



BOARD OF DIRECTORS

15 May 2014

(Held at the Baltic Centre for Contemporary Art)

PRESENT:

Directors

Barbara Dennis (Chair)
Sheila Bouitieh
Robert Buckley
Joanne Carr
George Clark
Pauline Dillon
Paul Foy
Eileen Gill
John Hamilton
Peter Mole
Joachim Moussounda Mouanda
Gordon Spring

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
Julie McCartney	Head of Neighbourhood Services
Kevin Johnson	Head of Customer Services
Stuart Gibson	Governance and Risk Officer

Apologies

Mick Davison
Kathryn Ferdinand
Helen Hall

1 MINUTES

The minutes of the Board Meeting held on 20 March 2014 were approved as a correct record.

2 MATTERS ARISING

(a) TPAS Awards

It was noted that the Company was unsuccessful in the three categories it was shortlisted for a TPAS Award.

(b) Review of Key Performance Indicators and Future Targets 2014/15 – 2016/17

No amendments were made to the indicators following consultation with the Council.

3 STRATEGIC RISK REGISTER

The Audit Committee considered an updated Strategic Risk Register on 16 April 2014 and recommended that the Board approve the register, subject to the following amendments: -

- SR1 – Planned control 2 should read 18/19 November 2014
- SR4 – Existing control 1 – remove the date

RESOLVED – That the updated Strategic Risk Register be approved.

4 COMPLAINTS AND COMPLIMENTS REVIEW

A review of the Company's overall approach to complaints had been undertaken to ensure that it was dealing with individual complaints efficiently and effectively and that this insight was being used to drive forward service improvements.

The Company currently operated a 3 stage complaints process. Research undertaken showed that the current policy was very similar to other organisations, with most adopting a three stage process. Target timescales for responding were also very similar to those in place for the Company. Therefore it was not proposed that either the number of stages or timescales for response are varied. It was proposed that the descriptive names "Problem-solving", "Investigation" and "Review" be added to make it clearer to the customer what happened at this point in the process.

The other main changes to the policy proposed were the introduction of a vexatious contact guide (which would be developed with service managers and brought back to the Board for endorsement) and the introduction of a more structured approach to learning from customer feedback.

At present, Step 2 complaints were recorded on the Council's corporate complaints system and Step 1 complaints were recorded on both the Council system and Northgate, depending on the service area. There was currently no logging system for Step 3 complaints or for Ombudsman complaints or councillor and MP enquiries.

Overall, the review found that the current methods did not provide an efficient way of logging complaints handling throughout the process. The ideal scenario would be to have a system where all reports were all in the same system with an officer was able to get an overview of the customer's full history.

The Company would look to work in partnership with the Council to agree the best way forward to improve the ICT systems and ensure all the issues were resolved.

Currently complaints performance was measured against two performance indicators and two service standards and targets for all these were met at year end, although there was still room to improve both response times and complaints handling to increase satisfaction.

In line with HouseMark Benchmarking, it was proposed to introduce the following two new management indicators for 2014/15 to be monitored internally:

- Number of services changed, improved, or withdrawn resulting from complaints, and
- Complaints where payment made as % complaints closed.

The amended policy proposed providing information to management team by exception on a monthly basis, quarterly to service managers and six monthly to Customers and Communities Committee. This would increase the knowledge across the business of complaints and compliments and increase accountability of those responsible for dealing with them.

Feedback from the Complaints Scrutiny Panel and an audit of recent response letters indicated that the quality of responses varied across the Company. Details of proposed actions to remedy this were reported.

The review also showed that in some cases, complaint handling and quality of complaint logging was variable. Therefore a guide for investigating officers would be developed and training delivered over the next 12 months to ensure a consistent approach.

In 2013/14, 15 suggestions were recorded, as well as 8 specific actions or changes which were introduced either to resolve or prevent the reoccurrence of a problem. It was likely that the number of changes being made was greater than what was currently being recorded, so over the next 12 months the Company intended to improve recording and reporting of these actions to promote the improvements being made throughout the Company and to customers.

The remit of the Complaints Scrutiny Panel was currently under discussion. It was anticipated that in future the panel would continue to undertake scrutiny work but with more targeted focus on achieving service improvements, as well as specific projects.

The review has highlighted there was a need for a continuing role to support work in Complaints and Compliments going forward. The Project Officer is in post until 31 October 2014 and would use this time to work on implementing the recommendations from the review and develop the guidance and training highlighted.

Following this, it was expected that a permanent role would be required to ensure that ongoing work was carried out to maintain and improve the way complaints were handled. This role and how it would be funded would be covered in a separate report to the next Resources Committee.

The Board were in favour with this proposal but stressed that it needed to get the ICT right first and there needed to be clear guidance to Resources Committee about what the post holder would be doing and that it added value to the outcome of complaints in terms of learning and value for money.

A working group, chaired by the Managing Director, would be established to oversee the next stages of this project. A representative from Gateshead Council would be invited to be part of this group. This group would initially be responsible for developing procedures in relation to vexatious contacts and redress & remedies, ICT improvement and learning & development.

- RESOLVED –
- (i) That the findings of the Complaints and Compliments Review be noted.
 - (ii) That the revised Complaints and Compliments Policy be approved.
 - (iii) That a further report on the future role to support this be taken to the next Resources Committee.
 - (iv) That an update on progress be provided as part of the next six monthly activity report on Complaints and Compliments to Customers and Communities Committee

5 ANNUAL GENERAL MEETING

The Board received a report considering arrangements for the Company's next Annual General Meeting (AGM) with the Council Member, which must be held in the calendar year 2014 and not more than 15 months after the last one. At the AGM, the Council Member would consider the Company's annual accounts. If these accounts were not available in audited form, the AGM must still be held by the due date and then adjourned, to be reconvened when audited accounts were available.

Routine business at the AGM would be the annual report and accounts; re-election (if any) or election of directors and re-appointment of auditors and fixing their remuneration. Any other business would be special business, the purpose of which needed to be specified in the notice of the meeting to be given to the Council.

The last AGM was held on 19 September 2013, therefore the next AGM must be held no later than 18 December 2014.

It was anticipated that the annual report of the directors of the Company, together with the audited accounts, would be presented to the Board for approval on 10 July 2014.

21 clear days' notice of the AGM must be given to the Council, calling the AGM. It was proposed therefore that the meeting be held immediately after the Board Meeting on 18 September 2014.

Tenant and Independent Directors were entitled to hold office for a period of no more than 10 consecutive years or four consecutive terms of office, whichever was the lesser. The Articles require that the longest serving Tenant and the longest serving Independent Directors should retire from office at the AGM.

The Board currently had no vacancies for Tenant Directors. However, Gordon Spring was retiring at the next Annual General Meeting and it was proposed that a recruitment process was undertaken with a view to appointing a replacement for Gordon at the Annual General Meeting.

The Board currently had no vacancies for an Independent Director. Given that the two most recent Independent Directors were only appointed in April 2013, the Council Member has agreed that for this year no director of indirect elections take place and therefore the Independent Director retiring at the next AGM, if willing to act, would be appointed at that meeting.

- RESOLVED –
- (i) That the information be noted.
 - (ii) That the next Annual General Meeting be held immediately before or after the Board Meeting on 18 September 2014.
 - (iii) That the retirement of Gordon Spring as a Tenant Director at the Annual General Meeting be noted.
 - (iv) That a recruitment campaign for the appointment of a Tenant Director at the Annual General Meeting as a replacement for Gordon Spring be carried out.
 - (v) That the proposed arrangements for the retirement/appointment of an Independent Director be noted.
 - (vi) That the longest serving Independent Director retire at the next AGM and if willing to act, be reappointed at that meeting.

6 BOARD TRAINING AND DEVELOPMENT PLAN 2014/15

The Board, at its meeting on 14 May 2014, agreed a series of workshops during 2013/14 based a number of themes, however with the exception of Welfare Reform and equality and diversity, it was not possible to deliver all these.

Board Members have had one-to-one appraisals with the Chair and no individual training needs have been identified. There was a general consensus that the Board would like to be kept informed of ongoing developments and changes in legislation. There was also a suggestion that Board Members be kept up to date with key issues and challenges identified by the Council at Members Seminars.

It was proposed that the 2014/15 plan be used to deliver a series of workshops around the outstanding areas from the 2013/14 plan – namely Finance, New Build and Safeguarding. Members of Keelman Homes would also be invited. It was considered as good practice for annual training around the roles and responsibility of a Board Member and it was proposed that an organisation be approached to deliver training on this after the next Annual General Meeting.

RESOLVED – That the proposed training and development plan for 2014/15 be approved.

7 GOVERNANCE PERFORMANCE INDICATORS AND TARGETS: 2014/15 TO 2016/17

The Board received the governance performance indicator results for 2013/14 and proposed targets for the next three years.

RESOLVED – That the Governance Performance Indicator results for 2013/14 be noted and the targets for the next three years be approved.

8 IMPACT OF WELFARE REFORM 2013/14

The Board received an update on the impact of welfare reform on Council tenants and Council housing as at the end of the financial year 2013/14.

At the start of 2013/14, 2,838 Council tenants had their housing benefit entitlements adjusted as a result of under-occupation. 2,319 faced a 14% reduction for having one spare room and 519 faced a 25% reduction for two or more spare rooms.

The saving (to the housing benefit bill) that could potentially have been made in reducing benefit to these 2,838 tenants would be around £1,775,000 over the full year.

The impact of the benefit reductions and numbers of tenants affected had been tracked throughout the year. There were constant changes in tenants coming off and going on to benefit, so there would always a different set of tenants affected each week and some tenants had been affected for several periods during the year.

The overall trend had been a reduction in numbers affected – down to 2,482 at year end (2,081 of these with one spare room, and 401 with two or more).

179 tenants were helped to downsize to smaller homes during the year, using the additional priority award contained within the lettings policy. Contributions towards removal costs totalled £44,907 in the year. 203 tenants in total had now moved with this award since it was first introduced in December 2012. 335 further tenants were registered for a transfer with this priority award by year-end.

Most tenants chose to stay in their home and pay the higher contribution to their rent. Tenants who could demonstrate they needed additional help in meeting their increased housing costs could apply for Discretionary Housing Payments (DHP), for which the Government provides each council with a grant. 783 tenants

affected by under-occupation made successful applications for DHP in 2013/14 for varying periods. The total sum covered by DHP was £430,586.

Despite the use of DHP funds, the total amount of rent owed by current tenants increased by £207,591 during the year (an 11.7% increase). This was much larger than in previous years. In 2012/13, current tenants' arrears had increased by £85,087 (a 5% increase) and the figure was lower still or an actual decrease in arrears in the years before. The impact of welfare reform could be assessed as the additional increase beyond 5% - calculated as £118,789.

Tenants were also more likely to end tenancies with higher arrears sums in 2013/14. A large increase was seen in the amount of debt passed to former tenant accounts at tenancy termination. This had actually reduced year on year for the previous seven years, but in 2013/14 increased by £228,593 (a 52.6% increase). This sum needed to be added to the increase in current arrears.

Although the number of tenants affected by benefit reductions had reduced, this had partly been due to tenants giving up their tenancies. Overall tenancy terminations (where the property is intended to be relet) increased from 1,579 in 2012/13 to 1,926 in 2013/14 (a 22% increase). This leads in turn to higher void rent loss and relet costs.

Resultant vacancies had in some cases become difficult to let, with increased levels of vacant properties. This had become most apparent in two multi-storey blocks, Redheugh Court and Eslington Court in the Teams area. There were 31 vacant two-bedroom flats in these blocks at year end, compared to only two vacancies before the penalty was implemented at the start of the year. High levels of vacant properties were a risk to the sustainability of these blocks and the Council was to consider redesignating the flats with a one-bedroom rent. It was noted that a report was expected to go to the Council's Cabinet in June.

Vacant property rent loss showed one of the highest levels of impact with an increase of £564,408 in 2013/14 on the previous year (60.5% increase). Levels of vacant properties had risen from 234 to 440 over the year.

The increased level of vacant property activity had meant higher expenditure on relet works. Relet expenditure had reduced in each of the previous three years, but in 2013/14 increased by £1,030,000 (24.6% increase).

Staffing resources had needed to be targeted at managing and mitigating the impact of welfare reform and details of these and the total costs were reported.

A summary of the various elements of the financial impact of housing benefit reductions on Council housing in Gateshead was submitted. This showed significantly higher costs to the HRA 2013/14 compared to saving to housing benefit 2013/14.

It was noted that an advisory group of the Council was receiving a presentation on the third update from the Real Life Reform and it was requested that the Council be invited to this and that Charlotte Harrison who is leading on this be invited to the Company's next Away Day when the fourth report would have been produced.

- RESOLVED – (i) That the information be noted.
- (ii) That Officers be congratulated on an excellent report and their approach to dealing with welfare reform.
- (iii) That the Council be approached about Board Members being invited to and being able to speak at the Advisory Group considering the Real Life Reform and that Charlotte Harrison be invited to the Company's next Board Away Day.

9 MINUTES OF AUDIT COMMITTEE HELD ON 16 APRIL 2014

The minutes of the meeting of Audit Committee held on 16 April 2014 were submitted.

RESOLVED – That the minutes be noted.

10 MINUTES OF RESOURCES COMMITTEE HELD ON 6 MAY 2014

The minutes of the meeting of Resources Committee held on 6 May 2014 were submitted.

RESOLVED – (i) That the minutes be noted.

- (ii) That a report be taken to the next meeting of Resources Committee explaining what the Company is still doing after ISO14001 ends in June.

11 MINUTES OF CUSTOMERS AND COMMUNITIES COMMITTEE HELD ON 8 MAY 2014

The minutes of the meeting of Customers and Communities Committee held on 8 May 2014 were submitted.

RESOLVED – That the minutes be noted.

12 MINUTES OF KEELMAN HOMES HELD ON 22 APRIL 2014

The minutes of the meeting of Keelman Homes held on 22 April 2014 were submitted.

RESOLVED – That the minutes be noted.

13 PERFORMANCE – YEAR END 2013/14

The Board received the year end performance results for 2013/14.

There were currently 47 key performance indicators which were included within the delivery plan and monitored and reported to the Board on a quarterly basis.

At the year-end: -

- 23 indicators were traffic lighted green, which showed that the Company had achieved the annual targets for these indicators. This had increased from 22 at year end 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 two at year end 2012/13.
- Nine 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 10 indicators at year end 2012/13.
- 11 indicators were not yet measurable as they were new indicators for 2013/14.

The analysis therefore indicated that at year end, performance relating to 27 out of the 36 measureable performance indicators could be traffic lighted as on target or improving, which related to 75% of the indicators. This showed an improvement from 71% as at year end 2012/13 and the Company would continue to drive further performance improvements during 2014/15.

RESOLVED – That the information be noted.

14 SERVICE STANDARD PERFORMANCE – YEAR END 2013/14

The Board received the year end performance results against our service standards for 2013/14.

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

At the year-end:-

- 36 indicators were traffic lighted green, which showed that the Company had met the targets set for them. This was the same as year-end 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 previous year. This was in comparison with performance at year end of 2012/13 when there were three amber indicators.
- 12 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 seven at year end 2012/13.
- Five indicators were not measurable against a target at year end.

Overall, performance relating to 37 out of the 49 measurable service standard performance indicators could be traffic lighted as on target or improving, which related to 76% of the indicators. This was a slight reduction from 85% as at the year end 2012/13. The Company would use the results of these indicators to improve the services it provided to its tenants and leaseholders.

RESOLVED – That the information be noted.

15 GATESHEAD COUNCIL'S STRATEGIC TENANCY POLICY AND TENANCY POLICY

The Board received details of approval by Gateshead Council's Cabinet's of an update to the Strategic Tenancy Policy which was a statutory requirement for all local authorities in England and Wales pursuant to the Localism Action 2011 and an update to Gateshead Council's Tenancy Policy, which was a regulatory requirement for all social landlords.

RESOLVED – That the information be noted.

16 INFORMATION ITEMS

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

- Petitions Update
- Outstanding Issues
- Forward Plan

RESOLVED – That the information be noted.

17 FEEDBACK FROM OUTSIDE BODIES AND EVENTS

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

- Robert Buckley attended a CIH Event on handling domestic abuse/anti-social behaviour. Group providers are forming Domestic Abuse Arise and will develop seven national standards. It was also noted that a Project in Darlington is using volunteers for tenant mediation.
- Robert Buckley recently met with members of TALISMAN. They were very pleased with their own website but requested their own email address.
- Barbara Dennis recently attended the NFA Board Meeting and it is preparing to speak on behalf of ALMO's ahead of next year's General Election and discussed the ALMO Annual Conference.
- Robert Buckley was congratulated on receiving award for being an exceptional Board Member at recent CIH Regional Awards.

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

18 DATE AND TIME OF NEXT MEETING

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

19 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.