

**Plymouth Community Homes Board  
Board Room, Plumer House and Microsoft Teams  
28 July 2022 at 5pm**

**Present in person unless stated:**

Nick Lewis (NL) Chair  
Debbie Roche (DR) (Vice Chair)  
Lavinia Porfir (LP)  
Liz Nicolls (LN)  
Valerie Lee (VL)  
Graham Clayton (GC)  
Tasawar Nawaz (TW)  
Maja Jorgensen (MJ)  
Julie White (JW)  
Sally Haydon (SH)  
Jill Gregg (JG)

**In attendance:**

John Clark (JC) Chief Executive  
Gill Martin (GM) Director of Corporate Services  
Nick Jackson (NJ) Director of Business Services and Development  
Lucy Rickson (LR) Head of Governance  
Charlotte Edwards (CE) Head of Strategy, Performance and Policy - Part  
Andrew Lawrie (AL) Head of Development- Part  
Ian Frazer (IF) Head of Asset Management  
John Rees (JR) Head of Finance  
Leanne Eastwood (LE) Governance Officer – Minutes  
Mark Dawson (MD) KPMG (Director) – Virtual-part  
Nicole Guo (NG) KPMG -Virtual- Part  
Mary O’Leary (ML) Head of Communications -Observer

**Apologies:**

No Apologies

<b>1.</b>	<b>Welcome and Introductions - Confirm Quorum</b>	
	<i>The meeting started at 17:00</i>	
01/07/22	NL welcomed everyone to the meeting which was confirmed as quorate. All Board members had been given the opportunity to ask questions in advance via email with responses being circulated to all members ahead of the meeting.  SH was welcomed to her first meeting as a Board member.	
<b>2.</b>	<b>Apologies for Absence</b>	

02/05/22	No apologies for absence had been received.	
<b>3.</b>	<b>Declarations of Interest</b>	
03/07/22	The guidance on declaring an interest was noted; there were a number of standing declarations. No further declarations had been received.	
<b>4.</b>	<b>Minutes of the Previous Meeting: 26 May 2022</b>	
04/07/22	The minutes from the meeting on the 26 May 2022 were discussed, and it was <b>confirmed</b> that the minutes were a correct record of the meeting and that they could be electronically signed by the Chair.  The proposed redactions were reviewed, and these were <b>approved</b> by the PCH Board. They will be published on the PCH website in line with the PCH Transparency Policy.	
<b>5.</b>	<b>Matters Arising</b>	
05/07/22	There were no matters arising.	
<b>6.</b>	<b>Minute Action Log and Resolution Tracker</b>	
06/7/22	The Minute Action Log and Resolution Tracker were reviewed, and no changes made. It was noted that the trackers would be transferred over to the new Convene systems.	
<b>7.</b>	<b>Decisions since last meeting</b>	
07/07/22	There had been two efficient decisions – Board member appointment Sally Haydon & Chair Recruitment Process.	
<b>8.</b>	<b>Briefing papers</b>	
08/07/22	The People Strategy Management Actions briefing paper had been circulated.	
<b>9.</b>	<b>Chair's Urgent Business</b>	
09/07/22	No Chair's Urgent Business.	
<b>10</b>	<b>Committee Minutes Circulated</b>	
10/07/22	The minutes from the following Committee meetings were included for reference: <ul style="list-style-type: none"> <li>• Customer Focus Committee 6 May 2022</li> <li>• Development Committee 19 May 2022</li> </ul>	





<b>12</b>	<b>PCH Regeneration Board Chair update 26 July 2022</b>	
	<p>DR, as chair of the PCH Regeneration Board gave the update on the meeting that took place earlier this week. Alongside considering the Land Led Development report, the Board were also given updates on the JV with Halsall [REDACTED]</p> <p>The PCHR Board also approved the statutory accounts for 2021/22 which were being presented later at this Board.</p> <p>The Board welcomed Jill Gregg and Mike Day to the Board, and now that recruitment had taken place DR would step down from the PCH Regeneration Board and the role of Chair.</p>	
<b>13</b>	<b>PCH Energy Board Chair update 18 July 2022</b>	
	<p>JC as chair of the PCH Energy Board gave an update on the meeting that took place on 18 July 2022. The Board considered the statutory accounts for PCH Energy and letter of representation which they recommended for signing.</p> <p>The Risk Register was reviewed and remained unchanged.</p> <p>The Board had been asked about the possibility of reusing existing PV panels and/or fitting additional panels to properties. This was still being considered and a report was due in December on the viability of this. Once this report has been received and considered it would be presented to the PCH Board.</p>	
	<p>It was noted that the surplus for 2021/22 was lower than in the previous year. Assurance was given that cash generation is high, however there is a depreciation going through the.</p> <p>The primary purpose of the company is to support our residents with their fuel costs as those with panels fitted get the first use of the energy with the remaining benefit coming to PCHE through the feed in tariffs.</p> <p>In terms of risk, if the company folded for any reason, PCH would take ownership of all of the panels and income flows.</p>	
<b>14</b>	<b>Audit &amp; Risk Committee Chair update including items brought to this Board for approval -19 July 2022</b>	
	LN as Chair of the Audit & Risk Committee provided an update to the Board	

	<p>on the meeting that took place on 19 July 2022. The draft minutes were included within the meeting pack.</p> <p>The Committee have reviewed the Statutory accounts, letters of representation and auditors report from KPMG and were recommending them for signing by the Board today.</p> <p>All Committee members met with KMPG ahead of the meeting and were given the opportunity to discuss any issues or concerns without the Executive being present.</p> <p>The Strategic Risk Register was reviewed and the risk session on Monday will give the Board the opportunity to consider the assumptions and risks relating to differential inflation. There had been one change to the risk scoring around governance and the number of recent changes to the Board membership.</p> <p>The Committee also considered the digital risk appetite update and an updated Anti Money Laundering policy.</p> <p>There was an update on any outstanding actions from the Internal Audits which included a review of the gas safety no access processes. The Committee had been pleased to learn that the review of the process had now taken place in the Committee’s requested timescale of 3 months. Following this, a trial process was due to start once legal advice had been received, which aimed to ensure the balance between gas safety and supporting some of our most vulnerable residents.</p>	
<b>14.1</b>	<b>Strategic Risk Register</b>	
	<p>GM Director of Corporate Service presented the Strategic Risk Register for monitoring. It was noted that the register had been updated in regards to risk, action and control wordings, however these have not impacted the individual risk ratings.</p> <p>The only change was in relation to Risk 3 - governance to reflect the ongoing recruitment and induction of new Board members which currently equates to 40% of the Board membership, along with the recruitment of a new Chair in the autumn.</p>	
	<b>Questions were raised ahead of this meeting which are included as an appendix.</b>	
	The PCH Board <b>noted</b> the Strategic Risk Register	
<b>15</b>	<b>Statutory Accounts 2021-22</b>	
	JR Head of Finance presented the accounts to the Board explaining that the Board was responsible for ensuring that the Annual Financial	

Statements and the Board's Report are produced in accordance with applicable law and UK Accounting Standards.

In order to carry out this function, the Board was supported by the Audit and Risk Committee (ARC) which carried out its review at its meeting on 19 July.

Attached within the report were the papers which were submitted to that Committee, updated for minor editing and other changes which had no significant impact on the reported results or material amendments to core financial statements, and all amendments were shared with KPMG.

The ARC have reviewed the accounts and recommend them to the Board for approval.

MD (KPMG) confirmed that all amendments had been shared with KPMG and that any minor issue that were outstanding at the time when the accounts were presented to ARC have now been resolved so the audit is complete. KPMG proposed that subject to Board approval they give a clean opinion of the group's financial statements including those of the subsidiary companies.

The details of the audit were contained within the Auditor's Highlights Memo which had been provided to the Board. A summary of the significant audit risks that were tested was on page 5 and KPMG confirmed that no issues were identified during the audit and there was no requirement for adjustments or control deficiencies identified.

JR went through the accounts highlighting the following:

Turnover for the group increased by £1.2m compared with 2020/21, this was mainly due to a rent increase of 1.5% applied to 75% of dwellings, a higher level of income for block refurbishment recharges, and receipts from Right to Buy and Right to Acquire sales.

The reported Group operating surplus of £8.5m was £3.7m lower than 2020/21. After allowing for the increase in turnover of £1.4m above, costs were £5.8m higher, and more in line with previous years. Repairs and service costs were £5.6m higher mainly as a result of the impacts of Covid secure measures and catchup works as we came out of the pandemic. Other increases totalling £2m were in management, depreciation, non-cash pension costs and bad debts. This impact was offset by one-off Covid and manufacturing activities closure in 2020/21 not repeated in 2021/22.

The VFM metrics show that PCH has a strong balance sheet and high assets giving a low gearing. Operating margins continue to be at the lower end for the sector, however this was an expected outcome given the low rents in comparison to other registered providers.

Over the year PCH had developed 122 new homes and invested £700k in the local community.

	<p><b>There was a question raised before the meeting which is included as an appendix.</b></p> <p>Additionally, it was clarified that the bridge calculation reconciles any changes made between the March management accounts approved by Board and the final statutory financial statements. These were all expected adjustments.</p>	
	<p>The Board <b>approved</b>:</p> <ol style="list-style-type: none"> <li>1. The financial statements for PCH Ltd and its subsidiaries for signature by the Chair of each entity and KPMG</li> <li>2. The letters of representation for PCH Ltd and its subsidiaries for signature by the Chair of each entity.</li> <li>3. That the external auditors, KPMG, be reappointed for the year ended 31 March 2023 at the AGM</li> </ol>	
<p><b>15.1</b></p>	<p><b>ESG Report</b></p>	
	<p>CE Head of Strategy, Performance and Policy presented PCH’s Environmental, Social and Governance (ESG) report for approval.</p> <p>The report was produced primarily to inform investors about the organisation’s performance across all three areas, and it was also an opportunity to review what has been achieved throughout the year. It was broadly based on the Sustainability Reporting Standards for the social housing sector.</p> <p>Key aspects of the report were:</p> <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>- We continue to be certified to the ISO14001:2015 standard for environmental management.</li> <li>- The carbon footprint of the business is 675 tonnes, which is higher than the previous year but lower than pre-pandemic levels. When this is compared to 2019/20 there has been a reduction overall.</li> <li>- We diverted 98% of our waste from landfill.</li> </ul> <p><b>Social</b></p> <ul style="list-style-type: none"> <li>- We acquired 200 homes for rent or shared ownership.</li> <li>- 100% of homes requiring a fire risk assessment have one.</li> <li>- We made no evictions for rent arrears.</li> </ul> <p><b>Governance</b></p> <p>The Regulator continues to grade us at G1 for governance and V1 for financial viability, the highest possible grading.</p> <p>Across the organisation we are looking at ways in which our homes can be decarbonised and how we define this within PCH.</p>	



	<p>The recently appointed sustainability lead will be exploring ways in which PCH can link in with PCC around the use of the mobility hubs and how this can support our staff moving around the city.</p> <p>There are also plans to link in with another partner organisation around our reuse recycling centre and how we can pass good quality items back to residents.</p> <p>Affordability and safety are high on our list of priorities, so these measures and compliance are included.</p> <p>Overall satisfaction levels are lower than previous years. PCH had recently moved from paper to telephone surveys and while the market research partner has explained this can sometimes cause a dip in satisfaction scores overall, the sector is showing a really significant reduction in satisfaction and confidence.</p>	
	<p><b>As a result of discussion, the following was clarified:</b></p> <p>The report showed that PCH had not terminated any tenancies for rent arrears; this was reassuring for the Board to know that we didn't evict anyone who couldn't pay and were effectively working with those who won't pay.</p> <p>It was discussed and agreed that for next year work would take place to include the wider work that PCH undertakes; which could include our broader environmental aspirations and the impact we have on our communities.</p> <p>Satisfaction levels across the sector have decreased and the potential reasons for this were discussed. This included how resident's expectations and aspirations have changed since Covid and it is important for us to understand where satisfaction level should sit now that we are getting back to normal.</p> <p>It was explained that we have just signed up to the Vantage Zero Carbon Club and will be submitting our data to them. From this we will get a benchmarking figure against other social housing providers which can be included in future versions of the report.</p> <p>The use of online systems such as MyPCH for recording and storing essential documents such as gas safety certificates was discussed, and consideration had been given on how to move this forward along with making repairs appointment letters viewable.</p>	
	<p>The PCH Board <b>approved</b> the ESG report.</p>	
<p><b>16</b></p>	<p><b>Q1 Performance Report</b></p>	
	<p>CE Head of Strategy, Performance and Policy presented the Q1 performance report to the Board for monitoring.</p>	

	<p>There was decline in repairs performance during Q1, with a reduction to just under 93% of jobs being completed within timeframe. This was split between 97% for emergency jobs and 90% for routine jobs.</p> <p>Void re-letting continued to be higher than target, however we continued to sustain a reduction in the average number of days to re-let homes and there was a further interim target to reduce this figure to 25 days by the end of September 2022.</p> <p>The percentage of homes with a valid 5-year electrical test was 97% and this will move toward 100% over the coming months as recruitment of additional electricians takes place.</p> <p>The KPI for legionella showed that only 79% of homes have had a risk assessment. It was clarified that this figure included the additional homes that PCH have chosen to carry out an assessment. The figure for minimum legal compliance was 98.06%.</p> <p>There were two lifts in blocks where it had not been possible to carry out the LOLER (Lift Operation and Lifting Equipment Regulations) inspections; these have been booked in with a fixed appointment on 22nd July 2022.</p> <p>Rent arrears were within target, however collection levels are lower compared to this time last year. This was due to a range of factors including additional accounts being paid via Universal Credit and residents facing difficulties due to the cost-of-living increases.</p>	
	<p><b>There were questions raised before the meeting which are included as an appendix.</b></p> <p>Additionally, the following was clarified:</p> <p>Assurance was given that rent arrears are continually monitored and the sustainability fund has started to be used; details of this were in the questions that were submitted to the Board. There was no doubt that the coming months will be hard for everyone, particularly when energy prices rise again in October.</p>	
	<p>The PCH board <b>noted</b> the Q1 Performance report.</p>	
	<p><b>Break</b></p>	
<b>17</b>	<p><b>Quarterly Management Accounts – Redacted as confidential</b></p>	
	<p>[Redacted content]</p>	



	[REDACTED]	
	<p>There were questions raised before the meeting which are included as an appendix.</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	
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<b>18</b>	<b>Quarterly Treasury Update – Redacted as Confidential</b>	
	<p>NJ Director of Business Services and Development presented the report which provided the Board with a summary of treasury management activity during the first quarter of 2022/23.</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	
	<p>The PCH Board <b>noted</b> the treasury management activity in the quarter.</p>	
<b>19</b>	<b>Short Term Funding Requirements MOR Homes and Natwest – Redacted as confidential</b>	



	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	
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<p><b>20</b></p>	<p><b>Annual Monitoring of the Asset Management Strategy</b></p>	
	<p>IF Head of Asset Management provided the Board with the annual monitoring of the Asset Management Strategy which reviews the progress made to date.</p> <p>The Board were aware through the consultations they have been involved with that a new Asset Management Strategy for the next five years will be brought to Board in November 2022.</p> <p>This report pulled together the information that had also been presented to the Customer Focus Committee each quarter. The stock tour on Monday would also give the Board a flavour of the work that has been completed across the city.</p>	
	<p><b>Questions were raised ahead of the meeting which were included as an appendix.</b></p> <p>In addition, the following was clarified:</p> <p>The target for planned verses reactive maintenance would be 60/40%.</p> <p>It was important to communicate the work that PCH as a landlord completed and this report had been designed to clearly convey this information to our residents. It was agreed that before this is published on the PCH website</p>	<p>IF</p>

	any reference to individual addresses would be removed.	
	The PCH Board <b>noted</b> the Asset Management Strategy monitoring report.	
<b>21</b>	<b>Board Code of Conduct and Grievance Procedure</b>	
	<p>LR Head of Governance presented the report for approval explaining that the National Housing Federation Code of Governance requires us to have a 'policy and procedure setting out how disputes and grievances involving members of the Board can be raised and responded to' (Code 3.8 (7)).</p> <p>The existing approach to conduct issues was noted in the Code of Conduct for Board Members, however, there is no formal grievance procedure. The Code of Conduct for Board Members had been updated to refer to a new Board Member Conduct and Grievance Procedure.</p> <p>The procedure proposes these changes:</p> <ul style="list-style-type: none"> <li>- the first approach is to discuss informally; if this doesn't resolve the issue then a formal meeting and, if necessary, escalation to the Remuneration and Nominations Committee who make a recommendation to Board</li> <li>- the process is led by Chair and Vice Chair (Audit and Risk Committee Chair remains reserve in case of a conflict of interest or absence) with support from the Chief Executive and Head of Governance</li> <li>- requirement to carry out the process within a 'reasonable timescale'</li> </ul> <p>The attached procedure had been developed based on good practice and is recommended for approval by Board.</p>	
	The Board <b>approved</b> the new Board Conduct and Grievance Procedure and revised Code of Conduct for Board Members.	
<b>22</b>	<b>Chair Role Profile Update</b>	
	<p>LR Head of Governance presented a revision of the PCH Board Chair role and person specification for approval. She explained that the recruitment process for the PCH Board Chair was underway, as per the efficient action report approved by Board in June 2022.</p> <p>The timetable starts with the search and advertising in late August for a month, then interviews in October and a new Chair appointed in time for the November Board meeting.</p>	

	<p>The recruitment presents a good opportunity to review the PCH Board Chair role profile and person specification. The version attached has been revised to include:</p> <ul style="list-style-type: none"> <li>- our values</li> <li>- regulatory and code changes that emphasis the tenant voice at Board</li> <li>- a 6-year term of appointment for the Chair to ensure stability (this is subject to a mid-term review and annual appraisal, and can be less where an existing Board member is appointed as Chair)</li> <li>- a clearer and more succinct description of the role (wording that is already included in other documents has been removed)</li> <li>- advice from our independent advisors, Altair</li> </ul>	
	<p>As a result of questions, the following was clarified:</p> <p>Confirmation was given that whilst Altair would be carrying out the first interviews virtually – we will be working with them on the shortlisting for the final interviews.</p> <p>In the previous decision by Board the interview panel for the role of Chair would include the Vice Chair and one other Board member who had been agreed as JW.</p> <p>Other Board members and residents would be involved at the final interview stages.</p>	
	<p>The Board <b>approved</b> the updated PCH Board Chair role profile and person specification.</p>	
<b>23</b>	<b>Forward Plan</b>	
	<p>The PCH Board <b>noted</b> the Forward Plan.</p>	
<b>24</b>	Next Meeting 16 September 2022.	
	<i>Meeting closed at 7:07pm</i>	

Signature.....Nick Lewis, Chair

Date .....

Certified as a true copy .....Lucy Rickson, Head of Governance

Date.....