

Agenda



ALMO BOARD MEETING

**16 January 2020, The Hope Centre, Southchurch Dr,
Clifton NG11 8AR at 5.30pm,**

- Prior to the start of the meeting, interested Board Members are invited to visit Southchurch Court. Meeting point will be at the entrance of the Hope Centre venue. 5.00
1. WELCOME 5.30
 2. APOLOGIES FOR ABSENCE
 3. ANYTHING TO DECLARE
 4. ITEMS FROM THE CHAIR
 5. SIGN OFF OF THE 28 NOVEMBER 2019 MINUTES Attached 5.30
 6. FEEDBACK FROM 5.30
 - Audit, Risk and Compliance Committee
 7. **DEEP DIVE INTO TENANT AND LEASEHOLDER INVOLVEMENT**
 - Presentation from NCH Head of Tenant & Leaseholder Involvement 5.40
 - Feedback from Involved Tenants 6.00
 - Workshops 6.15
 - How does the ALMO Board integrate with the wider involvement structure?
 - How do we increase customer satisfaction with opportunities to get involved?
 - Round up of actions
 9. **ITEMS TO NOTE**
 - FEEDBACK TO:
 - Group Board
 - Audit, Risk and Compliance Committee

- NFA

9 CLOSING ITEMS

ANY OTHER BUSINESS

DATE OF NEXT MEETING – 3 MARCH 2020

NOTTINGHAM CITY HOMES LIMITED

THE ALMO BOARD

MINUTES of the **PUBLIC MEETING** held on **28 NOVEMBER 2019** at Loxley House, Station Street, Nottingham NG2 3NJ

Board Members

Geoff Bagnall
Lynn Clayton
Dave Pitt
Ethan Radford
Michael Savage (Chair)

Also in Attendance:

Delroy Beverley	Director of Construction, Repairs and Maintenance
Cathy Dobb (Minute Taker)	Head of Governance
Steve Edlin (Item 10)	Assistant Director of Asset Management
Chloe Fletcher (Item 7)	Policy Director National Federation of ALMOs
Nick Murphy	Chief Executive
Phil Saunders (Item 9)	Business Improvement and Performance Manager
Jonathan Shaw (Items 7 & 8)	Director of Investment and Business Services
Kathy Sheldon	Assistant Director of Tenancy and Estate Services

1 WELCOME, INTRODUCTIONS & CHAIR'S ANNOUNCEMENTS

- 1.1 The Chair opened the meeting and welcomed Board Members.
- 1.2 The Chief Executive (CE) stated that the ALMO Board was the occasion to put tenants' views and needs at the heart of the agenda. He explained that the feedback from tenants was that they wanted it to look and feel different to other Boards and Committees. To help achieve this, a new logo was designed. In addition, tenants wanted more presentations and fewer reports, and to have more time for in-depth discussion on individual items. Tenants also wanted the meetings to be out in the community and estate walkabouts. ALMO Board meetings will therefore follow this format.

2 APOLOGIES FOR ABSENCE

Apologies were received from Karen Humble and Sarita-Marie Rehman-Wall.

3 DECLARATIONS OF INTEREST

None declared.

4 ITEMS FROM THE CHAIR

- 4.1 Board Members were canvassed on their views regarding the new logo. The consensus was that the Board Members liked the logo as it was simplistic and did not have too much detail.
- 4.2 Board Members were asked to consider future venues for Board Meetings. Holding them in different Wards was discussed, and a suggestion for a Spring meeting was the Victoria Centre so Board Members could view the roof garden. Dave Pitt was happy to be the liaison officer for that meeting. Clifton Ward was suggested for the January meeting.

5 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 12 SEPTEMBER 2019

The minutes were agreed as a true record. The Chair signed the minutes.

6 FEEDBACK FROM BOARDS AND COMMITTEES

6.1 GROUP BOARD

- 6.1.1 Michael Savage fed back to the meeting the key items from the Group Board Meeting held on 17 October 2019:
- The Board agreed that rent increases for Nottingham City Homes (NCH) social and affordable Homes of CPI+1% are included in the 2020/21 budget.
 - The Group has transitioned to its new Governing structure and further amendments have been made to the Group Standing Orders, these were approved at the meeting. The main elements of change to the Standing Orders were the tightening up of the Scheme of Delegation.
 - It was agreed to rerun the Building Safety Compliance training day for those Board Members who did not attend previously and to have a second, more in-depth training event for Board Members following that rerun. The date for the rerun training has been set for 22 January, from 2pm to 4pm, in Loxley House.
 - It was agreed for an Away Day to be arranged to discuss the Corporate Plan with Board Members and the Portfolio Holder, in late February or early March. Board Members have been contacted for their availability, and an update will follow in the near future.
 - The Board noted the new proposals for Financial and Performance Reporting across the NCH Group. ALMO Board Members have also received one for this meeting.

6.2 AUDIT, RISK AND COMPLIANCE COMMITTEE

- 6.2.1 Dave Pitt fed back to the meeting the key items from the Audit, Risk and Compliance Committee (ARCC) held on 7 October 2019:

- Outstanding Audit Recommendations; all provided significant assurance on outcomes and agreed to hold a follow up audit on the Construction, Repairs and Maintenance Service in six months' time and to review the sample size for the Contract Management audit.
- The Assistant Director of Asset Management (ADAM) provided ARCC with details of a proposed new compliance dashboard that would monitor NCH's obligations in ensuring that the housing stock was compliant with Building Safety Regulations. ARCC agreed to receive this report on a quarterly basis.
- ARCC agreed to reformat the Group Risk Register reports and to only receive; high priority risks, risks which have a higher priority than that is acceptable, the risk owner, the action NCH is taking to mitigate that risk, deadlines for implementing the mitigations, management comments on that risk.

6.3 REGIONAL NFA BOARD MEMBERS MEETING

- 6.3.1 Michael Savage fed back to the meeting the key items from the Regional National Federation of ALMOs (NFA) Board Members meeting held on 22 October 2019:
- It was hosted by Solihull Homes and the Board Members discussed NCH's Governance Review and that it is being tenant driven.
 - There was a presentation from Heath Housing regarding their current housing revamp, and that parking was an issue.
 - Solihull is also going into providing Extra Care facilities.
 - The meeting was also conscious of the Right To Buy (RTB) issues and Solihull's relationship with the Council is not as good as NCH's.
 - The Chair was appointed by Solihull Council, and it is only that Board Member post that is remunerated.

7 **HOUSING REVENUE ACCOUNT CONSULTATION**

- 7.1 Chloe Fletcher, Policy Director of the NFA attended the meeting to give a presentation to the Board on the Housing Revenue Account (HRA). She informed Board that the slides will be issued to Board Members after the meeting and that she is more than happy to have Board Members contacting after the meeting if they have any questions.
- 7.2 A background to the HRA was presented:
- There is a legal requirement for Local Authorities that own housing stock to keep an HRA and should only use HRA monies on council housing activities. It is a ring-fenced account from the General Fund, and the NCH Management Fee comes out of the HRA. The only income is from rent and service charges.
 - Rents had been up to Councils to decide on, but next April it will be subject to the Rent Standard, set by the Social Housing Regulator.
 - The HRA self-financing was implemented nationally in 2012. Council housing debt was reallocated at the start and this included some more borrowing capacity and became the 'debt cap'. This led to Councils being able to keep all rental income, with rents decided locally, but with national guidance issued every year. This meant that Councils should have been

able to decide on future maintenance, capital investment and manage assets according to local housing and investment needs. However, Treasury kept 75% of capital receipts from RTB.

- In 2012 the RTB was reinvigorated, so the additional RTB sales receipts over assumed ones now able to be kept for 1:1 replacement with an agreement with government. However, it changed the annual rent increase from RPI + ½ % to CPI +1% from 2015 and ended the allowance for convergence to Housing Association rents. Then there was the reduction of Council rent by 1% a year from April 2016 to March 2020. From March 2020 the rent will increase CPI +1% for five years. This will be monitored and regulated by the Social Housing Regulator.
- In late 2018 the Debt Cap was lifted.
- NFA submitted proposals under the governments consultation on RTB receipts for; more certainty in the rent framework for a longer period of time and local flexibility; 100% all of the RTB receipts should be retained and the spending period should be increased from three to five years; to allow RTB to cover 50% of cost of new build and be mixed with grant; extend cost floor to 30 years; review discounts and eligibility again; and ALMOs to be able to use RTB receipts.

7.3 The following was presented to Board with regard to how to manage self-financing:

- The Council as the landlord ultimately takes the decisions with regard to the business, such as rent levels, stock disposal and service standards.
- The ALMO is well placed to manage the new self-financed Business Plan and make strategic recommendations to the Council. Most ALMOs are leading on the Asset Management Strategy, but are also best placed to engage with tenants.
- Tenants have an integral role in the preparation of the Business Plan and the Asset Management Policy. They should be consulted on service standards, rent levels, priorities for investment and the long-term plans for their homes and communities. They also have a scrutiny role and should be given financial information on how their rent will be spent.
- All stakeholders need to discuss the vision for Council housing services. There is a need to re-visit core values and existing mission statements and check they are still relevant.
- In order to manage the Business Plan, it is critical that tenants have the financial information, in order to monitor value for money on the new self-financed HRA. What should be discussed with tenants are rent levels, service standards and how to manage the debt. Risks also need to be identified and discussed.
- Need to plan for the next five, 10, 20 and 30 years and to engage tenants in that debate.
- Assets are there to be sweated and utilised in the best way to meet the objectives.
- Risks to be managed; Universal Credit (UC) and welfare reforms, RTB levels, local political decisions, rent policy, Social Housing Regulator and their regulations as it might become more intense as they might want to get involved in Value for Money, Public Works Loan Board (PWLB) has just increased by 1% and reputation.

- Annual Report and Financial Information – work with your tenants to see what information they would find helpful and have focus groups to see how that information could be disseminated.

7.4 Board found it very interesting the extent that Central Government still controls the issue. It was confirmed that NCH's benchmark data is due shortly from HouseMark, and this will highlight where NCH sits in relation to its peers. It was expressed that in an ideal world, rents should be linked to affordability and median income, and not linked to a free market. It was stated that Nottingham City Council (NCC) has to cover a number of areas and issues and they have also committed for 1000 new homes to be built. There is a need to balance into that the fact that tenants pay Council Tax and other bills. 70% of our tenants are in receipt of full or partial benefits so they would not benefit from a rent reduction. NCH Tenants fed back to the then Housing Minister that they were against fixed term tenancies and that they needed a lot more council housing.

7.5 The Director of Investment and Business Services (DIBS) gave Board Members a presentation on NCC's HRA and the Budget. The key items were:

- HRA administration sits with NCC and they prepare the HRA budget.
- Rent decrease has cumulated a £14m difference per year from now on compared to what was forecast five years ago.
- Target rents - NCC decided to keep rents slightly lower and NCC increased rents by average rents, and this was not what target rent was supposed to be about. This meant that those below average were not going to get to target rent. Void properties could be increased back to target rent.
- Forecasting for an overspend this year as new build schemes in future years cannot be charged to capital until the schemes are approved. Capital charges are 14% of what is coming in. NCC is looking to keep themselves fully borrowed and will retain that borrowing to invest in the capital programme.
- Working balance of £7.7m, increased from £4m to provide contingency for the impact of UC. We now have to collect this direct from the tenants and it incurs additional outlay for NCH to collect that debt.
- UC has an impact on the cost of collection and bad debts. The HRA is also impacted on the loss of rental income of RTB. NCC needs to make sure the debt on those houses being sold is being repaid.
- Need to look forward in the Business Plan to ensure affordability of delivering council homes – borrowing costs can be met from rents. We consulted with tenants on the rent reduction and Tenants were strongly telling us they wished to maintain the investment in homes and services rather than a 1% rent reduction.
- With regard to the Management Fee, we get £22m and £10m goes back to NCC for insurance, building rent etc.
- The Responsible Tenant Reward has not increased, or decreased, with the rent reductions.
- The Capital Programme has £240m planned works over the next five years. It has been balanced over the five years for the funding. The period for replacing kitchens and bathrooms etc has been extended.
- With regard to Budget Strategy, we know that some costs will be increased due to a potential 2% staff pay rise and pension contributions.

- All Budget Managers at NCH have completed their budgets with a 5% and 10% reduction, and this will be presented to EMT next week.
- NCC's budget should be known in January.

8 QUARTER TWO ALMO FINANCE

8.1 The DIBS introduced the update to Board and stated:

- As an organisation, we have come in almost on budget, but some areas of the business have made savings and some have overspent.
- There is a predicted small surplus for the year. This full year underspend reflects that services are being delivered overall within budget and staff savings included in this year's budget have been achieved through vacant posts.
- Capital Works will see an increase as more work will be done in house, along with income generated from the Independent Living Scheme.
- The element of employee costs is the pension scheme contributions.
- The slides presented to Board are different to the slides in the pack as they have been updated.

9 QUARTER TWO COUNCIL HOUSING PERFORMANCE

9.1 The Business Improvement and Performance Manager (BIPM) introduced the update to Board and stated:

- Performance is assessed against customer- centred Key Performance Indicators (KPI) to the end of September.
- They are Goal One and Two of the Corporate Plan: 'To listen to our residents and deliver an excellent housing service'; and 'To make all our estates great places to live'.
- Going forward, deep dives will take place at four of the ALMO Board meetings throughout the year.
- All are measured by the STAR Survey, which is issued each quarter. It is a perception-based survey. The format of the STAR Survey is currently being revised, and Board Members will be issued a copy of the new format when it is available.
- Customer Satisfaction is measured by the perception-based survey, and has shown a decline this quarter. Initiatives are underway to improve the service.
- Results are lower than last year and lower than our target. A meeting with Senior Managers was held in November to address this issue.

9.2 The Director of Construction, Repairs and Maintenance Service (DCRM) presented the Housing Quality and Maintenance performance results;

- The data includes the wider property management figures.
- The initiatives that have been put in place because of these results can take a while to filter through into the results as the STAR Survey is a perception-based survey.
- A transactional survey has been introduced for repairs.
- The percentage of repairs right first time has improved from last year and satisfaction is currently 98.2% using the transactional survey results.
- Gas servicing continues to be 100%

- 9.3 The DIBS updated Board on the KPI for the satisfaction with the overall quality of their home;
- Some of the comments submitted are as a result of the bedroom tax as they are not satisfied with the size of the home for their family.
 - EPC rating; NCH has some properties that are still rated low and we are tackling those properties. NCH does have the Energiesprong properties but there is still more to do.
- 9.4 The Assistant Director of Tenancy and Estate Services (ADTE) brought the following to the Board's attention:
- 5 Star Estates target is to achieve 25% this year with 75% by the end of the Corporate Plan. This standard was set deliberately high to drive further improvements on our estates. There has been a lot of work going on in the background. 5 Star Estates are linked Satisfaction with the Neighbourhood as a Place to Live which is continuing to improve but 2% shy of the target.
 - Six estates have been assessed by ACE Inspectors, and they came out as very high 4 stars. There is an App that is being used by Tenant Assessors so feedback is available without the need to wait for the ACE inspections. Board Members are more than welcome to go out and use the App and assess a neighbourhood.
 - The Overall Tenant Satisfaction with the ASB service results are from a transactional survey and satisfaction is improving.
 - There have been six Green Flag awards achieved so far.
 - Access to Housing has a corporate target relet time of 25 days. Currently the figure stands at 36 days. Included in this figure are the General Needs homes as well and the Independent Living Schemes. We do not remove properties undergoing major works from the figures either. 232 General Needs properties have been let in 25 days, and 83 Independent Living homes were let in an average of 51 days.
 - Tenant Satisfaction with the Overall Condition of their Home is on target but has decreased slightly from last year due to the current local and national pressure of homelessness. We are working closely with NCC to home affected families and to undertake the repairs and to ensure we cover both sets of needs of the tenants.
 - The Applicants on the Housing Register breakdown highlights where the demand is.
 - Rent collection is performing ahead of target. There are on average 60-70 new UC claims per week. A new initiative is due to be launched that will see the UC team dealing with all cases up to the point where the first rent payment is made. A trial has already demonstrated an increased collection rate and increased payments by Direct Debit.
 - The percentage of Rent Arrears as a Percentage of Rent Due is under target, however, benchmarking shows that NCH is performing better than their peers.
 - Tenant Participation and the Satisfaction with the Opportunities to Participate data is collected from the perception-based STAR survey. Data collected from the Tenant Fun Day gives a higher result.
 - The measure of the Percentage of Tenants Actively Engaged with Employability has a high target high at 89% and is currently performing at

26%. The number of tenants supported is significantly higher than originally planned with over 1000 tenants already engaged with us this year.

- 9.5 It was confirmed to Board that a tenant is able to find out the EPC rating for their home, and that the Gas Servicing results will, going forward, include those homes on the District Heating Scheme.

10 QUARTER TWO COMPLIANCE MONITORING

- 10.1 The Assistant Director of Asset Management (ADAM) introduced the update to Board:
- Building Compliance Safety looks at, and monitors; Asbestos, Electrical Safety, Fire Safety, Gas Management, lifts and water hygiene.
 - Gas Compliance is at 100%.
 - Electrical Installations Five Year Checking policy was signed off and work is being undertaken to check all those properties. This could take a few months to be compliant. An Action Plan has been created to include additional resources to get the properties complete by the end of the financial year. The data presented is only those who need a five year check and not the new build that have a 10 year check.
 - Annual Fire Risk Assessment – all 247 have been completed. There are 663 properties affected, and 660 completed and three high risk actions, of those Kingston Court has been completed so only two remain outstanding.
 - Asbestos Inspections: 310 out of 316 have been completed.
 - Water Hygiene: all 94 have been completed.
 - All lifts have been inspected.
- 10.2 Board members were reassured that NCH is on top of the six compliance areas and were invited and encouraged to ask difficult questions. Board were informed that external auditors have been used to audit the compliance area: Pennington's completed a recent Compliance Audit Report, and Gas Servicing Audit is undertaken by Corgi Technical services. The current Auditors are NCC and Compliance could benefit from 'external' auditor to provide independent verification.
- 10.3 Board Members were asked for their overall comments on the format of the Monitoring Reports and they suggested that benchmarking, and how we compare with our peers, could be included in the dashboard. Also, Board agreed that quarterly reporting was better. It was agreed that the Compliance Dashboard will be live on the website so it can be viewed by all Board Members.

11 ANY OTHER BUSINESS

- 11.1 The ADTES reminded Board Members that NCH is currently consulting with its tenants on proposed changes to the Tenancy agreement, and asked them to encourage tenants to feed back their comments by 6 December.

12 DATE OF THE NEXT MEETING

The next scheduled meeting will be on the 16 JANUARY 2020.

The meeting closed at 20.05

SIGNED..... DATE