



(Company number: 06972673)

Minutes of meeting of the Board of Directors held in at Gateshead Civic Centre, Regent Street, Gateshead on Thursday, 21 May 2015 at 12.30pm

Present:

Ordinary Trustees

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

In attendance

Neil Bouch (TGHC Director of Customers and Communities)
Natalie Hewitt (TGHC Head of Corporate Services)
Julie McCartney (TGHC Head of Neighbourhood Services)
Kelly Davis (Keelman Homes Finance Manager)
Stuart Gibson (TGHC Governance and Risk Officer)

Apologies

Peter Mole

1 DECLARATIONS OF INTEREST

No interests were declared.

2 PETER MOLE

The Board was informed that Peter Mole was currently undergoing radiotherapy. The Board placed on record its best wishes to Peter for a full and speedy recovery.

3 MINUTES

The minutes of the meeting of Keelman Homes held on 19 March 2015 were approved as a correct record.

4 MATTERS ARISING – MANAGEMENT OF THIRTEEN HOUSING GROUP PROPERTIES

Tenancies are due to start in a couple of weeks at the 34 new build properties at Clavering Court and we are supporting the relocation of the remaining West Park tenants to this scheme. The scheme will be managed by Thirteen Housing Group however we are still in discussion with Thirteen Housing Group regarding the future management of the scheme

5 MANAGEMENT ACCOUNTS – FOURTH QUARTER 2014/15

The Board received an update on the management accounts for the fourth quarter of the financial year 2014/15.

The management accounts show Keelman Homes has made a surplus of £113,815 in the fourth quarter, compared to the original budget deficit of £91,165. This is subject to review which will be carried out by the external auditor, KPMG.

The positive variance to budget is mainly due to a decrease in the cost of loan interest repayments required in the year. The budget assumed that new loan financing would be taken early in the year and that two new loan repayments would be required. The new loan wasn't required to be taken out until October, therefore no repayments on the new loan are required.

RESOLVED – That the financial management of the revenue budgets for the fourth quarter of the 2014/15 financial year be noted.

6 10 YEAR FINANCIAL FORECAST

On 19 March 2015, the Board approved the budget for 2015/16 and was asked to note the financial forecast for 2015/16 to 2018/19.

Since the budget for 2015/16 was approved, there has been some progress with the forecasted activities of Keelman Homes which affects the budget and the future financial forecasts. These include the agreement of the first 2015/16 loan drawdown with Gateshead Council and a review of corporation tax with the external auditors, KPMG.

A statement showing the revised budget for 2015/16 – 2024/25 was submitted.

The revised budget position shows a surplus of £67,864 in 2015/16. The surplus is due to the sales income from the properties at The Lonnen. Any delays on the sale of these properties beyond the end of 2015/16 would have a significant impact on the financial position in 2015/16.

The 10 year forecast shows that the Company will make a deficit in the following four years (2016/17 to 2019/20) but will return to surplus from 2020/21. The reserves held by Keelman Homes will cover the deficit in these years.

The Board asked about the implications of the General Election results and Right to Buy for RSL's. It was noted that the Keelman Homes Lead Officer will be looking at this and the Board would be updated as soon as the detail had been agreed.

RESOLVED – (i) That the revised budget for 2015/16 be approved.

(ii) That the forecasts for 2016/17 to 2024/25 be noted.

7 DRAFT SALES POLICY

Keelman Homes has successfully sold properties in the past, under the Shared Ownership scheme at Kibblesworth. Whilst shared ownership is not currently being considered for properties in development, there are properties being marketed for outright sale at the Lonnen site and it is anticipated that there may be a need to consider further sales approaches on future sites going forward.

To support the approach and increase options for prospective buyers, part of the strategy at the Lonnen site has been to make the sales properties available through the Help to Buy scheme.

The activity in relation to sales properties to date and the potential to include further sales units on future schemes has identified the need to have in place a formal sales policy, to provide clear guidance for officers, board members and potential customers in relation to sales.

In order to ensure that Keelman Homes is complying with regulatory requirements from both the HCA and the Charities Commission and remaining true to Keelman Homes' development principles and charitable objectives, a draft policy has been produced to provide a framework for any sales activity.

The Board felt that it needed clarifying in the policy what it was delegating authority for when the surveyor's report suggest that an alternative course of action (other than sale) would result in the best outcome for the Company. It was also felt that any price reductions should be agreed in consultation with the Chair of the Board.

RESOLVED – That the sales policy be approved, subject to the amendments to the Policy outlined above.

8 RISK MANAGEMENT POLICY

The Board, at its meeting on 19 March 2015, approved an updated Operational Risk Register.

Although an Operational Risk Register is in place, no formal Risk Management Policy has been in place in relation to Keelman Homes. The TGHC Risk Management Policy has previously been adopted.

As part of its review in March 2015, the Internal Audit Service has now recommended the introduction of a specific Keelman Homes Risk Management Policy.

A new Risk Management Policy was submitted. The policy provides the framework within which Keelman Homes will manage the risks associated with the provision of its wide range of services.

The Lead Officer will periodically review the risk register to identify emerging risks and recommend to the Board any risks that should be escalated.

RESOLVED – That the Risk Management Policy be approved.

9 INTERNAL AUDIT REPORT

As part of the 2014/15 internal audit plan, an audit was completed in relation to Keelman Homes. The audit was carried out from January to March 2015.

The audit concluded that the control systems and procedures in place were operating well. The four medium priority recommendations made during the previous audit have been implemented.

As a result of the audit, there was one best practice finding. A review of the Keelman Homes policies and procedures found that a performance framework, business plan and risk strategy were not in place.

An action plan with timescales has been established for the Keelman Homes Lead Officer to develop a business plan and performance framework, in line with the best practice recommendation.

RESOLVED – That the information be noted.

10 ANNUAL ACTIVITY REPORT 2014/15

The Board received statistical and other information relating to key activities carried out across Keelman Homes during 2014/15.

RESOLVED – That the information be noted.

11 DATE AND TIME OF NEXT MEETING

RESOLVED – That the next meeting of Keelman Homes be held on Thursday, 2 July 2014 at 9.30am in Room S20 at Gateshead Civic Centre.

12 EXCLUSION OF THE PRESS AND PUBLIC

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