



BOARD OF DIRECTORS

29 JUNE 6.00 PM
COMMITTEE ROOM 3

PUBLIC

BOARD MEMBERS PRESENT:	Ann Watkinson Diane Horn Tony Buck	Cynthia Popley Kenneth Jones Neville Stork Paul Day Ron Jukes	Ian Montgomery Mushtaq Khan Patrick Cole Richard Osborne Roger Merchant (Chair)
OFFICERS PRESENT:	Sue Taylor, Maria Maltby Neil Barks	Richard Paterson Lynn Aston	Yvonne Castle Louise Gough
OTHERS PRESENT:	Siva Balaratnam	Cherie Tinenti	
APOLOGIES:	Helen Isaac	Marie Hannabuss	Bill Cavender

The meeting started at 6.00 pm

1) **DECLARATIONS OF INTEREST**

There were no declarations of interest.

2) **MINUTES OF 18 MAY 2010**

The minutes of the last meeting of the Board Meeting held on 18 May were approved as a correct record and signed by the Chair.

3) **MATTERS ARISING**

Page 3 – Tenancy Agreement Review

The Board was advised that the revisions to the Tenancy Agreement had been approved by Cabinet and revised copies of the Tenancy Agreement would be posted to tenants week commencing 05 July 2010.

Page 4- Departure of Directors

ST advised the Board that an interim Director of Investment, Repairs and Regeneration, Steve Haywood, had been appointed and would commence on 05 July and remain with us until the Director of Operations was appointed.

AW stated that she felt that there were a lot of consultants being employed. ST said that there was a serious lack of capacity and capability within the organisation and the restructure would address these issues. She added that to implement the change required, capacity had to be created by employing specialist help and once the restructure was complete there would be no need to employ more consultants.

Page 6- Retirement and Recruitment of Board Members

MM advised that the recruitment process for Tenant and Leaseholder Board Members had commenced. She added that the changes to the Independent Board Member Recruitment policy still needed to be agreed with the Chair.

ACTION

4) **PUBLIC QUESTIONS**

There were no public questions.

5) **CHAIR'S REPORT**

Chartered Institute of Housing National Heroes Housing Awards 2010

RM advised the Board that Cherie Tinenti had won the Inspirational Tenant of the Year award at the National Housing Heroes Awards. The Board expressed their congratulations to Cherie and presented her with a bouquet of flowers.

6) **CHIEF EXECUTIVE'S UPDATE REPORT**

Restructure Update

Council Approval

ST informed the Board that the financial arrangements to support the proposed restructure had been approved at the Council's Cabinet meeting on 10 June 2010. The 2010-2011 Delivery Plan had also been approved.

ST advised that it was a requirement of the Management Agreement that significant changes be approved by the Council and formal written approval from the Director of Housing and Health was still outstanding.

Staff Consultation

ST advised that the 30 day staff consultation period regarding the restructure proposals was due to conclude on 09 July 2010. ST added that to date approximately 75% of staff 1:1's had been completed by the Executive Management Team.

ST stated that feedback had generally been positive and contributions had been constructive with alternative structures being proposed by some teams. ST added that all feedback and suggested changes would be considered and adjustments made to the structure.

ST advised that the Executive Management Team and RJ and PC had met with the Trades Unions to discuss their feedback to date and a meeting to formally respond was scheduled on 30 June. ST added that whilst some of the Unions feedback on the process was disappointing, given the involvement of the Unison Representative in the informal discussions, the relationship with the Trades Unions was good and we wished to continue working closely with them.

Implementation Process

ST advised the Board that implementation of the structure proposals would commence on 12 July 2010 with an estimated completion date of November 2010.

Senior Management Positions

ST advised that there had been a positive response to the four senior management posts which were advertised on the national market, with over 70 expressions of interest and 46 high calibre applications. ST added that interviews would take place between 06 and 09 July 2010 and on 19 July 2010.

Executive Management Arrangements

ST advised the Board of the executive management arrangements within the organisation for the period of the restructure and appointment to the senior management positions.

Audit Commission Quarterly Progress Meeting

ST informed the Board that she had met with Ann Bennett (AB) from the Audit Commission for the first of her quarterly progress meetings since the inspection.

ST stated that AB supported the restructure and suggested it was necessary to achieve the amount of change necessary for the organisation to move forward. AB had also suggested that CNH and the Council consider moving the re-inspection to the Summer/Autumn of 2011 to enable the necessary change to be implemented.

ST advised that it had been agreed that the roundtable meeting would take place later in the year once the restructure was complete and the management team was in place.

ST stated that AB had put her in touch with some organisations who could offer peer support throughout our change programme including, A1 Bassetlaw, Newark and Sherwood Homes and the TSA. AB had also suggested that despite the coalition Government's plans to abolish the TSA it was still currently the regulator until we were formally advised otherwise. RO added that the principles and ethos of the regulatory framework were supported and these would be continued through a different mechanism.

ST informed the Board that AB had stated that fundamental change was required at CNH to enable two stars to be achieved. AB had expressed her support of the reorganisation proposals.

Contact Centre Management Proposals

ST informed the Board that the Company's Contact Centre Team Leader had successfully applied for and been recruited to a position with another Company and would be leaving the Company on 7 July. ST added that a review of options had been undertaken by the Corporate Services Manager in light of continued capacity and infrastructure limitations currently impacting on performance of the service.

It had subsequently been agreed by EMT that the Contact Centre would be relocated within the Council's Contact Centre at Southfield Road and day to day management of the team would be provided by the Council under a short term Service Level Agreement. This would provide opportunity for a cost benefit analysis and market testing exercise of the service to be undertaken between July and December in line with the 2010 Service Plan target.

CP asked if there was an efficiency saving. MM advised that there would be no efficiency saving, although costs would not increase, however the decision had been taken because the arrangement would provide a continuous service for our customers and support for the team with a minimal requirement for handover.

AW asked if any of the team were likely to lose their jobs. MM stated that the team were not transferring to the Council and would remain employees of CNH. She added that this was a temporary arrangement.

NS asked if any consideration was being given to working with the Council to provide this service permanently. MM stated that all options would be considered in the review.

RO stated that he accepted the need for a quick solution but performance under this regime should be monitored. MM confirmed that performance would be monitored as usual and there would be regular liaison meetings with the Council's Contact Centre Manager. MM added that whilst the Council would look to make quick win improvements where possible, it would be CNH's responsibility to review the service and make the necessary service improvements.

Governance

ST informed the Board that the job description and person specification for the new paid Chair position for the Board had been agreed in consultation with the Council. ST added that a timetable for recruitment had already been agreed.

Collaborative Working

ST advised that we were looking at a number of opportunities to learn from others and undertake some collaborative working. ST added that one potential opportunity was to work with Nottingham City Homes (NCH) and an initial meeting had taken place to discuss putting together a proposal in respect of health checking, repairs, planned and gas services in advance of any market testing, undertaking an asset management service review, health and safety audit and a review of the leaseholder service.

ST added that we had also joined Efficiency East Midlands (EEM) and were looking at making significant savings on rates we currently have for Decent Homes work.

Gas Quality Audit

NB explained that, further to the Board's request to for a technical audit to be undertaken of the gas service, we had approached several external organisations to complete the work, including Corgi, Morgan Lambert and Blue Flame. NB added that once a provider had been selected the audit would be completed by 31 August.

NB stated that the internal quality audit had been delayed due to sickness absence of the Gas Officer but would be complete by mid August.

Accommodation Review

ST advised that a review of accommodation was currently being undertaken and a report would be presented to Board in August.

RESOLVED:

i) The Board Received the report.

RM and PD left the meeting at 7.00 pm

7) **HRA REVIEW : IMPLICATIONS FOR CHARNWOOD**

The Council's Chief Executive and Head of Financial Services presented to the Board the findings of the recent 30 year modelling exercise undertaken by HQN, to understand the implications of the HRA reform proposals for Charnwood.

In essence the proposals would allow all rent to remain locally, and allow councils to take on extra debt so their housing work is self financing. There would, however be a re-distribution of historic HRA debt across all authorities. Whilst there were concerns about taking on additional debt and the negative impact on capital investment coupled with risks of Decent Homes capital funding not being available, the Council would be submitting a response to the Government supporting the proposals.

The Board debated the proposals and agreed with the Council's intended response.

RO asked if there was opportunity to join with organisations in a similar Decent Homes funding position and submit a joint response. GP advised that the response deadline was 6 July 2010 however an email would be sent to the organisations to gauge interest.

DH stated that it would have been preferable for CNH and the Board to be involved earlier to enable a joint response. JC advised that due to the modelling exercise and schedule of the Cabinet meeting this had not been possible.

The Board invited the Council to put forward future items of significant interest or impact to CNH for inclusion on the Board Forward Plan.

The Board thanked GP and JC for their presentation and they left the meeting.

RESOLVED:

i) The Board received the presentation.

8) **FINAL AUDIT COMMISSION INSPECTION REPORT**

The Board formally noted and accepted the final Audit Commission report and findings and also noted the final proposals for addressing the recommendations and areas for improvement.

RESOLVED:

i) The Board received and unanimously approved the report.

9) **RISK MANAGEMENT UPDATE**

The Board received the draft project plan for refresh of the company's Risk Management Strategy and implementation of a risk management culture.

RP advised that workshops would take place for senior management, executive team and Board. Zurich, the Company's insurers would be assisting with the development of the strategy and with the workshops.

RJ enquired regarding the costs of Zurich's assistance and RP advised that this was at no cost.

NS stated that CNH does at present not have any risks registered regarding carbon reduction and requested these be considered in the workshops.

RESOLVED:

i) The Board received the update.

10) EQUALITY AND DIVERSITY UPDATE

YC presented an update on progress in relation to the Equality and Diversity agenda. YC stated that the Audit Commission found that weaknesses outweighed strengths and the Company had taken positive steps by introducing a permanent Equality and Diversity post in the restructure proposals. YC explained that she had been commissioned as an interim resource, to start to define and commence our approach to embedding excellent customer experience and equalities and diversity.

YC explained that she had met with a number of managers, within CNH, CBC and drafted a project plan. A revised Equality and Diversity Strategy and accompanying action plan would be produced which would:

- Develop a systematic approach to knowing our customers
- Develop a company approach to equality impact assessments
- Review accessibility of our services
- Deliver training to tenants, staff and the Board.
- Input into a wide range of corporate activities within the Service Delivery Plan

YC explained that there was a lot to put in place to achieve our aims in relation to this agenda and presented the project plan. She added that the strategy and work programme would link into the Customer Service Strategy and was an ideal opportunity to be a driver for our culture change programme.

DH enquired about the timescales for the work. YC explained that the work she was undertaking would complete within 3 months and this would be continued then by the new Equality and Diversity Officer.

NS suggested that it might be an idea to look at Equality and Diversity being branded as the 'Fairness Agenda'. ST stated that we would look to brand the culture change programme to ensure it encompasses what CNH wants to achieve.

RO suggested that we need to set targets for ensuring that staff and the Board are more representative of the community we serve. YC confirmed that we would identify KPIs for the equality agenda. She added that we have data but it has not been pulled together. Once this is complete we could undertake a gap analysis and set targets.

RJ stated that we need to train all staff and ensure they are working professionally. ST agreed and confirmed that we would develop a tailored training programme. YC added that we would be going back to basics and linking everything to the customer service experience.

DH asked how staff would be measured when all the training and development is complete. MM stated that managers and staff would be assessed within their personal performance reviews.

IM suggested that for cross cutting themes we have a register for where services have been tailored to meet the needs of customers. ST confirmed that evidence would be collected.

RESOLVED:

i) The Board received the report and unanimously agreed the approach to embedding excellent customer experience and equalities and diversity.

11) VOID PROPERTY MANAGEMENT

LA updated the Board on the current voids performance and planned actions for improvement. This update was provided at the request of the Performance and Scrutiny Committee held on 06 July 2010. The following key points were highlighted:

Context

- The Audit Commission had concluded that this was a service in which weaknesses outweighed strengths
- Some limitations had been identified in internal audits although actions were being implemented to address these
- Approximately 50% of current voids are hard to let – even in larger cities with more challenging issues the proportion is usually around the 10-15% mark
- The Sheltered Housing Review was severely criticised by the Audit Commission
- There are a significant amount of refusals. Of 90 – 100 offers made every month approximately 40% are refused
- 33% of all lettings are to transfers which creates additional voids that are often our more difficult to let properties as tenants transfer to more sought after accommodation
- Because of the number of long term voids it is not possible to significantly reduce the number of voids AND improve the overall average relet time during the current financial year. The priority this year is therefore to reduce voids by 33% and increase rental income. Only when long term voids have been significantly reduced can the overall average relet time be brought down.

Year End 31/03/10

- Until November 2009 it was not evident that sufficient emphasis had been given to voids
- The number of voids reduced within the year by 25 so more were let than terminated
- Repairs performance had significantly improved – reduced from 40 days to 14 days
- There was a slight improvement in customer satisfaction with the condition of their new home although there was a rise in rent waivers due to complaints around the state of newly let properties
- The change in designation to some properties in November 2009 had resulted in an immediate letting of 15 properties however this had now slowed down and further action was required.

Targets for 2010/11

- To reduce the number of voids by 33% from 153 to 100
- To increase satisfaction with the service to 75%.
- Consult potential tenants on the voids standard and by ensure the standard of work and care is right

- Reducing long term voids will result in an overall average relet time 95 days. There are some properties vacant that have been empty for over 3 years (Queen Street) which will significantly affect the overall figure.
- The Committee need to support these decisions and targets

Actions Being Taken

- Comprehensive project plan has been developed. Accountability sits with LA to improve voids performance.
- Improved partnership working with CBC. Weekly operations meetings and quarterly strategic meetings.
- Improved performance management – daily monitoring
- Specific campaign to target over 50s and sheltered accommodation – marketing plan agreed with Senior Citizens Forum, Open day on 15 June, Show flat to be sponsored by FHM.
- Incentive scheme for leaving properties in good condition introduced. Not taken up widely at the moment but should help reduce the turnaround figure
- Workshop to be held during June for new tenants and applicants – to redevelop the relet standards with the appropriate customer set. 30 interested people so far.
- Review of repairs targets and methods in which the team work
- CNH to propose options for CBC to consider. Audit Commission criticised CNH for not trying to actively influence the Council by producing robust business cases. Different options to be looked at and business cases to be developed starting with a meeting with Eileen Mallon and Dave Harris to try and accelerate and influence the sheltered scheme review which is due to go to Cabinet in August.

Actions in the Future

- Improved tenants scrutiny – currently undertake monthly void tours – now starting to target properties where there have been numerous refusals and acting on tenant suggestions.
- Choice based lettings – working closely with CBC on this project. Will require a culture change to customer first and will require review of all processes and procedures.

Expected Outcomes

- 33% less void properties leading to approximately £160,000 in additional rent income
- Less turnover, less voids costs, more sustainable communities
- A strategic review of the stock and proposals for change – CNH instrumental in the strategic plans

The amalgamation of the CNH/CBC allocations and lettings process was discussed and it was agreed that full consideration would be given and a business case discussed with the Council. ST advised that she had met with the Director of Housing and Health who indicated that she felt any proposal of this nature would be rejected by the Council as it was felt to be a strategic function. ST advised that CNH would only consider the amalgamation of the operational elements.

NS stated that there was no reason why we could not give consideration to the matter and make proposals. ST added that we should be making comprehensive proposals to the Council to allow them to make informed decisions.

RO asked that performance for long term voids be reported separately. ST confirmed that the performance report did show a figure for the overall voids turnaround including the long term voids but also a figure excluding the long term voids. RO added that dramatic modernisation of the process by CNH and the Council was required in order to resolve the situation. ST agreed and said there was currently no joined up service.

IM advised that the equality and diversity section of the report was not comprehensive and this should be addressed in future reports. This was noted.

RESOLVED:

- i) **The Board received the report and noted the improvement actions being taken (recommendations b – d)**
- ii) **The Board unanimously approved a proper and detailed consideration exercise for the amalgamation of the CNH/CBC allocations and lettings process within one team. ST to agree the approach with RJ.**

MK left the meeting at 8.25 pm

12) **MINUTES OF THE PERFORMANCE AND SCRUTINY COMMITTEE HELD ON 01 JUNE 2010**

The Board received and noted the minutes of the Performance and Scrutiny Committee held on 01 June 2010. RJ, who had been appointed as Chair of the Committee at its inaugural meeting, stated that the meeting had been very challenging and we were starting at a low base. A full forward programme of scrutiny would be agreed at the next meeting.

PC enquired if progress against the delivery plan would be reported to Board. MM confirmed that progress would be monitored by Performance and Scrutiny Committee and then reported to Board. ST confirmed that progress against the Audit Commission recommendations would also be a standing item on the liaison meeting between CNH and the Council.

CP stated that she did not feel that the minutes could be approved as a record of the meeting when not all Board members were in attendance. NS confirmed that the Board were not being asked to approve the minutes but receive them for information. MM added that items arising from Committees requiring decision by the Board would be presented separately.

RESOLVED:

- i) **The Board received the minutes for information.**

13) **MINUTES OF THE AUDIT AND FINANCE COMMITTEE HELD ON 17 MAY 2010**

The Board received and noted the minutes of the Audit and Finance Committee held on 17 May 2010.

RESOLVED:

- i) **The Board received the minutes for information.**

14) **DATE AND TIME OF NEXT MEETING**

Tuesday 27 July 2010, 6.00 pm in Committee Room 3

The meeting ended at 8.45 pm

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CHAIR

Signed as a true and accurate record of the meeting held on 29 June 2010.