



The Gateshead Housing Company

Working with Gateshead Council

BOARD OF DIRECTORS

16 January 2014

PRESENT:

Directors

Barbara Dennis (Chair)
Sheila Bouitieh
Robert Buckley
George Clark
Pauline Dillon
Kathryn Ferdinand
Paul Foy
Eileen Gill
Helen Hall
John Hamilton
Gordon Spring
Michael Davison

Advisers

Jon Mallen-Beadle	Managing Director
Neil Bouch	Director of Customers and Communities
Natalie Hewitt	Head of Corporate Services
Phil Gallagher	Head of Investment and Development
Kevin Johnson	Head of Customer Services
Stuart Gibson	Governance and Risk Officer

Apologies

Joanne Carr
Peter Mole

79 MINUTES

The minutes of the Board Meeting held on 21 November 2013 were approved as a correct record.

58 MATTERS ARISING

(a) Board Tour

The tour to look at key sites to enable Board Members to familiarise themselves with issues being discussed at Board/committees was taking place after this this meeting. It was agreed that a further tour would be held later in the year.

(b) Appraisal of Chair

The appraisal of the Chair by the Chairs of Resources and Audit Committees would be fixed after the Chair had completed individual appraisals of all Board Members.

(c) Induction Process – Time Limited Group

The time limited group to look at the induction process and also the application form for Independent Directors was taking place on 6 February 2014.

59 PROPOSED RENT INCREASES FOR TGHC OWNED PROPERTIES 2014/15

The Board received a report proposing an increase to the rents for 2014/15 for TGHC owned properties.

TGHC own seven properties directly and the rent increase has been proposed in line with the HCA guidelines of RPI + 0.5%. RPI in September was 3.2%, which provides for an increase of 3.7%, which is an average weekly rental increase for St Cuthbert's of £3.42 and for the other properties of £3.23.

RESOLVED – That the proposed rent increases for TGHC owned properties for 2014/15 be approved.

60 TGHC COMMUNITY FUND PROPOSAL

The Board received an overview of the work carried out to date through the TGHC Community Fund and recommendations for the future direction of the fund.

Grants from £500 to £5,000 can be made. The fund is administered by the Community Foundation for which an administrative charge is made (£8,500 for this financial year).

Each of the partners have pledged support in money and / or work 'in kind' on an annual basis. Applications for support are considered by representatives from each of the partner organisations at a panel meeting three times a year.

There are three broad fund themes with resources being used for a number of activities. The Community Foundation's usual grant making criteria applies along with other agreed criteria.

The number of applications to the fund has increased from an average of 10 in 2011/12 to 20 at the most recent meeting. There is an increased demand for the same pot of funding.

Gateshead Council is undergoing the asset transfer of a number of community centres to the committee of these centres, or another charitable organisation. Applications from community centres now face increased scrutiny as to the future of the centre, the capacity of the committee and its level of unrestricted funds. It is proposed that the fund should encourage applications from such groups to support the asset transfer process.

In recent meetings, the panel has shown great reluctance to fund grass / pitch maintenance equipment due to cuts in funding for such activities. If the fund does not wish to support grass maintenance equipment then this needs to be made public to applicants. It is proposed that the fund explicitly excludes such bids in the future.

The panel has made a decision not to fund sports kit as it is not seen to have a long term impact. This also needs to be made public to applicants. It is proposed that the fund explicitly excludes such bids in the future.

An increasing number of applications are for ongoing running costs of an organisation, including salaries, rent and utilities. This is likely to be the impact of funding cuts from other sources. However, the fund does not support applications that are for ongoing costs.

Unfortunately this has resulted in several very good applications that benefit a large number of tenants not being supported. It could be considered if there are any exceptional circumstances as to when a project can be purely funded for running costs, for example as a 'bridging grant' before a larger grant is due to start. It is proposed that the fund should be able to provide "bridging grant".

The in-kind work (26% of total awarded) is under reported in terms of feedback to the Community Foundation. It is also reliant on the right person from the partner organisation visiting the project and carrying out the work if appropriate. This has taken some time recently, resulting in organisations either carrying out the work themselves due to timing issues, or delaying other projects and activities. It is proposed that this side of the fund is made more formal in terms of reporting back to the Community Foundation and the fund partners.

The Company needs to ensure that the communication between the partners and the successful applicants allows for the work to be carried out in a timely manner. It is proposed to make this explicit in future application criteria.

Gateshead Council's Capacity Building Fund supports organisations to build their capacity and sustainability as well as small grassroots community groups to help the Council achieve a number of priorities identified within the Council Plan 2012-2017. The funding programme is open to any not for profit organisations based or working within Gateshead.

It is proposed to work closely with the Council so the TGHC Community Fund complements the Council's Capacity Building Fund. In the first instance, this would involve inviting a Council officer to attend the fund meetings held with the partners and sharing details of applications to avoid any potential duplication.

Going forward, there needs to be consideration as to the priorities of the fund to reflect the changing economic climate, the impact of welfare reform on the community and the state of the voluntary and community sector in Gateshead.

It is proposed that the fund should focus on the following specific theme(s): -

- Supporting projects that help tenants and their families overcome disadvantage by mitigating the impacts of welfare reform including areas of fuel and food poverty as well as capacity building of individuals.

- Creating stronger communities by supporting community groups who are undertaking an asset transfer.
- Improving the health and wellbeing opportunities for young people and the elderly.

This would not prevent other projects from applying, but give partners a focus on which to base decisions.

It is also proposed that a small increase in the TGHC cash grant from £25,000 to £35,000 (funded from employment costs saving being introduced from 1 April 2014) to reflect the increased demands being placed on the fund. The Board felt that the partners should also be approached about increasing their in-kind contributions.

The fund will be re-launched in April 2014.

- RESOLVED –
- (i) That the fund be supported for the financial year ending 31 March 2015, with the Community Foundation continuing to administer the fund for a further year.
 - (ii) That the TGHC cash grant be increased from £25,000 to £35,000 and the partners be approached about increasing their in-kind contributions.
 - (iii) That the criteria be amended to include the new proposed priorities and specific exclusions as highlighted and to ensure the TGHC fund and the Council's fund look to work more closely together.
 - (iv) That the fund be reviewed annually.

61 MINUTES OF AUDIT COMMITTEE HELD ON 14 JANUARY 2014

The minutes of the meeting of Audit Committee held on 14 January 2014 were submitted.

RESOLVED – That the minutes be noted.

62 MINUTES OF MEETING OF KEELMAN HOMES BOARD HELD ON 21 NOVEMBER 2013

The minutes of the meeting of Keelman Homes Board held on 21 November 2013 were submitted.

RESOLVED – That the minutes be noted.

63 RIGHT TO BUY UPDATE

The Board received an update in January 2013 regarding the Right to Buy and received details of a Government publicity campaign which took place in February 2013 that was designed to ensure that tenants are aware of their rights and that the Right to Buy offer was both accessible and easy to understand.

As part of the reinvigorated Right to Buy, in April 2012 the maximum discount was increased to £75,000. For London it was increased (in March 2013) to £100,000. To be eligible for the Right to Buy you must have been a tenant for 5 years or more.

In January 2014, the Government announced that the Right to Buy discounts would be increased again during 2014.

The maximum discount for a house will increase from 60% to 70% of its value and the £75,000 cap on discount will start increasing in line with the consumer price index rate of inflation.

The announcement will see the maximum Right to Buy percentage discount for eligible social tenants in houses increase to 70%. This brings the discount for houses in line with the maximum discount available for eligible tenants living in flats.

In addition, the Government have identified a £100 million fund to improve access to mortgage finance and new Right to Buy agents will be established to guide people through the buying process.

Details of RTB applications and sales for the current year compared to previous years were reported.

Details of the properties sold in 2013/14 by property type, by area office location the average valuation and sale price by property type in 2013/14 were also reported.

For every completed sale the Council will continue to receive an allowance of £1,300 towards the costs of administering the Right to Buy process.

In the event that the January announcement results in additional sales above those forecast within self-financing plans the Council have agreed with the Government that they have the option of retaining those capital receipts for replacement homes for affordable rent.

The agreement states that a maximum of 30% of the costs of any new property can be met from the additional retained Right to Buy receipt, with the other 70% made up from borrowing or the landlord's own resources. However, the opportunity to supplement the Right to Buy receipts with borrowing is limited due to the fact that the Council is currently at the debt cap for the Housing Revenue Account (HRA).

Increased Right to Buy sales will have an impact on the HRA business plan and level of resources as a result of reductions to the Council's housing stock. Scenarios will be undertaken within the financial model to understand the potential resource implications for the HRA should the announcement result in significant changes to the number of Right to Buy disposals to ensure that the HRA continues to operate within the available resources.

RESOLVED – That the information be noted and the Board receive future updates on the impact of Right to Buy.

64 COUNCIL DECISIONS ON FURTHER MEASURES TO MITIGATE THE IMPACT OF WELFARE REFORM

The Board received a report to the Council's Cabinet on 17 December 2013 recommending further measures to mitigate the impact of welfare reform.

The further mitigations contained in the report and agreed by Cabinet are:

- Subject to approval by DCLG (and subject to providing a clear business case and justification for the transfer within the council), to make available £300,000 from the Housing Revenue Account to top-up the 2013/14 fund for Discretionary Housing Payments (DHP) for council tenants.
- To recommend Council to provide £500,000 per annum into the DHP pot in subsequent years from the HRA to assist Council tenants.
- To recommend Council to approve an amendment to the Constitution by giving delegated powers to the Strategic Director, Finance and ICT in conjunction with the Strategic Director of Community Based Services to vary this amount if deemed necessary

The cabinet report also restates some of the earlier decisions, such as agreeing to carry out consultation on low demand one bedroomed older persons' bungalows and flats in order to increase the supply of one bedroomed properties.

The Appendix to the cabinet report (paragraph 8: 6th bullet "redesignate stock") explains that actions to address properties that have become hard to let will be incorporated in a forthcoming report on the HRA Business Plan.

Gateshead's allocation of DHP for 2013/14 is £428,392, with £403,558 spent or committed to date (£293,684 of this for council tenants). Any additional top-up from HRA will be reserved for Council tenants.

It was noted that since the Cabinet Meeting, the Council has received an additional £130,000 DHP for this year.

- RESOLVED –
- (i) That the information be noted.
 - (ii) That representations be made to the Council urging them to explore to the maximum all possible mitigations of welfare reform.

65 TGHC CO-LOCATION TO THE CIVIC CENTRE – PROGRESS REPORT

The Board received an update on progress with regard to TGHC vacating Keelman House to co-locate head office operations from Gateshead Civic Centre.

In relation to Keelman House, formal notice to end the lease on 24 July 2014 was served by colleagues in legal services and acknowledgement of this notice and a counter notice has subsequently been received. Property services are liaising with representatives from the landlord's agent in relation to progressing this.

A building survey was carried out on 6 January 2014 to establish a schedule of dilapidations. Property Services at Gateshead Council will be leading on any negotiation of financial settlement arising from this schedule.

In relation to contracts and services that are currently being paid for at Keelman House, these are being phased out where possible or continued on a rolling monthly basis.

Further to the discussion at the Board Meeting on 21 November, requests are being received and managed from third sector organisations with an interest in taking on available furniture following the move.

The floor plan has now been finalised and a plan put into place for when employees will move to their new desks at the Civic Centre. The move will commence on 17 February 2014 and it is expected that all employees will be relocated by the end of February 2014.

Guidance on how the application process for car parking is managed has now been received and applications are being processed. Transport Strategy have advised that 40 - 50 spaces have been reserved for TGHC at the Civic Centre which will be sufficient for lease car holders, essential users and disabled badge holders, in line with current Council car parking policy.

They have also indicated that there will be adequate spaces available for any TGHC employees that require a space and that options for additional parking in and around the town centre are being considered. We continue to work closely with Transport Strategy around all car parking issues.

Further to the issues identified in the last update, further discussions have taken place with Gateshead Council and agreement has been reached to provide a ground floor reception point for TGHC customers and visitors. Additional meeting room space has also been identified on the second floor.

This will be in addition to the Central Housing Office which currently operates from space on the first floor of the Civic Centre and has a reception desk and access to 3 interview rooms (2 of which are exclusively used by TGHC). Due to its town centre location and being positioned in the civic centre this office is already busy and deals with customer enquiries from across the borough.

The provision of a reception area on the ground floor will assist the Company in continuing to provide tenants and visitors with a good level of service and provide an opportunity to gauge the increase in footfall that is expected once TGHC are located in a town centre building.

The internal working group are now meeting on a weekly basis to inform the project plan in relation to the move and receive updates on progress against the programme.

There has been regular communication with employees about the move and as details are firmed up this will need to increase. A list of frequently asked questions has been circulated regularly and updated following receipt of questions from officers. Where issues have been raised that cannot be answered these have been collated and fed back to the working group for consideration.

RESOLVED – That the information be noted.

66 ITEMS FOR INFORMATION

The following items were posted on the Company's website: -

- Petitions Update
- Outstanding Issues
- Forward Plan

RESOLVED – That the information be noted.

67 FEEDBACK FROM OUTSIDE BODIES AND EVENTS

There was no feedback from outside bodies and events.

68 DATE AND TIME OF NEXT MEETING

The next Board Meeting will be held on Thursday 20 March 2014 at 10am at Gateshead Civic Centre.

69 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED – That the press and public be excluded from the meeting during consideration of the remaining business in accordance with the indicated categories of the Company's Access to Information Rules.

70 MINUTES (Categories 4 and 5)

The minutes of the Board Meeting held on 21 November 2013 were approved as a correct record, subject to the following additional resolution to Minute 61 (Extension of Term of Office of Independent Director): -

“That although the Board fully supported the extension, it acknowledged that the clause was there for a reason and that this decision was only being taken at this particular time given the circumstances.”

71 MINUTES FROM MEETING OF KEELMAN HOMES HELD ON 21 NOVEMBER 2013 (Category 4)

The minutes of the meeting of Keelman Homes Board held on 21 November 2013 were submitted.

RESOLVED – That the minutes be noted.

72 MINUTES OF AUDIT COMMITTEE HELD ON 14 JANUARY 2014 (Category 4)

The minutes of the meeting of Audit Committee held on 14 January 2014 were submitted.

RESOLVED – That the minutes be noted.

73 FUTURE OF KEELMAN HOMES

A report on the future of Keelman Homes is going to the Council's Cabinet on Tuesday 21 January 2014.

RESOLVED – That an extraordinary meeting of the Board be arranged for the end of January/early February to consider the report.