



Redacted as Confidential and Commercially Sensitive.
Plymouth Community Homes Board
Microsoft Teams
29 July 2021 at 5pm

Present:

Nick Lewis (NL) Chair
Debbie Roche (DR) (Vice Chair)
Simon Ashby (SA)
Graham Clayton (GC)
Lavinia Porfir (LP)
Liz Nicolls (LN)
Maddi Bridgeman (MB)
Valerie Lee (VL)
Julie White (JW)

In attendance:

John Clark (JC) Chief Executive
Gill Martin (GM) Director of Corporate Services
Nick Jackson (NJ) Director of Business Services and Development
Belinda Pascoe (BP) Head of Governance
Charlotte Edwards (CE) Head of Strategy, Performance and Policy – part
Andrew Lawrie (AL) Head of Development- Part
Helen Ryan (HR) Head of Communities
Ian Frazer- ~Head of Regeneration-Part
Leanne Eastwood (LE) Governance Officer – Minutes
Mark Dawson- KPMG (MD)- Part

Apologies:

Graham Stirling (GS)
Carl Brazier (CB) Director of Homes and Neighbourhoods

Observers

Ian Tuffin

1.	Welcome and Introductions - Confirm Quorum	
01/05/21	<i>The meeting started at 5:00pm</i>	
02/05/21	NL welcomed everyone to the meeting, including MD(KPMG) & IT (as an observer), which was confirmed as quorate. All Board members had been given the opportunity to ask questions before the meeting via email with responses being circulated to all Board members ahead of the meeting and forming an appendix to these minutes.	
2.	Apologies for Absence	

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03/05/21	Apologies for absence had been received from GS& CB	
3.	Declarations of Interest	
04/05/21	The guidance on declaring an interest was noted as there were a number of standing declarations [REDACTED] [REDACTED] [REDACTED] [REDACTED]	
4.	Minutes of the Previous Meeting: 20 May 2021	
05/05/21	The minutes from the meeting on the 20 May 2021 were discussed, and it was confirmed that the minutes were a correct record of the meeting and that they could be electronically signed by the Chair.	
5.	Redacted written resolutions of Previous Meeting: 20 May 2021	
06/05/21	The proposed redactions were reviewed and one redaction removed, they were then approved by the PCH Board to be published on the PCH Website in line with the PCH Transparency policy.	LE
6.	Matters Arising	
07/05/21	There were no matters arising.	
7.	Minute Action Log and Resolution Tracker	
08/05/21	The Minute Action Log and Resolution Tracker were reviewed and confirmation was provided that the action relating to the de-carbonisation would be brought to the next board away day and completed by March 22.	LE
8.	Decisions since last meeting	
	There have been five Efficient Decisions made since the last meeting which were <ol style="list-style-type: none"> 1. Shareholding Membership for Tina Tuohy 2. PCH Manufacturing Services Chair further Extension, GS 3. Appointment to PCH Regeneration Board Debbie Roche, Carl Brazier-Removal of Nick Jackson, John Clark, Gill Martin 4. Appointment of Graham Stirling to PCH Regeneration Board 5. [REDACTED] 	
9.	Briefing papers since last meeting	
	There have been no briefing papers since the last meeting.	

10.	Chairs Urgent Business	
	There was no Chairs urgent Business	
11.	Committee Minutes Circulated	
	Development Committee –13 May 2021 Customer Focus Committee - 7 May 2021 Audit and Risk Committee - 20 July 2021 PCHMS -12 May 2021	
12.	Redacted as Commercially sensitive. Development Committee Chairs Update (22 May 2021) - including items which are being brought to this meeting for Board information	
	JW gave an overview to the Board on the meeting that took place last week. <div style="background-color: black; width: 100%; height: 100px; margin: 5px 0;"></div> <div style="background-color: black; width: 100%; height: 100px; margin: 5px 0;"></div> <div style="background-color: black; width: 100%; height: 100px; margin: 5px 0;"></div> <div style="background-color: black; width: 100%; height: 100px; margin: 5px 0;"></div> <div style="background-color: black; width: 100%; height: 100px; margin: 5px 0;"></div> <div style="background-color: black; width: 100%; height: 100px; margin: 5px 0;"></div> <div style="background-color: black; width: 100%; height: 100px; margin: 5px 0;"></div> <div style="background-color: black; width: 100%; height: 100px; margin: 5px 0;"></div> <div style="background-color: black; width: 100%; height: 100px; margin: 5px 0;"></div> <div style="background-color: black; width: 100%; height: 100px; margin: 5px 0;"></div> <div style="background-color: black; width: 100%; height: 100px; margin: 5px 0;"></div>	
	Item 12.2 was discussed ahead of item 12.1	
12.1	Development Update and KPIs	
	The development update was provided to the board to enable them to monitor progress across all PCH Development programmes this had also been reviewed at Development committee on the 22 July 2021.	
	The PCH Board noted the Development Update and KPIs.	
12.2	Sherford Centre Project	
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	<p>[Redacted text block]</p>	
	<p>[Redacted text block]</p>	

<p>14</p>	<p>PCH Regeneration Update</p>	
	<p>DR presented the update from the Regeneration Board meeting which took place on the 22 July 2021. This was the first time that the board had met with its new membership which included CB & GS along with DR as chair. Recruitment would take place later in the year for independent Directors to support the board in it's purpose.</p> <p>The Board reviewed the Statutory Accounts for 20/21 for PCH Regen retaining a surplus of £351k to provide a buffer to support our current and future joint ventures. No gift aid for this period. Recommended for approval along with the letter of representation.</p> <p>[REDACTED]</p> <p>A post contract review for Southway Primary School was presented, DR & LP would met to look at the best way to share this information as it feeds into the residents design Conference.</p>	
<p>15</p>	<p>PCH Energy Update</p>	
	<p>JC presented the update to the committee. The Board met on the 27 July 2021 where they reviewed the Management Accounts and Risk Register. The Statutory accounts were reviewed and approved that the letter of representation should be signed, and papers presented to the board.</p>	
<p>16.</p>	<p>Audit & Risk Committee Chairs Update (20 July 2021) - including items which are being brought to this meeting for Board approval</p>	
	<p>LN provided and overview of the Audit & Risk Committee meeting which took place on the 20 July 2021. A draft copy of the minutes for this meeting were included in the board pack.</p> <p>The key item of business was the annual statutory accounts ARC have reviewed the accounts and are recommending them for approval by the board – this was also supported by a clean audit by our external auditors KPMG with no control deficiencies identified.</p> <p>The board are asked to approve the accounts for PCH Ltd and all the statutory companies and confirm the signing of the letters of representation to KPMG for PCH Ltd and the subsidiary companies.</p> <p>The PCHMS accounts, unlike the rest of the group had not been prepared on a going concern basis. The board are also asked to recommend KPMG as our auditors which will go onto the AGM on the 16 September 2021 for approval.</p>	

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	In line with the NHF Code of Governance 2020 Board Members were give the opportunity to meet with KPMG without the executive being present to discuss any issues or questions they might have.	
	Item 17 Statutory accounts was discussed before item 16.1 Risk Register	
16.1	Strategic Risk Register update	
	<p>The Risk Register report presented the full updated Plymouth Community Homes Strategic Risk Register and Covid Risk Register alongside a Trend Summary document which gives an overview of the historic risk reporting and score trends at a glance.</p> <p>There had been no change to the risk scoring since it was last reviewed in May 2021 however the report contained additional narrative around the risks and additional assurance measures.</p> <p>The Board noted that earlier in the year work had started on reviewing the format of the risk register which was paused whilst the IDA took place. This had now restarted and will go to EMT in August before being brought to ARC in October.</p>	
	<p>A number of questions were raised before the meeting regarding the Risk Register which are included as an appendix to these minutes.</p> <p>Particular note was made to the question raised regarding the work that PCH is undertaking to assess issues with damp and mold in people homes- and it was confirmed that there will be a section in the quarterly reporting to CFC to provide assurance to the board on this topic.</p> <p>Further clarification was provided on the scoring for the Health & Safety Risk which has not been increased. Whilst it was clear that the recent rise in people self isolating and testing positive for Covid has resulted in a back log of work this was not increasing the Risk for any of our staff. Any work is being carried out in using Covid secure arrangements and increased use of contractors and agency staff. The Health and safety risk had not increased.</p>	
	The PCH Board noted the Risk Register Update.	
17	Statutory Accounts	

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NJ presented the consolidated statutory accounts of Plymouth Community Homes for the year ended 31 March 2021, which had been prepared by the finance team and audited by the external auditors, KPMG. The accounts were unqualified and had been given a clean bill of health.

The Audit and Risk Committee have reviewed the accounts and recommend them to the Board for approval for signing along with the letters of representation for PCH and its subsidiary companies.

It was noted that with the exception of PCHMS the wording of the letters is standard. The wording of the PCHMS letter reflects that these accounts were prepared as a non-going concern basis.

Assurance was given to the board that full disclosure had taken place in the preparation of these accounts and letters of representation. If board members are aware of anything that hasn't been disclosed then they are required to disclose this to KPMG before the accounts are signed.

The highlights of the accounts are as follows:

Turnover was £73.5m which was down 0.04% from 19/20 due to lost of turnover from PCHMS on a group basis.

The operating surplus had increased by £2.3m to £12.2m – due to lower than expected costs during the pandemic. However this does mean that some expenditure which was delayed will be picked up in the following year

Group surplus after tax £7.5m (£2.0m, 2019/20) but before non-cash pension charges of £17.5m which produced a total deficit for the year of £10m (surplus £8.8m 19/20). The non cash pension adjustments in 20/21 were in relation to changes in the actuarial financial assumptions which also increase the net liability of the pension funds to £45.6m on the balance sheet.

Financial Targets for the year had been met with the EBITDA operating margin at 33% against a target of >25%. EBITDA-MRI interest cover at 416% against a target of >150%. And Debt per unit running at £6707 against a target of <£15k.

Included in the Statutory accounts were also infographics to communicate the key financial measures

Details on how we assess VFM are included within the Accounts with an infographic highlighting how we measure our performance and how we fare against the 'sector scorecard' which in turn incorporates the regulatory metrics.

	A summary of our ESG credentials were included along with a link to the full report.	
	<p>The PCH Board Approved:</p> <ul style="list-style-type: none">1) The financial statements for PCH Ltd and its subsidiaries for signature by the Chair of each company and KPMG2) That the external auditors, KPMG, be reappointed for the year ended 31 March 2022 at the AGM.	
	The board took at short break returning at 6pm.	
18	Q1 Management Accounts	
	<p>[Redacted content]</p>	

	<p>[REDACTED]</p>	
	<p>Questions were raised before the meeting regarding the Management Accounts which are included as an appendix to these minutes.</p>	
	<p>The PCH Board :</p> <ol style="list-style-type: none">1. Noted the outturn to the end of June 2021 and forecast position to 31st March 2022.2. Approved revised Development and Regeneration Company budgets based on June 2021 forecast.3. [REDACTED]	
19	<p>Quarterly Treasury Management Report Quarter 1 2021/22</p>	
	<p>[REDACTED]</p>	

	[REDACTED]	
	Questions were raised before the meeting regarding the Treasury Management Report which are included as an appendix to these minutes.	
	[REDACTED]	
20	Contract Standing orders	
	<p>NJ presented the report relating to the revised Corporate Standing Orders which were last reviewed in 2018 - it was discussed at the board in May 2021 that they were due to be updated so that they can be aligned with the organisations Financial Regulations and Scheme of Delegation</p> <p>The contract standing orders have been updated to support the organisation in accordance with the following principles:</p> <ul style="list-style-type: none"> • Compliance with current and anticipated changes in the legal/regulatory frameworks • Close alignment with Financial Regulations and Scheme of Delegation • Clarity of internal logic • One Place – reference to other documents but not duplication of instructions or values • Consistency with other policies • Compliance with all procurement obligations • Commerciality • Accountability 	
	The PCH Board approved the Change to the Contract Standing Orders.	
21	Financial Regulations and Scheme of Delegation Review	
	NJ presented the review of financial regulations and scheme of delegations to the board for approval. The current regulations relating to financial	

	<p>transactions for PCH, had been reviewed to ensure that they were in line with our operational and governance structures and that they continue to assist with the effective management of the association.</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>Questions were raised before the meeting regarding the Financial Regulations which are included as an appendix to these minutes.</p> <p>Additionally it was clarified that before payments are authorised through the Ebiz system further checks are made to ensure the correct process had been followed to provide assurance that we would not be at risk of making payments on the back of fraudulent emails.</p> <p>The new Regulations reflect the balance of Risk against operational efficiency as we move into large block work programmes.</p> <p>This would be reviewed again in three years time- all approvals that are made by the Affordable housing group are reported to Development Committee annually and it was agreed that this would then feed through to the Board on an annual basis to ensure oversight.</p>	
	<p>The PCH Board approved the revisions to the financial regulations and associated delegations within Appendix A and Appendix B.</p>	
<p>22</p>	<p>Asset Management Strategy.</p>	
	<p>IF presented the annual monitoring of the Asset Management Strategy to the Board.</p> <p>The Board had been kept updated throughout the year on the challenges that had been faced by the organisation due to the pandemic- however the update to the Strategy highlighted that despite this, work had been continuing</p>	

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	<p>and we were able to deliver on a number of large projects to the benefit of the city and our residents.</p>	
	<p>A number of questions had been raised and answered before the meeting which were included as an appendix to these minutes.</p> <p>Further clarification was requested on our strategy for open spaces and possible infill opportunities.</p> <p>In terms of the infill sites this had be brought to the Development committee twice but there were limited areas when development would be possible. PCC have reviewed any land opportunities though the Plymouth plan which identified a number of sites</p> <p>Confirmation would be provided on when the strategy which covers open spaces would be brought back to board.</p> <p>It was also agreed that the upcoming development tour or new build site would be amalgamated with a tour of our existing stock improvement sites.</p>	<p>LE</p> <p>LE</p>
	<p>The PCH Board noted the Asset Management Strategy update.</p>	
23	<p>[REDACTED]</p>	
	<p>[REDACTED]</p>	
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24	Q1 2021/22 Performance update	
	<p>CE presented the Q1 performance information to the board which included an update on a range of building safety measures.</p> <p>Overall, the organisation continued to perform well, and had been able to sustain high levels of performance across a wide range of core services.</p> <p>Void re-letting has been particularly challenging during the pandemic however the teams involved are now returning to more normal ways of operation and have worked hard to reduce the average turnaround time to below 50 days, taking 5.4 days off the average letting time.</p> <p>We also continued to see challenges with new-build handovers, which are being affected by national material shortages and ongoing issues with land ownership at Chaucer Way.</p> <p>The report also incorporates a range of indicators related to building safety; there have been difficulties with carrying out risk assessments in general needs homes and we have seen some low-level positive tests for legionella which have been investigated and resolved.</p> <p>Additionally, the report showed that we have been unable to complete the monthly lift servicing programme in June, however the Board should note</p>	

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	<p>that this equipment remains legally compliant because the requirement is to service lifts on a six-monthly basis.</p> <p>The building safety indicators are to be reviewed during Q2 so that the Board and Executive Team have sight of the strategic indicators specifically related to compliance instead of the detailed operational measures. The detailed measures will continue to be monitored centrally and escalated to the Executive by exception in the event of an emerging downward trend.</p>	
	<p>A number of questions had been raised and answered before the meeting which were included as an appendix to these minutes.</p> <p>[Redacted text block consisting of approximately 15 lines of blacked-out text]</p> <p>Additionally, further information was provided to the board on the Void turnaround improvement. This was partially down to pre-planning to be able to increase our capacity once lock down restriction were relaxed and changes to the 72 hour delay for entering properties once we could be confident that the departing resident was not self-isolating.</p>	
	<p>The PCH Board notes the performance outturns for Q1 2021/22</p>	
<p>25</p>	<p>Resident Involvement Strategy</p>	
	<p>HR presented the Resident Involvement Strategy monitoring report explaining that the strategy meets our aspirations to deliver a high quality service driven by customers, to meet regulatory standards and maintain Tenant Participation Advisory Services (TPAS) National Landlord Accreditation in Resident Involvement or an equivalent accreditation.</p>	

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	<p>PCH’s formal Resident Involvement function is managed and delivered from the Communities Team by specialist posts.</p> <p>The Resident Involvement Strategy is project managed, monitored and implemented from this team however all PCH teams deliver elements of the Resident Involvement Strategy. PCH residents are involved in reviewing the strategy and producing the customer facing publication of the strategy.</p> <p>The Resident Involvement Strategy was last reviewed in 2019 and the report presented an update on progress of the 2019 to 2022 strategy. The next scheduled review is due to start later in 2021.</p>	
	<p>The Board were provided with further information on the Learn for Free programme and in particularly how residents can feed into the type of training and courses we offer. Periodic major reviews take place with the last one being February 2020. Additionally every time a resident attends training they are asked through a post course questionnaire to identify any further training they would like to see.</p> <p>Skills strategy and shortages in the city was discussed. It was agreed that we need to look at those skills needed by the more disadvantaged communities. It was suggested that PCH could work with partners to promote the opportunities that are already around the city, for example in construction skills training. Potentially we could develop offers that are ring-fenced to PCH residents.</p> <p>It was agreed that case studies on some of the successes on the Learn For Free programme would be circulated to the board.</p>	<p>LE</p>
	<p>The Board noted the Resident Involvement Strategy Monitoring report.</p>	
<p>26</p>	<p>Board member Appointments</p>	
	<p>The succession plan highlighted three existing Board members who reach the end of their current terms of appointment during 2021: Maddi Bridgeman in May 2021 and Liz Nicolls and Lavinia Porfir in September 2021.</p> <p>The PCH rules state that a full review of individual Board member performance and the skills needed by the Board should be undertaken before a second or third term of office is agreed. This is to support effective succession planning and to ensure that the PCH Board retains a suitable mixture of skills and knowledge to meet business need and prevent any Board member exceeding nine consecutive years of service.</p> <p>All three Board members were eligible, and wished, to stand for re-appointment for a further term and end of term reviews were carried out.</p> <p>In addition, this report is recommending:</p>	

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	<ul style="list-style-type: none"> the appointment of Ian Tuffin to the board – he has been nominated by Plymouth City Council to replace Tina Tuohy. <p>The appointment of Carl Brazier to the PCH Energy Board in line with its terms of reference.</p>	
	<p>That the PCH Board approved :</p> <ol style="list-style-type: none"> The re-appointment of Liz Nicolls as PCH Board members for a further term of three years The re-appointment of Maddi Bridgeman as PCH Board members for a further term of three years (subject to nominations from the Council) The re-appointment of Lavinia Porfir for a term up unto May 2023 (one year and ten months) The appointment of Ian Tuffin as a new Council nominee for a term of three years (subject to subsequent nominations from the Council). The appointment of Ian Tuffin to Audit and Risk Committee and Maddi Bridgman to move from Audit and Risk Committee to Customer Focus Committee. The appointment of Carl Brazier to the PCH Energy Board Retrospectively appoint Debbie Roche as the Chair of the PCH Regeneration Board with effect from the 20th July 2021 	
<p>27</p>	<p>Succession Plan</p>	
	<p>The NHF Code of Governance 2020 which was adopted by the Board in February 2021 (to take effect from 1 April 2021) included changes to the terms of office for board members.</p> <p>This report set out the Operational Succession plan and Recruitment proposals for delaying board member recruitment until 2022/23 when there will be a further two vacancies.</p> <p>It also contained changes within the Governance Framework to bring it in line with the code in particular amendments to the Board Membership policy and Board succession plan.</p>	
	<p>The PCH Board:</p> <ol style="list-style-type: none"> Agreed the amendments to the Board membership policy and Board succession plan attached as appendices A and B to this report along with the associated amendments to the overarching Governance Framework. 	

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	2. Noted the contents of the operational succession plan and the proposal to delay recruitment to the current board vacancy until 2022/23 when there will be a further two vacancies	
28	Board and Committee TOR Review	
	The existing terms of reference for Board, Audit and Risk Committee and PCH Energy Board had been reviewed against the requirements of the NHF Code of Governance 2020. The PCH Regeneration Board terms of reference were reviewed in January 2021 and the required change was included at that time	
	The PCH Board agreed the revised terms of reference for the PCH Board (appendix A), Audit and Risk Committee (appendix B) and PCH Energy Board (appendix C).	
22.	Date of Next Meeting: 16 September 2021	
	<i>Meeting closed at 7:00pm</i>	

Signature...  Nick Lewis, Chair

Date ...16 September 2021.....

Certified as a true copy ...  Belinda Pascoe, Head of Governance

Date 16 September 2021.