



(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 Monday, 14 July 2014 at 12.30pm

Present:

Ordinary Trustees

Brian Kelly (Chair)
Joanne Carr
Anne Connolly
Paul Foy
Linda Hitman
Peter Mole
Hannah Shepherd

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)

1 DECLARATIONS OF INTEREST

No interests were declared.

2 MINUTES

The minutes of the meeting of Keelman Homes held on 14 April 2014 was approved as a correct record.

3 KIBBLESWORTH UPDATE

The Board received an update a year on from the completion of the new build development at Kibblesworth and issues that have come to light since the previous update.

Through the programme, 81 new affordable rented properties were completed and have been let. 11 of the 13 shared ownership properties have completed and been sold. The 54 Keepmoat properties that were earmarked for private sale have all been sold.

All art work on the estate has been completed and details of these were reported.

The properties in the last phase of the development to complete are covered by Keepmoat's 24 month new build warranty and the final property is covered until January 2016.

All of the play equipment on and off site is installed with maintenance and upkeep being provided by Gateshead Council's fixed play team. A 10 year agreement was put in place in 2013 for the ongoing maintenance and upkeep of the play equipment and grass areas within the estate.

Following a nomination by Gateshead Council's Building Control section, the scheme has recently won the LABC Construction Excellence, in the category of best social or affordable housing development. It will now be entered into the National final as regional winners.

In addition, Kibblesworth was one of three schemes shortlisted in the Best New build Category of the NFA Awards which take place as part of the NFA Annual Conference later in July.

RESOLVED – That the Kibblesworth update be noted.

4 DATE AND TIME OF NEXT MEETING

The next meeting of Keelman Homes will be held on Wednesday, 17 September 2014 at 2pm in Room S21, Gateshead Civic Centre.

5 EXCLUSION OF THE PRESS AND PUBLIC

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

6 DATE AND TIME OF NEXT MEETING

The next meeting of Keelman Homes will be held on Wednesday, 17 September 2014 at 2pm in Room S21, Gateshead Civic Centre.

7 NEW BUILD UPDATE

The Board received an update on the current two phases of new build activity for Keelman Homes and confirmation of the outline grant bid that was submitted to the Homes and Communities Agency (HCA) for the forthcoming Affordable Homes Programme (2015-18).

As previously reported to the Board, 15 Units are currently being developed in this phase of works, utilising developers' grant and working in partnership with Esh Construction Services.

The re-built unit at 73 Marian Court, Teams, which had previously been the site of a one bed bungalow, has now transferred into Keelman Homes ownership. The property was completed in June, three months ahead of schedule and has been advertised with an affordable rent set at £75.92 per week. The development at Felling Library is currently on site with the transfer of the sites at Strathmore Road and Kirkwood Gardens recently confirmed. Initial site set up at Strathmore Road has been established and this site will follow on from the Felling site in sequence.

All properties in this Phase of works are expected to be complete within the current financial year to comply with HCA grant conditions.

As previously reported, Phase 2 of the new Build programme proposes to provide 29 units across two sites in the West of the borough at the former Lonnen Sheltered Scheme site and a cleared garage site on the Runhead Estate.

Works at the Lonnen commenced at the beginning of June with a draft programme targeting completion in early 2015. The site will include a mix of social rents (14 units) and private sales (6 units).

Following extensive site investigation works, the intention is to continue with the original proposal to deliver nine affordable rented units on the Runhead site. The commencement of works on site has been postponed until October 2014 due to the need to re-route an electrical diversion. Galiford Try Have indicated that although a delayed start on site will potentially mean that this development does not complete by the end of March 2015, they are in discussion with the HCA about the grant conditions to ensure that grant is not put at risk.

The Board received a presentation at the April meeting on an outline bid submission in relation to the above. The bid was submitted prior to the end of April and following discussions with the HCA. The unit numbers in the final bid have reduced significantly from those detailed in the presentation.

Having discussed the various sites and proposals at length with the local HCA, it was recommended that due to uncertainties about the programming of the Clasper Village and Bleach Green regeneration sites, that these should not feature in the bid as firm schemes but should be approached via the continuous market engagement route once a developer has been identified via Gateshead Council.

Discussions with the HCA have indicated that there is likely to be an opportunity to consider further sites as and when they become available through continuous market engagement. Work is ongoing to look at additional sites.

The intention is to apply for Affordable Homes Guarantees borrowing to finance future developments and a separate application for funding will need to be submitted once the outcome of the grant bid is known. It is expected that successful bidder will be notified by the end of July.

RESOLVED – That the update on the new build programme be noted.

8 EMPTY HOMES ROUND – UPDATE

The Board received an update on the Empty Homes Programmes that are currently being delivered – the Empty Homes Programme and the Purchase and Repair Scheme.

The target for Empty Homes Leasing Programme is to bring a total of 30 empty properties back into use between April 2012 and March 2015.

The programme had been behind schedule in the third quarter of 2013/14. The take up had slowed due to the high level of renovation costs required to bring properties up to a lettable standard. Additionally, the properties coming forward had not been the type originally envisaged, but were ones where the owners had been unable to sell or able to fund the renovations themselves. The average cost for these properties was significantly above the anticipated £8,000 grant per property.

The Council met with the Homes and Communities Agency (HCA) to review the deliverability of the programme and presented a business case to increase the average allocation per property. On 6 January 2014, the HCA confirmed that a further allocation of £189,090 would be awarded increasing the average award per property to £14,500.

The overall allocation for the current programme has been increased from £245,910 to £435,000. This increase in budget has enabled 10 properties to be completed in 2013/14, with a further five where work is in progress or about to start. There are 10 potential properties waiting to sign the leasing agreement and agree the levels of work required. Effectively this leaves only five more properties to be identified to reach the target of 30 by March 2015.

With regard to the purchase and repair programme, the following progress has been made on properties purchased to date: -

- 81 Hertford (1 bed flat) – The property is located in the Chowdene Ward and was let on 21 April 2014.
- 7 Mallory Place (2 bed House) – The property is located in the Bridges Ward and investment works have now been completed. The property is currently being valued (as per HCA grant conditions) to determine market and subsequently affordable rent level.
- 124 Knightside Gardens (1 bed flat) – The property is located in the Dunston Hill and Whickham East Ward. Property currently receiving works prior to being let.
- 17 Keats Walk, (1 bed flat) – The property is located in the Bridges Ward. The property was scheduled to receive a boiler and heating distribution system with anticipated completion in mid-July.
- 16a Brearley Way, (Shop conversion to 1 bed flat) – Property has not transferred to Keelman Homes ownership yet but works being undertaken ahead of this through design and build scheme with Gateshead Council's Property Services and Local Environmental Services. Estimated completion for conversion works mid-August.

A bid has been submitted to HCA to continue both schemes between 2015-18. The results of the bids will be announced in July 2014.

- RESOLVED –
- (i) That progress made with regard the purchase of the five empty properties be noted.
 - (ii) That progress on the Empty Homes Private Leasing Scheme be noted.
 - (iii) That the Board receive updates on empty homes activity at future meetings.