

South Essex Homes Limited

Minutes of Board Meeting

Date: 28 October 2021

Time: 3:00pm Ended: 5.40pm

Via MS Teams

Present: Roger Eastwood (RE) - Chair of the Board; Meg Davidson (MD) - Vice-Chair of the Board; Michael Oxley (MO); Chris March (CM); David Joyce (DJ), Peter Wexham (PWe); Chris Silvey (CS); Martin Berry (MB), Phyllis Ward (PWa), Sacha Jevans (SJ); Carly Volke (CV)

In Attendance: Mike Gatrell (MG) - Chief Executive; Mario Ambrose (MA) – Executive Director; Beverley Gallacher (BG) – Assistant Director Commercial; Daniel Lyons (DL) – Assistant Director Finance & Corporate Services, Sarah Lander (SL) – Assistant Director Operations (Housing); Kevin Hazlewood (KH) – Assistant Director Operations (Property); Tim Holland (TH), Head of Housing Support, SBC – George Sutherland (GS) – Chair SEPS’ Board (Confidential Agenda Items); Carol Cooper (CC) – Board Support Officer,

Minutes of Board Meeting

Action

| | PUBLIC AGENDA | |
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| 1. | Welcome and Introductions | |
| 1.1 | RE welcomed everyone to the meeting and invited Meg Davidson to pay tribute to Sir David Amess, following the recent tragic events. Meg Davidson paid tribute to Sir David’s work in the town since he was elected as the MP. | |
| 2. | Apologies for absence | |
| 2.1 | There were no apologies for absence received. | |

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| <p>3.</p> <p>3.1</p> | <p>Declarations of Interest</p> <p>David Joyce, Sacha Jevans, Roger Eastwood and Meg Davidson declared an interest in Agenda Item 5.</p> | |
| <p>4.</p> <p>4.1</p> <p>4.2</p> <p>4.3</p> <p>4.4</p> | <p>Public Minutes & Matters Arising from the meeting held on 27 July 2021</p> <p>The Minutes were agreed as a true and accurate record of the meeting.</p> <p><u>Matters Arising from 27 July</u></p> <p>It was agreed that DL would make amendments to the plan and circulate to Board for electronic sign off in time for SBC’s Shareholder Board meeting.</p> <p>The business plan was updated and circulated to the Board. RE further updated at today’s meeting that the Business Plan had been agreed by the Shareholder Board of SBC.</p> | |
| <p>5.</p> <p>5.1</p> <p>5.2</p> <p>5.3</p> <p>5.4</p> <p>5.5</p> <p>5.6</p> <p>5.7</p> | <p>Governance & Stewardship</p> <p>RE and MD were asked to mute and close camera in order for the Board to discuss their reappointment as Chair and Vice-Chair of the Board.</p> <p>MG asked if there were any new nominations for Chair or Vice Chair. None were forthcoming.</p> <p>MG asked the Board members if they agreed to the reappointment of RE as Chair of the Board. The Board agreed.</p> <p>MG asked the Board members if they agreed to the reappointment of MD as Vice-Chair of the Board. The Board agreed.</p> <p>RE agreed to take on the H&S Scrutineer role until another Board member comes forward. The Board agreed to RE taking on this role.</p> <p>In the absence of SP, MG gave an overview of the governance review action plan that had been provided by PwC following the away day.</p> <p>MO sought clarity in relation to R13 stakeholder engagement. MO wanted to know whether there would be a separate agenda item at each Board meeting where a separate report would be prepared specifically in relation to resident engagement. MO felt that it may be more appropriate to add a new paragraph heading titled Resident Engagement to each individual report so that any engagement related to that agenda item would be more easily understood.</p> | |

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| 5.8 | RE confirmed that he assumed that this would be the case and not an individual report. MG confirmed that each report would contain a paragraph on resident engagement and that the action plan point R13 would be amended to reflect this. | MG |
| 5.9 | The Board accepted the plan subject to change in wording at point R13. MG will discuss the amendment with SP. | |
| 5.10 | Recommendations: | |
| i) | The Board elected and agreed the appointment of the Chair of the Board for a one-year term of office in accordance with the Articles of Association (and to act as Chair from Agenda Item 5) | |
| ii) | The Board elected and agreed the appointment of the Vice-Chair of the Board for a one-year term of office in accordance with the Articles of Association | |
| iii) | The Board agreed to re-appointment of David Joyce as a Non-Executive Board Member for South Essex Homes for a further term of office for a three-year period until the 28th of October 2024, in accordance with the Articles of Association. | |
| iv) | The Board agreed to re-appointment of Sacha Jevans as a Non-Executive Board Member for South Essex Homes for a further term of office for a three-year period until the 28th of October 2024, in accordance with the Articles of Association. | |
| v) | The Board considered appointment to the position of Health & Safety Scrutineer. The Board agreed to RE taking on the role as an interim measure. | |
| vi) | The Board noted that Cllr Martin Berry be appointed to the Audit & Risk Committee. | |
| vii) | The Board agreed the Governance review action plan subject to alteration of point R13. | |
| 6. | Chair's Remarks | |
| 6.1 | RE confirmed that MG, DL and himself had attended the SBC Shareholder Board Meeting on 13 October and the Shareholder Board had agreed the SEH Business Plan. | |
| 7. | Residents' Voice Your View | |
| 7.1 | MG confirmed that there were no Residents' Voice Your View comments received. | |
| 7.2 | CM wondered whether the Board should be concerned that no residents' voice your views had been received recently. | |

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| 7.3 | PWa confirmed that as a tenant she didn't think it was clear how a tenant could contact the Board and that they may feel that their issues were not important enough to be taken to this level of management. | |
| 7.4 | MD agreed that it could be daunting for a tenant to contact the Board but also stated that there are a variety of ways people can raise issues and they choose the way that most suits them. | |
| 7.5 | MB thought that there was no resident engagement with the Board and that tenants would not know how to gain access to the Board. | |
| 7.6 | RE stated that there is resident engagement with the Board in that residents attend the Board meeting on occasions and that this is open to them. | |
| 7.7 | CV stated that given the White Paper it is more important than ever that the residents are involved in conversations rather than encouraging them to make contact via the complaints process. CV suggested that maybe the tenants could be emailed to invite them to attend the Board meeting. RE suggested that this may potentially have GDPR implications. | |
| 7.8 | MO agreed with CV and this had been reinforced following his recent attendance at the ALMO Conference where the Housing Ombudsman had given a presentation on good governance. MO felt that having avenues of communication placed more prominently on the website would help with resident engagement which would include information on the various channels of communication available in how to access Officers and the Board. MO felt that the Board need to ensure that tenants are aware of ways to contact the Board. | |
| 7.9 | PWa confirmed that there had been an incident where a resident had been advised not to speak to her in her capacity as a Board member and she felt that Officers should be aware of how tenants can contact the Board too. | |
| 7.10 | RE sought clarity as to whether SEH have a communications plan and that the Board should have a strategy in place in relation to engaging with residents. The strategy should include what we already do and how this could be improved. The Board requested that a report outlining avenues available to residents in communicating with the Board be prepared for the next Board meeting. | MG |
| 7.11 | CV suggested the Board convene a short meeting to discuss resident engagement in order to evidence and build on it. | |

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| 7.12 | MG stated that resident engagement does not always happen at Board level and is made more difficult where meetings are currently held remotely. He confirmed that EMT have been in dialogue with the Scrutiny Forum and the Forum will meet directly with the Board annually. MG also noted the role the STRF have to play with resident engagement but noted that the STRF do not represent all tenants. | |
| 7.13 | MG & RE were both happy to support a half away day to discuss resident involvement further. | |
| 7.14 | MG explained that following the recent resident survey the satisfaction levels achieved by SEH were very good. | |
| 7.15 | CS suggested that when residents contact Ward Councillors the Councillor try to discover how far along the process the tenant has progressed and should encourage the tenant to use the process in place and to contact customer services if this has not already been done. | |
| 7.16 | PWe expressed concern regarding ongoing problems at Yantlet and Adams Elm where more people with complex needs are being moved into schemes when it may not always be appropriate. RE noted that the Allocations process followed by SBC can sometimes result in issues like this arising. | |
| 7.17 | CV sought clarity as to whether there is a residents' engagement officer? SL agreed to discuss further with CV outside of the meeting. | SL |
| 8. | Health & Safety Compliance Report (incorporating Fire Safety Update) | |
| 8.1 | KH gave an overview of the report. | |
| 8.2 | MD thanked KH for the comprehensive clear report. MD sought clarity in relation to paragraph 6.6 where there were 2 schemes that had not received compliance letters. KH confirmed that this is because of where they appear in the cycle and he is waiting for Essex County Fire and Rescue Service inspections to be completed and letters to be produced. | |
| 8.3 | RE sought clarity in relation to Appendix 1 – CCTV. KH confirmed that work is underway but until he has received the paperwork then it cannot be recorded as being compliant. | |
| 8.4 | KH confirmed that in relation to Fire Risk Assessments (noted in paragraph 6.7) that a review is underway of all assessments. Currently there are 300 undertaken across the whole stock. KH noted that once the review is completed that some assessments could be spread over a longer period so instead of there being an annual refresh this could take place over a longer period. The Fire Safety Bill suggests a timeframe of 5 years. | |

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| <p>8.5</p> <p>i)</p> <p>ii)</p> <p>iii)</p> | <p>Recommendations:</p> <p>The Board noted the metrics as Corporate Compliance Position Statement and the statements in sections 4 to 10 of this report.</p> <p>The Board noted the details of paragraph 6.6 associated with ECFRS inspections.</p> <p>The Board noted the actions being taken to regularise positions where required.</p> | |
| <p>9</p> <p>9.1</p> <p>9.2</p> <p>9.3</p> <p>9.4</p> <p>9.5</p> <p>9.6</p> <p>9.7</p> <p>9.8</p> | <p>Building Safety Bill Implications Report</p> <p>KH gave an overview of the report.</p> <p>MO sought clarity as to what extent do the financial implications of the Building Safety Bill interact with the management fee bid?</p> <p>DL confirmed that the current first draft of the management fee bid does not include these elements. The plan is that these costs will be included in further drafts of the Bid and there will be ongoing discussions and negotiations with SBC in relation to the cost. DL confirmed that the Board are being asked to approve the first draft of the Bid and then a final version will be approved electronically by the Chair and Vice-Chair.</p> <p>KH confirmed that where improvements are made any capital cost incurred is discussed with SBC and the cost will develop as the Bill goes through parliament.</p> <p>MO sought clarification as to what evacuation procedures are in place for residents with mobility issues following the Grenfell tragedy.</p> <p>KH confirmed that at sheltered schemes, hostels and high rise blocks each resident with mobility issues has a Personal Emergency Evacuation Plan (PEEP) available for the fire service. The Fire Safety Manager works with the Tenancy Team to ensure that these are reviewed and updated regularly.</p> <p>KH also confirmed that currently the guidance associated with PEEPs is under review by the British Standards Institute and the outcome of that is awaited.</p> <p>MD sought clarity in relation to the social housing democratic filter being removed. KH confirmed that this is related to the Ombudsman element in which the Ombudsman can make a decision about what complaints are dealt with by them. Part of the recommendation in the Bill is to remove the democratic filter.</p> | |

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| <p>9.9</p> <p>9.10</p> <p>9.11</p> <p>9.12</p> <p>i)</p> <p>ii)</p> | <p>MG confirmed that if a resident wished to complain to the Ombudsman they would have to have been through an organisation's full complaints process and would then have to wait 8 weeks following the decision before referring to the Ombudsmen. Removing the democratic filter enables the individual to contact the Ombudsman directly after receiving the decision with no waiting period.</p> <p>RE requested that the Board be advised of any incidents where an SEH complaint has been referred to the Ombudsman. MG to discuss further with SP.</p> <p>CM stated that there is no choice but to accept the legislation and he stated that KH's report was incredibly reassuring in that SEH is ahead of the game. Going forward it is going to get more difficult to recruit the right people. RE agreed that it makes sense to be proactive and recruit resources sooner rather than later.</p> <p>Recommendations:</p> <p>The Board noted the content of the report and agreed to accept further reports as the legislation and guidance develops.</p> <p>The Board considered whether it wanted to take a proactive approach to the imminent implementation of the Building Safety Bill/Act and begin the process of enhancing the resources as set out in section five and eight of the report, in order to meet the challenges in advance of them becoming a mandatory requirement.</p> | <p>MG</p> |
| <p>10.</p> <p>10.1</p> <p>10.2</p> <p>10.3</p> <p>10.4</p> | <p>Company Assurance Report as at 30 September 2021</p> <p>DL gave an overview of the report.</p> <p>DL confirmed the costs incurred from the Building Safety Bill are yet to be included in the first draft of the Management Fee Bid and any changes will be taken to Chair and Vice Chair electronically.</p> <p>CM sought clarity as to whether the increased cost of contractors and salaries has been factored in. DL confirmed that the Bid does include provisional amounts for cost of living rises for this year and next year and that inflation in the region of 10% has been factored in for the Repairs Budget.</p> <p>DJ sought clarity in relation to the uncertainty around salary negotiations and whether the Bid could be amended. DL confirmed that SBC are open to negotiations to in year changes and it is always possible to reopen negotiations if there are significant differences. DL confirmed that this has happened in previous years and DJ was reassured that a precedent had been set.</p> | |

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| 10.5 | It was agreed that the report should be dated 28 October and not 27 July 2021. CC to amend. | CC |
| 10.6 | Recommendation: | |
| i) | The Board noted the update on financial information as at September 2021. | |
| ii) | The Board noted the Key Performance Indicators as at September 2021. | |
| iii) | The Board agreed the revised Risk Management Strategy. Add agree management fee bid. | |
| iv) | The Board agreed the indicative management fee bid for 2022/23 to Southend Council and authorised the Chair and Vice Chair to further agree any changes as negotiations develop. | |
| 11. | Draft Financial Accounts 2020/2021 | |
| 11.1 | DL gave an overview of the report | |
| 11.2 | DJ confirmed that the A&R Committee were able to assure the Board that controls have been checked and are in place. | |
| 11.3 | Recommendations: | |
| i) | The Board approved the Financial Statements for 2020/21 and agree to the Chair signing on behalf of the Company | |
| ii) | The Board noted the Report to the Board and the external audit management letter comments. | |
| iii) | The Board noted the letter of support from Southend Borough Council confirming group support. | |
| iv) | The Board noted the Letter of Representation from the Company to Scrutton Bland and to agree that the Chair and Company Secretary sign the letter on behalf of the Company. | |
| 12. | Reserves Policy Update | |
| 12.1 | DL gave an overview of the report. | |
| 12.2 | In relation to the reserves, MB asked if SBC could request the funds be returned to SBC? DL confirmed that a mechanism is in place to allow this. MB wondered if the reserves could be used by SBC to buy land to build houses. TH confirmed that there are existing HRA reserves that could be utilised for the programme of purchasing potential sites for redevelopment and he would be happy to discuss further with MB outside of this meeting. | |

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| <p>12.3</p> <p>12.4</p> <p>12.5</p> <p>i)</p> <p>ii)</p> | <p>DJ asked if the sum in the Partnership Agreement for reserves relate to income and expenditure (I&E) reserves or all reserves. DL confirmed that this is I&E related.</p> <p>DJ sought clarity that given the pension deficit could the reserves be used to pay off the deficit. DL confirmed that he is currently seeking advice in relation to pensions and this will include information on crystallisation of the fund. DL confirmed that once advice received he will prepare a report for the Audit & Risk Committee to consider the options.</p> <p>Recommendations:</p> <p>The Board agreed the Reserves Policy.</p> <p>The Board agreed that future annual reviews of the policy be undertaken by the Audit & Risk Committee.</p> | |
| <p>13.</p> <p>13.1</p> | <p>Minutes of Audit & Risk Committee Meeting held on 30 September 2021</p> <p>DJ had nothing further to add following the comments made in earlier reports.</p> | |