

Minutes of the Ninety-seventh Board Meeting

Held on 19 September 2017 at 5.30pm
At Room 1, CBH, Rowan House,
33 Sheepen Road, Colchester CO3 3WG

Present:

Anne Grahamslaw (*Chair*)
Alan Blois (*Vice Chair*)
Julie Parker
Glenn Houchell
Geoff Foster
Cllr Cyril Liddy
Cllr Mike Hogg
Cllr Daniel Ellis
Tina Graves
Michala Carey

In Attendance:

Gareth Mitchell
Michael Hadjimichael
Karen Loweman
Tracey Brushett
Matt Armstrong
Gerardine Murphy
Heidi Mussett
Sarah Jones
Owen Howell
Observing:
Lynn Thomas
Michael Campbell

(Minutes)

(CBC)

*(Scrutiny Panel/
nominee for Board
Membership)*

1. Apologies and quorum

- 1.1 Apologies were received from Cllr Nigel Chapman for absence. The meeting was declared quorate. Mark Wright and Ryan Curtis had also registered their apologies.

2. Declaration of interests by Board Members and Officers

- 2.1 There were no new declarations of interest.

3. Minutes of the meeting held on 20 July 2017 and Matters Arising

- 3.1 The minutes of the previous meeting were agreed as an accurate record and approved for signing by the Chair.

4. Voice your view

- 4.1 There were no speakers for 'Voice your view.'

5. Update on Board governance changes

- 5.1 Michael Hadjimichael highlighted the following:
- Meetings had been held with Anthony Collins (CBH legal advisors) and CBC to discuss making amendments to the Memorandum & Articles of Association. Written consent would be sought from CBC for the results of this and the changes would then be formally approved by CBC at the AGM on 2 November.

- An action plan had been produced to guide the work to be done on all strands of the programme to improve Board governance and committee structure.
- Ideas are being gathered as to how a Tenant/Board scrutiny panel could function in the context of CBH's governance arrangements. Board was encouraged to come forward with any thoughts that they have regarding this.

6. Outcomes from report on Temporary Accommodation by the CBH Scrutiny Panel

- 6.1 Board noted the report.
- 6.2 In response to questions regarding references to 'Council secure tenancy', Tracey Brushett confirmed that CBC still provided secure tenancies. Karen Loweman clarified that although local authorities were permitted to offer fixed-term tenancies, this was not currently compulsory and CBC had decided not to introduce them at present.

7. Approve appointment of Resident Board Members

- 7.1 At this point, Michael Campbell and Geoff Foster left the room.
- 7.2 **Decision:** Board voted to reappoint Geoff Foster to serve a second term as Board Member, and voted to appoint Michael Campbell as a new Tenant Board Member.

8. Approval of CBH Strategic Plan

- 8.1 Gareth Mitchell presented his report and recapped the work that had been done to produce the draft plan, including details of consultation with Board, staff, CBC and with residents/service users. He also clarified the role the Strategic Plan will play in the company's future direction, how it would relate to the Medium Term Delivery Plan, and the ways in which the two documents are linked, but also separate plans in their own right. Each strand of the Plan and their aims and targets were explained.
- 8.2 Alongside the Board's legal and fiduciary duties, the Strategic Plan would be one of the main influences on the Board's work in the future, helping to direct the Board's setting and oversight of the Company's strategic direction.
- 8.3 The qualitative results of the consultation (Appendix 2) were highlighted. Some feedback received has not been included here, but is more applicable to the delivery plans which are produced underneath the overarching Strategic Plan. More information and insight on these delivery plans will be provided to Board at the Board/DMT session to be held on the following day (20 September 2017).
- 8.4 The importance of using ambition/performance measures was highlighted and these were being chosen and set out to allow both management and the Board to have effective oversight of progress across the six strands of the Plan.
- 8.5 Board questioned whether the target for the customer plan should be amended

to define 'ALMO' (Arm's Length Management Organisation) and if CBH satisfaction rates should be compared to those of other ALMOs and to housing services provided by local authorities who directly managed their retained stock.' It was agreed that the abbreviation should be explained. The current benchmarking carried out via HouseMark compared CBH's KPIs with those of 33 different housing organisations in the region, of various different types. It was felt that it would be unhelpful for us to compare ourselves to Housing Associations as they faced a different situation and different challenges. It was currently felt that it was most useful to compare CBH with other ALMOs, allowing us to set ambitious but achievable targets.

8.6 Board highlighted the usefulness of producing mid-term targets (e.g. for 2020) to ensure that progress towards the 2022 targets were on course.

8.7 Board discussed importance of clear definition of terms surrounding diversification of income (e.g. what the 2022 target for business development meant – is this a percentage of net or gross income). It was clarified that this would be further discussed and described at the next Business Opportunities Panel and that the way in which the target was defined, CBH would have to roughly double its current level of trading income in order to reach the current draft target. The emphasis is for management and Board to identify what level of income is judged to be needed, and then work to achieve this level.

8.8 Board emphasised the desirability of a sufficient number of metrics and the need to avoid skewing behaviour to meet targets, whilst performance in areas of activity where no targets exist potentially worsens.

8.9 Board noted that 9.1 of the report should read 'Consideration of HR implications will be carried out in due course, as necessary.'

8.10 It was emphasised that further feedback would be collected from future engagements and this would be used to inform the Plan as it proceeds and as opinions potentially change.

8.11 **Decision:** Board approved the adoption of the Strategic Plan 2017-2022.

9. Strategic Risk Register Review

9.1 Board were informed that no new risks had been added since the previous meeting.

9.2 The Homelessness Reduction Act is due to come into force in 2018 and the relevant CBH teams are busy preparing for this and working to ensure that we are ready.

9.3 Board were given assurance that work is being carried out on preparing for the new data protection requirements stemming from the GDPR (General Data Protection Regulation). Board were informed that the Board Assurance Officer was to receive full training and would disseminate information to Board Members once he had received this. Owen Howell further clarified that company directors had no direct liability for data security issues or breaches, but that they did have a duty to ensure that correct policies were in place and that appropriate actions

are being taken to ensure compliance. Compliance action would be monitored by F&A Committee. **Decision:** Board noted the Register and approved the mitigating actions within it.

10. Information & Confidentiality Policy

10.1 Owen Howell noted that the Policy would return to Board for further review and approval as soon as any necessary changes relating to GDPR compliance were identified, following his completion of training on this regulation. **Decision:** Board approved the updated Information & Confidentiality Policy.

11. Strategic Health & Safety Policy and Policy Statement

11.1 Michael Hadjimichael presented in the absence of Ryan Curtis and informed Board that the Director of Property Services' responsibilities regarding health & safety had passed to the Director of Resources. The minor and cosmetic changes were highlighted and Board were assured that Ryan Curtis was proactively working to increase health & safety awareness across CBH. **Action:** Owen Howell to request copies of the 'related documents' from Ryan Curtis and send to Geoff Foster.

11.2 **Decision:** Board approved the Policy and approved the Policy Statement for signing by the Chair and Chief Executive.

12. Standing Financial Instructions

12.1 The amendment requested by F&A Committee was detailed. This involved bringing 7.4(a) into line with the Trading Protocol. Committee questioned whether the Instructions should be further revised to fit in with the likely future changes to the Board's committee structure. Michael Hadjimichael explained that all policies would be reviewed and amended as necessary once any changes to committees had been laid out and approved. **Decision:** Board approved the Standing Financial Instructions.

13. Annual Report from F&A Committee

13.1 The report was noted.

14. Working Smarter Project

14.1 Matt Armstrong detailed the progress being made, including timetable for office refurbishments, issuing of staff IT devices, process mapping and changing of working practices and measures in place to ensure staff buy into the changes.

15. Finance Assurance Report

15.1 Board were given assurance that there were no major concerns and that vacancy factors and low numbers of repairs had had a beneficial impact on Company finances. Michael Hadjimichael confirmed that details of spending on the Working Smarter Project would be reported to F&A Committee and that work had commenced on devising ways to quantify the savings and return on investment involved in the Project. There would be a post-Project review held.

15.2 Board requested and received assurance that all approvals and progress on delivery of delegated budgets are going ahead as expected.

16. Performance Assurance Report

16.1 The figures shown in the report are those as of end of July. None were Red, with four Amber and some improvement being noted.

16.2 Board Members requested that total numbers of Stage 1 complaints be shown with regard to the KPI monitoring percentages upheld. This would provide better information on complaints received and our performance in this area. **Action:** Karen Loweman to ensure that total numbers of complaints per month are noted with this KPI at future meetings and to examine ways in which complaint outcomes could be monitored and reported.

17. Committee Minutes

17.1 The minutes were noted.

- Glenn Houchell (Chair of F&A Committee) described ongoing work to introduce weightings to the risks monitored by his Committee.
- Alan Blois (Chair of Operations Committee) detailed his Committee's monitoring of KPIs.
- Karen Loweman answered questions on the nature of arrears affecting recipients of Universal Credit and detailed work being done to minimize the impact of this on CBH.

18. Forward Look

18.1 The workplan was noted and Owen Howell explained that the 2018 workplan would soon be drawn up and then would be amended should Board approve changes to the way it and its committees function in the future (decision scheduled for 2 November 2017).

19. Any other business

19.1 Owen Howell informed Members that, following questions raised, a review had been carried out to ensure that the electronic decision on a new commercial vehicle fleet contract (Information Pack, Item 4) contained no sensitive commercial information. This had been confirmed, but additional redactions had been applied to contact details for an officer at another company and to part of a Board Member's vote to remove personal data.

19.2 Board requested that the Electronic Decision Making Procedure be updated and streamlined to allow for decisions to be more easily made by email, and for reporting of this at a subsequent Board to show the necessary detail without requiring a full reproduction of the email traffic relating to the voting. **Action:** Owen Howell to review the Process and bring to Board for approval.

19.3 The Chair formally thanked the two retiring Board Members (Tina Graves and Dionne Philp) on behalf of the Board and staff of CBH. A presentation of card

	Budget 2017-18 (£000)	Profiled budget to 31 Aug 17 (£000)	Actuals to 31 Aug 17 (£000)	Variance to 31 Aug 17 (£000)
Management Fee				
Management Fee - Income	9,351	4,676	4,676	0
Management Fee - Expenditure	9,351	3,824	3,597	227
Management Fee – net position			852	1,079
				227
Other Budgets				
Capital (CBC and CBH)	8,911	3,441	3,441	0
Revenue (CBC)	1,446	674	717	(43)
Delegated Budgets	2,477	160	(48)	208

The key reasons for variances are as follows:

Management Fee

- 4.2
- Management Fee paid one month in advance, income is six months compared to expenditure of five months.
 - Vacancy factor on a number of budgets throughout the Company.
 - Lower volume of repairs requested at this moment in time.

Within the Management Fee expenditure there is an expected overspend at year end of £85k for the General fund for the Corporate Facilities and Technical team. This is a known deficit and is to be supported through trading activity surpluses.

Capital – all capital works

- 4.3 The committed expenditure on the overall capital budget is in line with profile.

Revenue CBC Contracts

- 4.4 The revenue CBC contract for voids is over profile by £43k due to demand at this moment in time. This is being managed closely to ensure volume and cost is maintained within budget capacity, if volume continues to increase a request for additional funding will be requested.

Delegated Budgets

- 4.5 This significant variance is due to recharges due to be undertaken at the end of Q2 and invoices not yet received.

Approved Reserve Drawdowns

- 4.6 The Working Smarter Project is an approved drawdown from reserves. The planning of this project has been ongoing for some time now. The IT equipment has been purchased and was rolled out during September. The accommodation reconfiguration at Rowan House was completed in October.

We also have some smaller amounts which are carry forwards from 2016-17 that are progressing in line with the project plan and forecast.

5. Risk Management

- 5.1 A strong financial control framework is essential for the successful delivery of the annual budget. Monthly review of all expenditure items takes place and income invoiced and collected in a timely manner. Any material items that may result in a significant deviation away from target will be reported to Finance and Audit Committee accordingly.

6. Financial Implications

- 6.1 These are incorporated in the body of the report.

7. Value for Money Implications

- 7.1 Successful delivery on performance targets for the year within these financial constraints will meet the requirements of the Value for Money Strategy.

8. HR, Health & Safety and Equality & Diversity Implications

- 8.1 None.

9. Residents at the Heart

- 9.1 Residents are indirectly involved in budgetary control as they review our performance on a regular basis. Our performance on standards is underpinned by our expenditure.

REPORT TO COLCHESTER BOROUGH HOMES BOARD

DATE: 2 November 2017

TIME: 7:00pm

VENUE: Officers' Club, St. John's Green CO2 7EZ

AGENDA ITEM: 7

SUBJECT: Performance Assurance Report Q2

REPORT BY: Karen Loweman, Director of Housing
☎ (01206) 282805
✉ karen.loweman@cbhomes.org.uk

FOR DECISION

1. Purpose of Report

- 1.1 To provide the Board with a high-level statement on the Company's performance against the agreed Key Performance Indicators (KPIs).

2. Recommendations & Decision required

- 2.1 That the Board notes the KPIs that are red or amber and considers the adequacy of measures in place to improve performance or mitigate impact.

3. Background

- 3.1 The Medium Term Delivery Plan contains a selection of KPIs that reflects the Company's vision & objectives for the coming year as well as the targets by which these are to be measured. These are discussed and agreed by the Operations Committee and approved by the Board at the start of each year.
- 3.2 The most-recent Operations Committee was held on 31 July 2017.
- 3.3 On Monday 16 October, Board members were invited to attend a meeting with Housemark, the national housing benchmarking club, to review 2016/17 performance and operating costs. The Housemark data which has been circulated to Board members demonstrated that CBH is a high performing; low cost organisation, comparing well against other housing organisations in the East of England.
- 3.4 The Operations Committee reviews the suite of KPIs at each meeting, and requests more detail where performance is below target. KPIs are shown as 'green', 'amber' or 'red' against the performance target:

- 'Red' - the indicator is not meeting performance expectation to date and/or is unlikely to improve by year end. Forecast is that it is unlikely that the target set will be achieved.
- 'Amber' - the indicator is not meeting expectation. There may be mitigating circumstances and improvement likely, but risks are raised.
- 'Green' - the indicator is meeting performance expectation, or as forecast to the next reporting period.

3.5 This report gives assurance to the Board that any areas of concern are being monitored and addressed.

4. Performance Monitoring – to end September 2017

4.1 The suite of Key Performance Indicators demonstrate some excellent outcomes with 14 of the 18 indicators achieving and exceeding performance expectation.

There are no red indicators at the end of September.

The following Key Performance Indicators have an amber status:

4.2 **Percentage of Non Decent homes – Target 5.46% - AMBER**

Of the 5,879 housing stock, 703 (11.96%) are recorded as not achieving the decent homes standard. Works scheduled throughout the year are expected to reduce this number to 372 at year end.

4.3 **Average waiting time for calls - Target 25 seconds - AMBER**

The response time during September improved with an outstanding average response time of 12 seconds during September, bringing the year to date average to 27 seconds.

4.4 **% of Stage One complaints upheld – Target 35% - AMBER**

Current performance is 43% of complaints upheld to end of September. Year to date 21 complaints have been received of which nine have been upheld.

4.5 **Current tenant rent collection (including arrears brought forward) – Target 98.5% - AMBER**

The profile of Direct Debit and bank standing orders leads to a number of accounts showing account arrears through to the end of December (when a rent free week is applied). Collection levels to date are at an improved position when compared with the same period last year. With current performance at 98.08%, the target to reach 98.5% by the end of the year remains achievable.

5. Financial Implications

5.1 Annual budgets assume target level of performance for income and expenditure.

6 HR Implications

- 6.1 Staffing levels are currently considered sufficient to deliver the required service level.

7. Equality and Diversity Implications

- 7.1 Performance monitoring supports CBH to ensure that services are delivered in a fair and accessible way.

8 Residents at the Heart

- 8.1 None

9. Appendix

- 9.1 Appendix 1: Amber KPI Dashboard slides
Appendix 2: Performance Dashboard

**PERFORMANCE SUMMARY
2017/18**

P I no.	Description	2016/17 Result	QTR 1	Jul 2017	Cum to Jul 2017	Aug 2017	Cum to Aug 2017	Sep 2017	Cum to Sep 2017	QTR 2	YTD	Supporting reports	2017/18 Target	Perf rating Local	H'mark Perf rating 15/16 UQ National	H'mark Perf rating 15/16 UQ East of England	Additional Supporting Comments re Performance.
Work with Partners and residents to create mixed and sustainable communities																	
1	ASB - % of cases closed and not re-opened within 90 days.	97%	⇒	94%	96%	100%	97%	100%	98%	⇒	98%	ASB11 and ASB7	96.0%		99.63%	99.51%	
Prevent homelessness and rough sleeping																	
2	% of housing options cases where homelessness was prevented	51%	56%	43%	52%	47%	51%	56%	52%	48%	52%		48.0%		n/a	n/a	
Work with customers to enable them to make informed housing choices																	
3	Number of households in bed and breakfast accommodation	23	14	8	⇒	3	⇒	4	⇒	4	4	P1E	30.0		n/a	n/a	
Make the best use of homes in Colchester																	
4	Voids - Overall time to Relet - General Needs All including Capital	21.22	23.63	18.86	22.04	32.24	24.60	24.08	24.52	24.95	24.52	PS KPI Pack - R220	25.0		19.32	16.11	
5	Rent loss due to empty properties (voids) as a % of rent due (general)	0.25%	0.26%	0.43%	0.30%	0.55%	0.35%	0.41%	0.37%	0.47%	0.37%	PS KPI Pack - R240	0.45%		0.59%	0.50%	
6	Percentage of under occupied Council homes	22%	⇒	21.8%	⇒	21.7%	⇒	21.7%	⇒	⇒	21.7%	Under occupation summary month by month	22.0%		n/a	n/a	
Provide healthy, safe and energy efficient homes																	
7	Repairs satisfaction (%)(including Gas)	99.21%	97.39%	99.25%	97.91%	99.12%	98.23%	99.74%	98.57%	99.39%	98.57%	PS KPI Pack - R010	95.5%		86%	86.45%	
8	Average days taken to complete a (responsive) repair	6.41	6.75	6.49	6.68	6.84	6.72	6.46	6.67	6.61	6.67	PS KPI Pack - R060. Based on all B to E priorities, contractor & in-house repairs	7.0		6.64	7.61	
9	Properties with valid gas certificate	100%	⇒	100.00%	⇒	100.00%	⇒	100.00%	⇒	⇒	100.00%	PS KPI Pack - R120	100%		100%	100%	
10	Percentage of Non Decent homes	7.86%	⇒	14.72%	⇒	14.30%	⇒	11.96%	⇒	⇒	11.96%	PS KPI Pack - C310	5.46%		0%	0%	Of the 5879 stock, there are 703 (11.96%) Non Decent Homes.
Make the most of resources and opportunities																	
11	Repairs and voids cost per property (£)	£493	£481	⇒	⇒	⇒	⇒	⇒	£506	⇒	£506		£531		£697.42	£660.29	
12	First Call Resolution (%) repairs calls only	85%	⇒	95%	⇒	94%	⇒	93%	⇒	⇒	94%		85.0%		n/a	n/a	
13	Average waiting time for calls (seconds)	20	⇒	40	33	20	⇒	12	⇒	⇒	27		25 seconds		14.1	7.8	Waiting time brought down in September because the CSC had more staff taking calls. They are still making an effort this month to continue heightened service in an attempt to bring down the YTD figure, before resuming regular levels of staffing in the near future.
14	% of stage 1 complaints upheld	35.7%	55%	25%	46%	0%	35%	75%	43%	33%	43%	Capita reports	35.0%		42.11%	35.19%	3 out of 4 complaints upheld in September. 9 out of 21 complaints upheld year to date.
15	Former tenant arrears (£)	£329,202	⇒	£249,446	⇒	£251,852	⇒	£232,442	⇒	⇒	£232,442	CH1 report	£285,900		n/a	n/a	
16	Current tenant rent collection (including arrears brought forward)	98.85%	97.57%	97.16%	97.48%	101.41%	98.37%	96.55%	98.09%	98.60%	98.09%	Rentround Report	98.5%		97.80%	98.20%	
17	Leasehold --Service charge collection	98.82%	⇒	51.76%	⇒	62.16%	⇒	68.96%	⇒	⇒	68.96%		98.7%		n/a	n/a	
18	% of Corporate Buildings assets with condition surveys.	100%	⇒	100%	⇒	100%	⇒	100%	⇒	⇒	100%		100%		n/a	n/a	

Performance rating based on CBH YTD result and CBH Target

	The indicator is not meeting performance expectations to date and/or is unlikely to improve by year end. Forecast is that it is very unlikely that the targets set will be achieved.
	The indicator is not meeting performance expectations to date. There are mitigating circumstances in most cases and improvement is likely but risks are being flagged in regard to this indicator.
	The indicator is meeting performance expectations to date, or as forecast to the next reporting period.



Performance Summary Information

Q2 - September 2017

Benchmark performance comparisons are with 33 housing providers
in the HouseMark East of England group (as at December 2016)

RAG status Key

Colour Key	Performance rating Local
R	The indicator is not meeting performance expectations to date and/or is unlikely to improve by year end. Forecast is that it is very unlikely that the targets set will be achieved.
A	The indicator is not meeting performance expectations to date. There are mitigating circumstances in most cases and improvement is likely but risks are being flagged in regard to this indicator.
G	The indicator is meeting performance expectations to date, or as forecast to the next reporting period.

Percentage of Non Decent homes

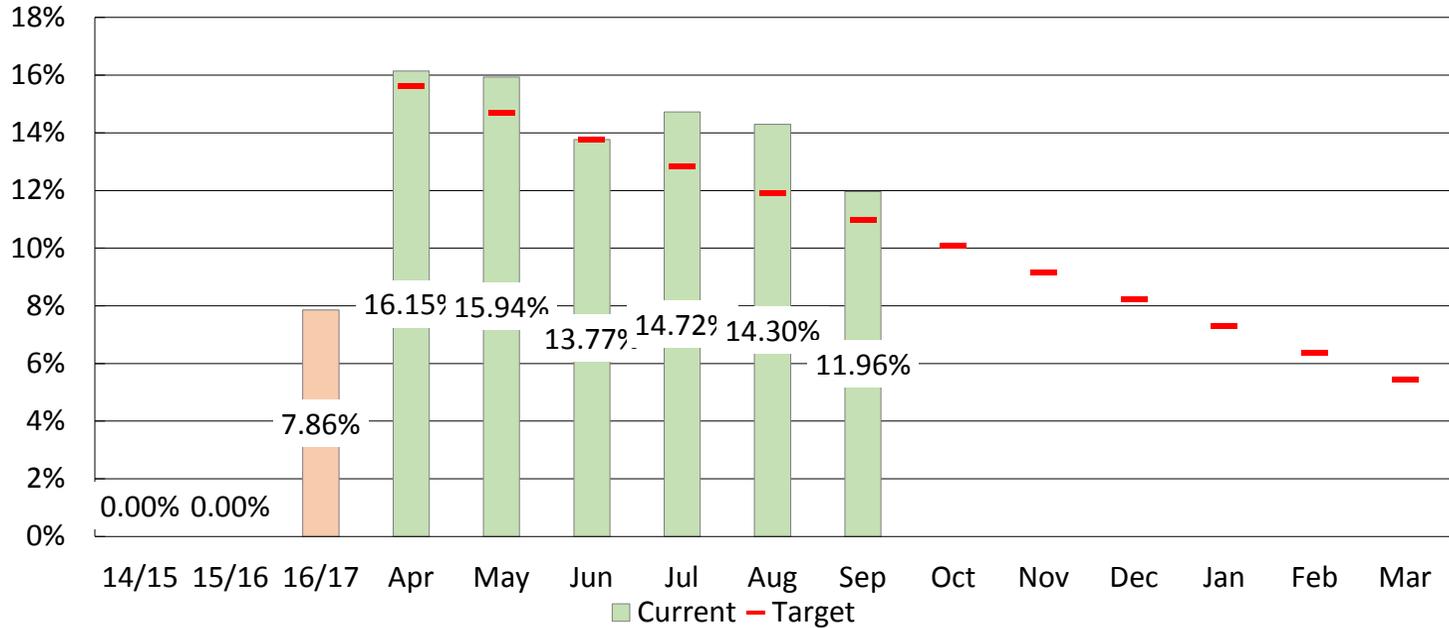
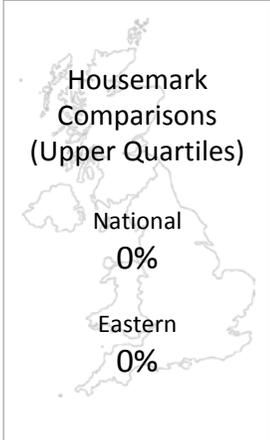
Comment: Of the 5879 stock, there are 703 (11.96%) Non Decent Homes.

17/18 Target
5.46%
 327 properties

Sept Result
11.96%

YTD Result
11.96%
 703 non decent properties

16/17
 YTD Q2
 comparison
12.46%
 743 properties



Average waiting time for calls (seconds)

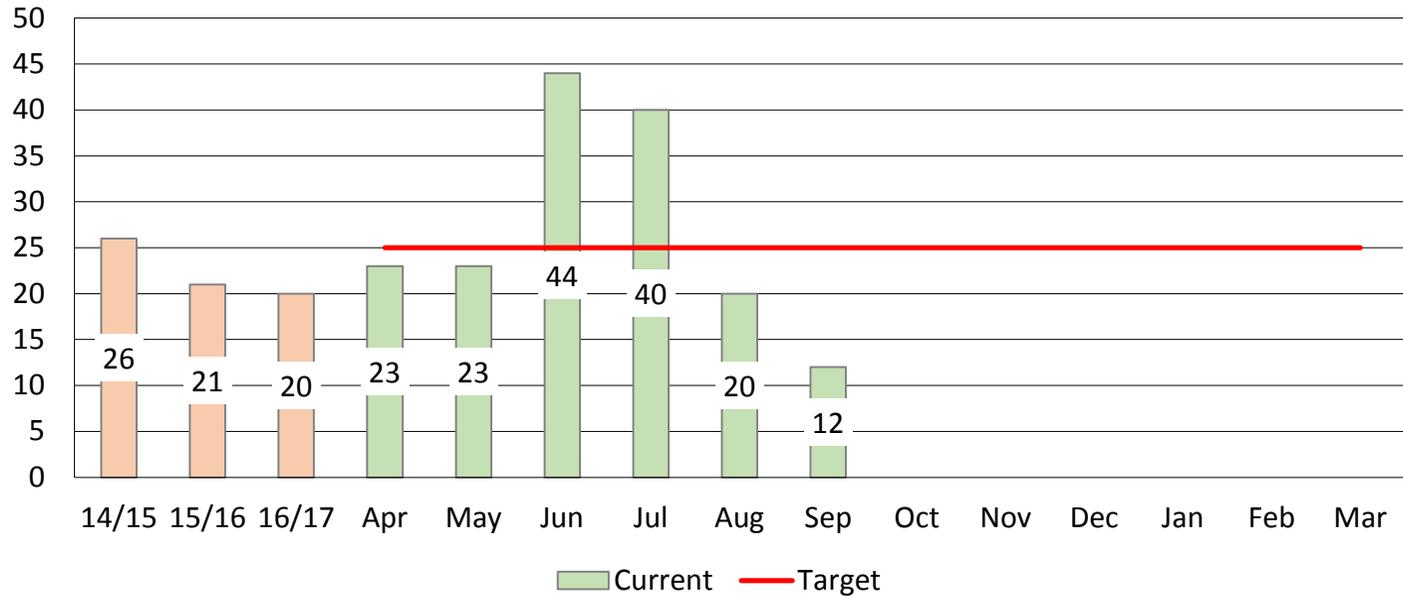
Comment: In September, the CSC increased the number of staff taking calls in an effort to bring down the average waiting time. This heightened level of staffing will be continued until the near future.

17/18 Target
25 seconds

Sept Result
12 seconds

YTD Result
27 seconds

16/17
YTD Q2
comparison
20 seconds



% of stage 1 complaints upheld

Comment: 3 out of 4 complaints upheld in September.
9 out of 21 complaints upheld year to date.

17/18 Target
35%

Sept Result
75%

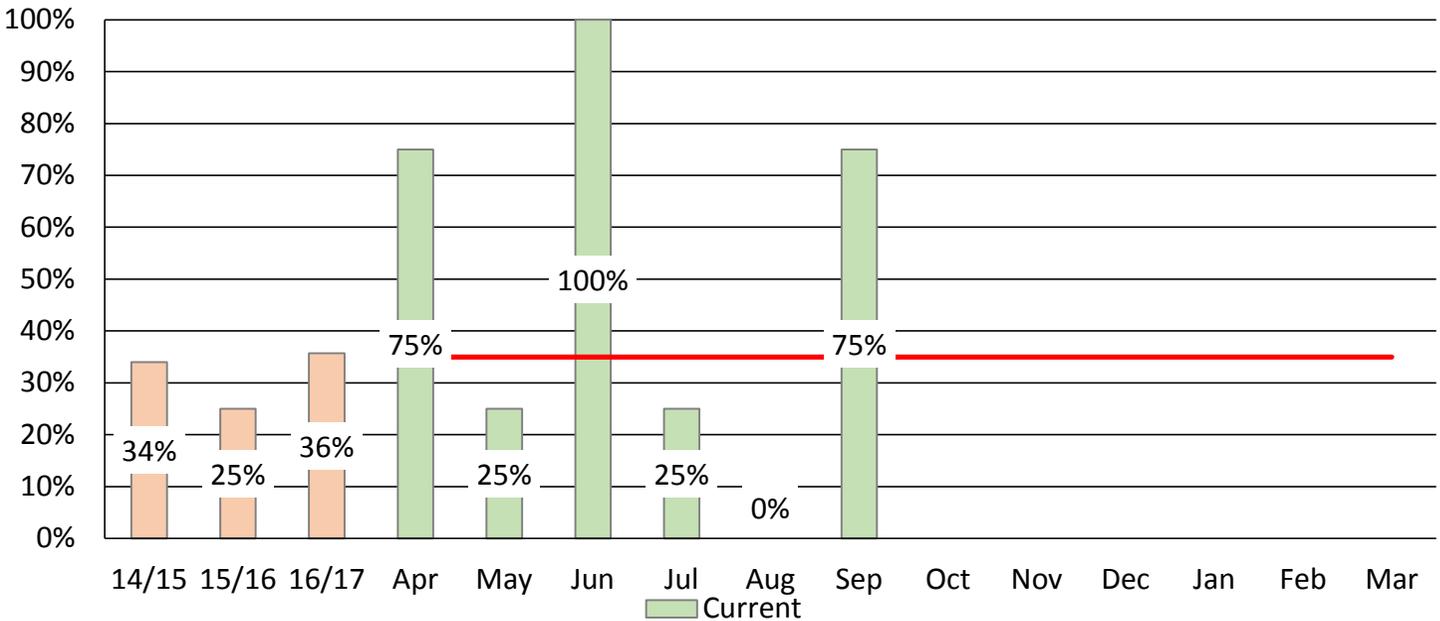
YTD Result
43%

16/17
YTD Q2
comparison
39%

Housemark
Comparisons
(Upper Quartiles)

National
42.11%

Eastern
35.19%



Current tenant rent collection (including arrears brought forward)

Comment:

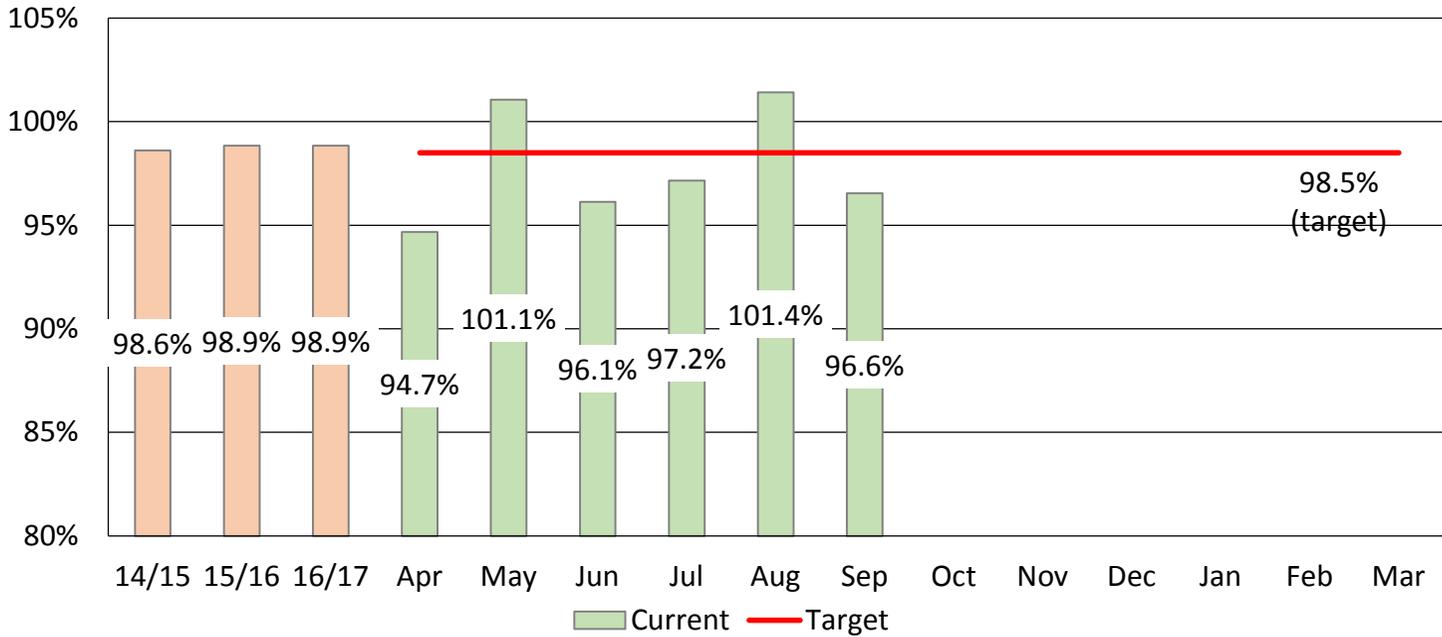
17/18 Target
98.5%

Sept Result
96.6%

YTD Result
98.09%

16/17
YTD Q2
comparison
97.29%

Housemark
Comparisons
(Upper Quartiles)
National
97.80%
Eastern
98.20%



Minutes of the Finance & Audit Committee Meeting

Held at 5pm on Monday 9 October 2017
In Room 1, Rowan House

Present:

Glenn Houchell (Chair)
Cllr Cyril Liddy
Julie Parker
Cllr Nigel Chapman
Geoff Foster

In Attendance:

Michael Hadjimichael (MH)
Sarah J Johnson (SJ)
Alan Woodhead (AW) (Mazars)
Owen Howell (OH) (Minutes)

1. Apologies for absence

1.1 Full attendance was recorded.

2. Minutes of the meeting held 27 July 2017 and Matters Arising

2.1 The minutes were accepted as correct and ready to be signed by the Chair. The actions at 5.3 and 6.4 were noted and to be carried forward and return to the Actions list if they become necessary for revisiting.

3. Internal Audit Charter

3.1 **CORRECTION:** This item had been designated as 'for decision', however the Charter will now need to go to Board for approval as it is a supporting document for CBH's Code of Governance. **Action:** OH to add this as a decision item to Board Work Plan.

3.2 The Charter has been refreshed, with clearer headings and previous information collected into an easier-to-use format.

4. Internal Audit Progress and Follow-up reports

4.1 Questions and points covered:

- Further details were given on the Assure Health & Safety (H&S) software/system. Committee was assured that all incidents and actions are subject to deadlines and automatically escalated as appropriate to ensure suitable actions are taken. All staff have access but deletion or amendment requires admin privileges.
- Pg. 31 Item 3: The H&S Handbook removed from the intranet was an old version and updated H&S information is now circulated via the intranet.
- Pg. 32 Item 1: AW clarified that this involved historic cases where the amount of evidence collected and used for Service Charge arrears cases did not meet the standards to which the Team currently works. These historic cases have already been written off.

Follow-Up Report

- 4.2
- Extension of the revised due dates for actions from the Payroll Audit is due to the restructuring of the CBC team and vacancies in that team. The CEO of CBC is directly monitoring the payroll situation.
 - Committee underlined the importance of enforcing revised due dates and AW

- advised that Mazars acted to ensure this.
- MH informed Committee that the variance in headcount was being reconciled manually on a monthly basis. Efforts are being made to find a more efficient and robust way of doing this automatically.

5. Strategic Risk Register & Risk Management Action Plan

- 5.1 MH explained that the report and Register had been produced before the most recent announcements from Government relating to legislative changes.
- 5.2 Written assurance has now been received from CBC that they will support the additional pension contributions required (around 100%/£130k this year and 50%/£60k the following year). In response to Committee's points and questions, MH explained that CBC had made it clear that CBH would be expected to cover the additional contributions in the long run through efficiency savings. Committee discussed potential long-term solutions and MH confirmed that discussions along these lines are being had at DMT level.
- 5.3 MH detailed work carried out by Mazars on how CBH carries out risk management and officers are examining ways to mould our risk registers into more of an assurance framework. Committee's views and suggestions were welcomed. Members gave their approval for the work being done to enhance the management and reporting of risk within CBH. Committee noted the importance of all committees monitoring risk in the areas for which they have oversight duties. MH gave assurance that that this forms part of the new governance arrangements work being carried out.
- 5.4 Committee discussed the value of carrying out assurance mapping to identify what assurances come from which sources (e.g. Internal Audit, External Audit, CBC, DMT etc). Committee requested that, once more work had been carried out on assurance mapping, a session be scheduled (following immediately a future meeting) for Committee and officers to discuss this subject and consider options. **Action:** MH to inform the Chair and OH as and when it will be appropriate to schedule this session for a future meeting of F&A Committee.
- 5.5 In response to questions regarding the funding of salary increments, MH confirmed that this was something which CBH faced every year. SJ further expanded on this, explaining that salary increments are usually encountered when a colleague at the upper end of their pay grade has left and a successor appointed at the bottom of that pay grade. With budgets taking account of the original members of staff (at the upper end of their pay grades) rather than their successors, net savings are made, rather than increments causing an increase in our salary bill. Expected increments in the coming financial year are already accounted for in the annual budget.
- 5.6 The overview of the Operational Risk Registers (2.9) was explained as showing the current risk ratings, rather than what the mitigated scores have been judged to be. Committee requested that further detail be given to give details on our direction of travel and trends affecting the Operational Risk Registers.
- 5.7 Regarding Risk 1 on the Strategic Risk Register, MH explained that he was due to meet with CBC within the week for an update, having already given the

Council our requirements and priorities. More details and potential alternatives are expected soon to be known and will be reported to the next meeting of the Committee if possible.

- 5.8 Committee asked if detail should be removed from the description of Risk 1, as this document was publicly available and some of the content could be considered as being commercially sensitive. **Action:** MH to remove some detail from Risk 1 to avoid publication of commercially sensitive information/views.

6. 2017/18 Financial Update – to 31 August

- 6.1 Following questions prior to the meeting, SJ noted that, in Appendix 1, the YTD Budget and YTD Actual column values for total income are identical. Total YTD Actual Expenditure however is £226.8k lower than what had been expected. This has translated into a higher-than-expected surplus on Management Fee services, however the actual surplus on General Fund services is lower than that which had been expected.

6.2 Appendix 2:

- It was highlighted that Homelessness Initiatives were (unusually) not overspending. This was due to a combination of factors, with more temporary accommodation being sourced and replacing B&B use (thus saving money). New funding streams had also been found.
- The Grounds maintenance budget had been reviewed by the Portfolio holder who agreed a revised charging policy which should ensure that all costs will be covered in future. There is likely to be a slight saving for those in sheltered needs accommodation and a slight increase for those in general needs properties.
- The voids budget is being monitored as an overspend is being forecast, due to a high percentage of the voids coming in are capital voids, often where work to reach Decent Homes Standard has been refused by the most recent tenants. It is possible that an increased budget will need to be requested from CBC to meet the overspend, as this is a reactive budget dependent on the number and type of voids dealt with by CBH.
- One contractor is currently unable to meet their commitments for the current financial year. They are seeking alternative arrangements to ensure the work is carried out. The issue concerns Vinci not having a sufficiently large staff to meet our demand for kitchen fittings. They are seeking new subcontractors to meet the demand from CBH. MH answered Members' concerns and gave assurance that, should the problem not be swiftly rectified, a communications strategy would be produced and used to help manage tenants' expectations. Mark Wright continued to monitor the situation.

6.3 Appendix 3:

- A small proportion of the Working Smarter budget was being held back as a contingency fund.
- Committee were given assurance that the increase in Accommodation budget and decrease in Training budget were not linked and that it had been planned to recruit an officer to provide specific training, but that an appropriate candidate had not been found, so that part of the Training budget had been reallocated to the Accommodation budget.

- 6.4 Appendix 4:
- Committee observed that there had been a decrease in the margin for Major Projects (13% at end of 2016/17 and now 10%). MH explained this was being actively managed and that it was in part due to an increased number of up-front costs. Potential project work expected in the future would be likely to increase the margins obtained once more.
 - Committee questioned why expenses were currently exceeding income. SJ explained that this was due to expenditure on fulfilling contract work currently being carried out by Corporate Facilities Management where payment would be due on completion and so had not yet been received. The different terms of payments and causes for lag in some payments were explained, with different payment structures negotiated for each contract. There is a low-level risk that bills might be disputed, but potential clients are assessed before a contract is entered into in order to mitigate this risk.
 - Committee asked for the development of an accounting policy to dictate how the income flow from trading projects should be set out (e.g. on a cash-received basis, invoiced basis or accrued basis). **Action:** MH to oversee the creation of an accounting policy to direct how the income flow from trading projects should be structured and reported.

- 6.5 Appendix 5:
- **Action:** SJ to remove the repetition of the £43,082 on penultimate row.
 - **Action:** Finance Team to show split of income by origin on future reports so that Committee can monitor diversification of income.

7. Governance Report

- 7.1 OH noted a correction of the table at 3.1, third entry, to state that the CBC special resolution to amend the Memorandum & Articles of Association would be filed with Companies House, rather than Board's approval of these. Similarly at 3.5 this should state that Board approves the draft for submission to CBC for approval. It was noted that the proposed timetable was that CBC approval be sought and confirmed at the next AGM.
- 7.2 **Action:** For future reports, OH to amend wording of paragraphs on Financial and Legal Implications to clarify that the maximum penalties detailed are 'in extremis.'
- 7.3 Committee queried whether the Lone Worker Policy review should be brought forward, in light of the new emphasis on remote working. MH gave assurance that the Health & Safety Manager had recently reviewed this informally and found that no amendments were currently needed.
- 7.4 Regarding how to give assurance to Committee that operational policies were being actively managed and reviewed by DMT as necessary, MH explained that DMT carried out a monthly review of operational policies which were due for review in that month. **Action:** A list of DMT-approved policies to be included in future F&A Governance reports to show which have been reviewed since the previous meeting of F&A Committee and to give assurance that all such policies are reviewed in a timely manner.
- 7.5 OH confirmed that the new work plans for Committees would be constructed according to the current Committee structure, with the new structure expected to

take effect in April 2018. MH noted that work would be done to ensure that meetings are scheduled to allow financial reporting to be done at F&A Committee prior to Board meetings.

8. Any other business.

Insurance renewals

- 8.1 SJ gave an insurance renewal update. The internal audit recommendation to start the renewal process at an earlier date had been followed, with the broker being briefed on CBH needs in May. 1 August renewal date was then met, with the total level of premiums increasing from just under £93k in 2016-17 to almost £105k for this financial year. This is due in part to an increase in the level of insurance premium taxation and partly due to a strengthening of our professional indemnity cover. This now stands at £10million, with £5million cover for asbestos work. There have also been policy amendments to reflect the changes in working practices arising from the Working Smarter project. The brokerage service received this year has been much improved and a review will be conducted to identify further possible improvements.

Resources Directorate restructure

- 8.2 The minutes for this item have been deemed confidential as the staff consultation and restructure process had yet to commence.

Recommendation of an External Auditor (AGM Item of business)

- 8.3 – The minutes for this item have been deemed confidential for reasons of commercial sensitivity.
8.10

There being no further business, the meeting closed at 18:37

Action List

Item	Action	Who	By When	Done
9 October 2017				
3.3	Add Internal Audit Charter as a decision item to Board Work Plan	OH	2 Nov '17	
5.4	Inform the Chair and OH as and when it will be appropriate to schedule a session on assurance mapping for a future meeting of F&A Committee.	MH	As appropriate	
5.8	Remove some detail from Risk 1 to avoid publication of commercially sensitive information/views.	MH	17 Oct '17	
6.4	Create an accounting policy to direct how the income flow from trading projects should be structured and reported.	MH	27 Nov '17	
6.5	Finance Team to remove the repetition of the £43,082 on penultimate row of Appendix 5 of Finance Report and to show split of income by origin on future reports so that Committee can monitor diversification of income.	SJ & SS	27 Nov '17	
7.2	Amend wording of Governance Report paragraphs on Financial and Legal Implications to clarify that the maximum penalties detailed are 'in extremis.'	OH	27 Nov '17	
7.4	A list of DMT-approved policies to be included in future F&A Governance reports to show which have been reviewed since the previous meeting of F&A Committee and to give assurance that all such policies are reviewed in a timely manner.	OH	27 Nov '17	

2017 Board Forward Plan

Date	Item	Committee	Presenting
29 Nov 17	Staff Code of Conduct	G&R Nov '17	HoHR
	PROVISIONAL: Horizon scanning CBH Leadership Plan	n/a	CEO
	PROVISIONAL: Horizon scanning CBH Business Plan	n/a	CEO
	Housing Investment Programme and Asset Management Programme 2018/19 (Housing Futures Programme)	n/a	DoPS
	Medium Term Delivery Plan	n/a	SDM
	CEO's Report	n/a	CEO
	Internal Audit Charter	F&A	Mazars
	Strategic Risk Register Review	F&A	DoR

2018-19 Board Forward Plan

Date	Item	Committee	Presenting
8 Mar '18	CBH Budget 2018/19 report	F&A	DoR
	Housing Investment Plan	n/a	DoPS
	Medium Term Delivery Plan approval	n/a	DoH/SDM
	Scrutiny Panel Report on Scrutiny Topic	n/a	HM(S)
	Strategic Risk Register Review	F&A	DoR
	Remuneration & Appointments Committee Terms of Reference	n/a	BAO
	Finance & Audit Committee Terms of Reference	F&A	BAO
	Business Opportunities Panel Terms of Reference	BOP	BAO
	Trading Review Confidential	BOP	CEO
Information & Confidentiality Policy	n/a	BAO	
24 Apr '18	Corporate Facilities Management Annual Review	n/a	DoPS
	Value for Money Strategy	F&A	DoR
	Communications Strategy	n/a	HM(S)
	Customer Service Strategy	n/a	E&D O
	Strategic Risk Register Review	F&A	DoR
13 Jun '18	Annual Health & Safety Report	n/a	DoPS
	Strategic Risk Register Review	F&A	DoR
	Code of Governance Review	G&R Jul '17	DoR
31 Jul '18	Value for Money Strategy		
	Strategic Risk Register Review	F&A	DoR
	Approval of Company Accounts	F&A Jun '18	DoR

Date	Item	Committee	Presenting
12 Sep '18	Strategic Health & Safety Policy Statement	G&R Jul '17	CEO & H&SM
	Approval of Company Annual Report	n/a	Chair
	Annual Equality & Diversity Report	n/a	DoR
	Annual Report from F&A	F&A Jul '17	DoR
	Strategic Risk Register Review	F&A	DoR
	Annual HR Report	n/a	HoHR
	Approval of new Tenant Board Member	n/a	Chair
	Information & Confidentiality Policy	G&R Jul '17	BAO
1 Nov '18 (and AGM)	Internal Audit Charter	F&A	DoR
	Strategic Risk Register Review	F&A	DoR
AGM	Standard Items on AGM agenda: <ul style="list-style-type: none"> • Approval of Company Annual Report • Adoption of Financial Statements • Appointment of External Auditors • Appointment of Vice Chairs • Appointment of F&A Chair (if necessary) • Annual Resident Insight & Engagement report • Noting of Resident Board Member selection results 		
10 Dec '18	Complaints Policy	n/a	SIO
	Housing Investment Programme and Asset Management Programme 2019/20 (Housing Futures Programme) presentation FOR DISCUSSION	n/a	DoPS
	Strategic Risk Register Review	F&A	DoR

Date	Item	Committee	Presenting
21 Feb '19	CBH Budget 2019/20 report	F&A	DoR
	Housing Investment Programme and Asset Management Programme 2019/20 (Housing Futures Programme) FOR DECISION	n/a	DoPS
	Medium Term Delivery Plan approval	n/a	DoH/SDM
	Strategic Risk Register Review	F&A	DoR
	Board Member Recruitment Policy	n/a	BAO
	Trading Review Confidential	BOP	CEO

