



The Gateshead Housing Company

Working with Gateshead Council

BOARD OF DIRECTORS

20 March 2014

PRESENT:

Directors

Peter Mole (Deputy Chair in the Chair)
 Sheila Bouitieh
 Robert Buckley
 George Clark
 Mick Davison
 Pauline Dillon
 Paul Foy
 Eileen Gill
 John Hamilton
 Gordon Spring

Advisers

Jon Mallen-Beadle	Managing Director
Neil Bouch	Director of Customers and Communities
Natalie Hewitson	Head of Support Services
Phil Gallagher	Head of Investment and Development
Julie McCartney	Head of Neighbourhood Services
Kevin Johnson	Head of Customer Services
Stuart Gibson	Governance and Risk Officer

Apologies

Barbara Dennis
 Joanne Carr
 Kathryn Ferdinand
 Helen Hall

81 MINUTES

The minutes of the Board Meetings held on 16 and 29 January 2014 were approved as a correct record.

82 MATTERS ARISING – KEELMAN HOMES

The Managing Director is currently working the Council's Legal and Corporate Services to finalise the Articles before sending them to Companies House, The Charities Commission and the HCA. Prior to this they will be run past members of the Board. The Charities Commission and HCA have already given an indication that they don't have any issues with the changes.

83 BUDGET 2014/15

Following the submission of the Company's management fee paper and subsequent meetings, the Council has agreed to pay the company fees totalling £34.217million for the 2014/15 financial year, consisting of £13.206million for the management fee, £1million for management of the capital programme and £20.011million for the repairs fee (£17.946million from HRA Revenue and £2.065million from HRA Capital).

A statement showing the proposed balanced budget for 2014/15 together with, for comparison purposes, the 2013/14 annual budget was submitted.

The overhead budgets have been produced based on a number of assumptions and some of the significant assumptions were reported.

The budget was scrutinised by Resources Committee on 25 February 2014 who recommended approval by the Board.

RESOLVED – That the Revenue and Repairs Budgets for 2014/15 be approved.

84 DELIVERY PLAN 2013 TO 2015 – UPDATE ON PROGRESS

The Board approved the Delivery Plan for the period 2013 to 2015 at its meeting on 14 May 2013.

The management agreement between the Company and the Council specifies that the Company must submit a delivery plan, which sets out all the outputs of the organisation, the key performance requirements and the performance standards expected.

The key actions within the Delivery Plan directly relate to the Company's priorities. Each action has a specific lead officer and is monitored regularly by the service managers.

Progress against the key actions within the Delivery Plan and priorities for 2014/15 were submitted.

The Board received a reassurance that the new priorities would be reported to and regularly monitored by the appropriate committees.

RESOLVED – (i) That progress against the key actions within the Delivery Plan 2013 to 2015 be noted the priorities for 2014/15 be approved.

(ii) That the Company be congratulated on being shortlisted for three TPAS Awards.

**85 REVIEW OF KEY PERFORMANCE INDICATORS AND FUTURE TARGETS
2014/15 – 2016/17**

Each year the Company is required to review the performance indicators it reports and performance targets which have been set. It is customary to review existing indicators and targets to ensure they remain relevant, challenging and realistic.

The Company is also required to take into consideration any changes made by the Government to the reporting requirements and updated comparative information. Consideration can also be given to adding or deleting any indicators.

A review has been undertaken of all of key performance indicators currently reported by the Company and future targets have been set for three years.

These indicators are agreed with Gateshead Council and are used to review the performance of TGHC as detailed in the Management Agreement.

- RESOLVED – (i) That the performance indicators for 2014/15 and the targets set to March 2017 be approved.
- (ii) That the Managing Director be delegated to make any amendments to proposed indicators following consultation with the Council.

**86 REVIEW OF SERVICE STANDARD PERFORMANCE INDICATORS AND
FUTURE TARGETS 2014/15 – 2016/17**

Each year the Company reviews service standard performance indicators that are reported and performance targets which have been set. It is customary to review existing indicators and targets to ensure that they remain relevant, challenging and realistic.

The Company takes into consideration any updated comparative information when setting targets and reviews whether to add or delete any indicators.

A review has been undertaken of all of service standard performance indicators currently reported to the Company and future targets have been set for the next three years.

Concern was expressed about the increasing issues around fly tipping and it was felt that more publicity needed to be given about the issue.

- RESOLVED – (i) That the service standard indicators for 2014/15 and the targets set to March 2017 be approved.
- (ii) That more publicity be given about the increasing issues around fly tipping.

87 REVIEW OF DIRECTORS' EXPENSES SCHEME

The current Directors' Expenses Scheme has been reviewed. Research into other ALMOs' schemes indicates that there are no areas that could add any further value to the existing scheme and it is proposed therefore that the 2014-15 scheme remains the same.

- RESOLVED – (i) That the Directors' Expenses Scheme with effect from 1 April 2014 remain the same.
- (ii) That the Scheme continues to be increased in line with the Council's expenses scheme.
- (iii) That the report be referred to the Council for information.

88 BOARD TIME LIMITED TASK GROUP – INDUCTION PROCESS AND INDEPENDENT DIRECTOR APPLICATION FORM

The Audit Committee, at its meeting on 13 March 2013, recommended to the Board the adoption of the National Housing Federation: Excellence in Governance as the Company's Code of Governance. This was subsequently adopted by the Board, at its meeting on 21 March 2013 and it was agreed that the Audit Committee would receive updates on progress meeting the actions identified in the Action Plan.

The Audit Committee received an update at its meeting on 16 October 2013 and agreed a number of recommendations which were subsequently endorsed by the Board.

One of the outstanding actions was that a Board Time Limited Task Group meet to consider the current Board Member Induction Process and also to look at the current Independent Director Application Form.

A Board Time Limited Task Group met on 6 February 2014 and was satisfied with the current Induction Pack provided. It did suggest however that the individual induction between the new director, the Managing Director and Governance and Risk Officer should be more tailored in advance towards the known needs of that director, for example if they have a limited knowledge of Gateshead or the workings of an ALMO.

It was also suggested that more emphasis be made on the identification of a mentor and offering the new director the opportunity to observe Company staff in action.

It was also noted that directors were not invited to any TGHC events and it was suggested inviting them to relevant involvement events organised by the Company.

In respect of the current Independent Director Application Form, the Group felt that the Board Monitoring Form that applicants were required to complete was too onerous and should be removed. Instead, it was felt that the application form should focus on why that person wants to be a director and what skills they could

bring to meet the specification. It should also be stipulated that a CV would be acceptable.

The Group felt that the Board Monitoring Form was still a useful tool for identifying gaps in skills and should be updated annually by all directors.

RESOLVED – That the updated Board Member Induction Process and amended Independent Director Application Form be approved.

89 MINUTES OF RESOURCES COMMITTEE HELD ON 25 FEBRUARY 2014

The minutes of the meeting of Resources Committee held on 25 February 2014 were submitted.

RESOLVED – (i) That the minutes be noted.
(ii) That staff be congratulated on the way they have managed the Management Accounts during the year.

90 MINUTES OF ASSETS, DEVELOPMENT AND INVESTMENT COMMITTEE HELD ON 26 FEBRUARY 2014

The minutes of the meeting of Assets, Development and Investment Committee held on 26 February 2014 were submitted.

RESOLVED – That the minutes be noted.

91 MINUTES OF CUSTOMERS AND COMMUNITIES COMMITTEE HELD ON 27 FEBRUARY 2014

The minutes of the meeting of Customers and Communities Committee held on 27 February 2014 were submitted.

RESOLVED – That the minutes be noted.

92 MINUTES OF KEELMAN HOMES BOARD HELD ON 16 JANUARY AND 7 FEBRUARY 2014

The minutes of the meetings of Keelman Homes Board held on 16 January and 7 February 2014 were submitted.

RESOLVED – That the information be noted.

93 HOUSING REVENUE ACCOUNT AND HOUSING CAPITAL PROGRAMME

The Board was informed of the Council's Cabinet's proposals made on 21 January 2014 on the Housing Revenue Account (HRA) for 2014/15, proposed rent increase from 1 April 2014, in line with Government's policy on rent restructuring and detailed proposals for fees and charges and the proposed Housing Capital Programme for the next five years (2014/15 to 2018/19).

The Cabinet report was subsequently approved by Full Council on 6 February 2014 and a copy of the Cabinet report was submitted.

The Housing Capital Programme is developed as a rolling programme funded by revenue raised from rental income. The detailed programme for the next five years (2014/15 to 2018/19) was submitted.

The Housing Revenue income and expenditure Account for 2014 includes the following:-

- An increase in the average weekly rent of 6.38%, in accordance with the Government's prescribed formula, giving an average rent increase of £4.73 from £74.12 to £78.85 per week (over 50 weeks).
- The Management Fee for the Company to carry out its functions on behalf of the Council.

To protect the Council in a self-financing regime, a minimum level of balance for the HRA of £3m was approved by Council in February 2012 and it is proposed that this level remains in place.

Although it is projected that the HRA reserve will stand at £18.893m, as at the end of March 2015 the impact of welfare reform and other pressures including the impact of Right to Buy will deplete this reserve in coming years.

The current assumptions and projections in the 30 year HRA business plan are that this minimum balance will be reached by 2018/19 and the HRA will no longer have reserves to the level held currently. The HRA business plan and the assumptions contained within will be kept under regular review.

The Council remains at its debt cap of £345.505m (as set by Central Government at the start of self-financing).

RESOLVED – That the Council's approval of the Housing Revenue Account for 2014/15 and Housing Capital programme up to 2018/19 be noted.

94 PERFORMANCE – THIRD QUARTER 2013/14

The Board was informed of the third quarter performance results for 2013/14.

There are currently 47 key performance indicators which are included within the Delivery Plan and are monitored and reported to the Board on a quarterly basis.

At the third quarter, performance showed that: -

- 21 indicators were traffic lighted green, which showed that the Company had achieved the annual targets for these indicators. This had increased from 20 in the third quarter 2012/13.
- Four indicators were traffic lighted amber, which showed that the Company had not met the target set but performance had improved on the previous year. This was an increase from three in the third quarter 2012/13.
- Six indicators were traffic lighted red, which showed that the Company had not met the target set and performance had fallen compared to the previous year. This was down from 18 indicators in the third quarter 2012/13.

- 16 indicators were not yet measurable/baseline year, which was up from five at the third quarter 2012/13.

The analysis therefore indicated that at the third quarter, performance relating to 25 out of the 31 measurable performance indicators could be traffic lighted as on target or improving, which related to 81% of the indicators. This showed a significant improvement from 56% as at the third quarter 2012/13 and the Company would continue to drive further performance improvements during 2013/14.

RESOLVED – That the third quarter performance results for 2013/14 be noted.

95 SERVICE STANDARD PERFORMANCE – THIRD QUARTER 2013/14

The Board was informed of the third quarter performance results against the Company's service standards for 2013/14.

There are currently 54 service standard performance indicators which are included within the 'Guide to Services' documents for both tenants and leaseholders.

At the third quarter, performance showed that:-

- 29 indicators were traffic lighted green, which showed that the Company had met the targets set for them. This was the same as in the third quarter 2012/13.
- One indicator was traffic lighted amber, which showed that the Company had not met the target set but performance had improved from the prior year. This was an improvement on performance in the third quarter 2012/13 when there were two amber indicators.
- Nine indicators were traffic lighted red, which showed that the Company had failed to meet the targets set and performance had reduced from the previous year. This was compared to five in the third quarter 2012/13.
- 15 indicators were not measurable against a target at the third quarter, which was down from 18 at the third quarter 2012/13.

Overall, performance relating to 30 out of the 39 measurable service standard performance indicators could be traffic lighted as on target or improving, which related to 77% of the indicators. This was a slight reduction from 86% as at the third quarter 2012/13.

RESOLVED – That the third quarter performance results against the Company's service standards for 2013/14 be noted.

96 WREKENTON HOUSING OFFICE RELOCATION

As part of the Council's review of all of its assets, a full review of Council services within the Wrekenton area was undertaken between September 2010 and May 2011. This identified the benefits of rationalising the number of buildings that services were operating from in the Wrekenton area and the advantages of co-locating services in one location.

The Wrekenton housing office is the only service point which is not co-located with Council services. All other housing offices are located with library or children services and benefit from improved joint working relationships and customer services.

The Council's Cabinet met on 17 December 2013 and agreed proposals and highlighting the benefits of co locating services in a new service hub within the Wrekenton community centre.

It is proposed that a number of services will be co-located along with the Company at the remodelled hub, details of which were reported.

A planning application for the conversion of the Wrekenton community centre was submitted on 5 February 2014 and the target date for approval is 7 April 2014. The work will need to go out to tender once planning and building control approval has been received but is expected to take around 26 weeks to complete.

The proposed location of the community hub is on Durham Road, close to the centre of Wrekenton.

A Housing Service offer for customers will be developed to ensure that a range of customer services is provided by TGHC from the Hub. The Hub will provide a base for the current housing management team, which includes the Estate Officers and Neighbourhood Relations Officers. The Rent and Income Team that operated from the housing office relocated to the Civic Centre in February 2014.

In line with the Council's Customer Contact Strategy, there will be no payment counter within the new hub. There are a range of other payment options available within the area to enable residents to pay rent and council tax, details of which were reported.

In the coming months, the Company will be working with customers and ward councillors to raise awareness of the proposed changes to the service provision.

The Company will also carry out a monitoring exercise to look at how and what customers contact the Company for.

- RESOLVED –
- (i) That the relocation of the housing service to the Wrekenton hub be approved.
 - (ii) That, following consultation, a further report on the proposals and implications for customers be provided to Customers and Communities Committee.
 - (iii) That any employee implications be the subject of a separate report to Resources Committee.

97 ITEM FOR INFORMATION

The following item was posted on the Company's website for information: -

- Forward Plan

RESOLVED – That the information be noted.

98 FEEDBACK FROM OUTSIDE BODIES AND EVENTS

The following feedback from outside bodies and events was reported: -

- At a recent ALMO Chief Executive Conference that the TGHC Managing Director attended, Emma Reynolds the Shadow Housing Minister advised that she was supportive of ALMOs, if Labour wins the next General Election they will reverse the Bedroom Tax and that Labour were concerned about Right to Buys.
- Robert Buckley recently attended a presentation from One Housing Group relating to purpose built flats built in co-operation with the Health Trust for people with mental health. Robert has met with the Tyne and Wear Foundation Trust that said housing, including housing in Gateshead, was an issue getting people back into the community. Robert advised that he would be happy to have a conversation with the Company regarding this.

RESOLVED – That the feedback from outside bodies and events be noted.

99 DATE AND TIME OF NEXT MEETING

The next Board Meeting will be held on Thursday, 15 May 2014 at 10am in the Blaydon Room at Gateshead Civic Centre, Regent Street, Gateshead.

100 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.