expected spend on Kibblesworth. The original contingency was reduced due to increased spend required on asbestos removal, which was not known in the pricing of the scheme.

To date, Keepmoat have been paid £7.9m out of the expected total of £8.2m, this includes the latest payment in June 2013 of £66,964.

RESOLVED – That the Kibblesworth development finance update be noted.

33 KIBBLESWORTH SHARED OWNERSHIP UPDATE

The Board received an update on the marketing, allocation, price and customer interest in the following 13 shared ownership properties at Kibblesworth: -

6x 2 Bed Semi Detached	1x 3 Bed Mid Terrace
1x 4 Bed Detached	2x 3 Bed Semi Detached
1x 5 Bed Detached	2x 3 Bed End Terrace

Marketing has continued using a number of methods, which is expected to continue throughout the year. Details of these were reported.

Reeds Rains have been appointed due to their experience in marketing shared ownership properties and competitive fee structure and have agreed to provide the marketing services for the five properties which remain unsold on the site (1 x 5 bed, 3 x 3 bed and 1 x 2 bed).

To date, 102 customers have expressed an interest and 12 completed applications have been assessed by ISOS. Ten applications have been approved and two rejected.

Three customers have shown an interest in the 5-bed property. Of those, two have withdrawn their applications and one, who had been approved by ISOS, was unable to secure a mortgage. The Board expressed particular concern about the lack of interest in this property.

Income received to date from the sale of properties is £358,069.

Reed Rains fees could cost a maximum of £6,500 if the remaining five properties are all sold via their external marketing.

RESOLVED – That progress made to date on the marketing, allocation and sale of the shared ownership properties be noted.

34 DATE AND TIME OF NEXT MEETING

The next meeting of Keelman Homes will be held on Thursday 21 November 2013 at 12.30pm at Keelman House, Fifth Avenue Business Park, Team Valley, Gateshead.

35 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED – That the press and public be excluded from the meeting during consideration of the outstanding business.