

Northwards Housing – Resources Sub-Committee Meeting

Hexagon Tower
Tuesday 23 September 2014 at 6.00pm

Chair: Hilary Vaughan

Present

Hilary Vaughan	(HV)	Board Member
Paul Moran	(PM)	Board Member
Sharon Thomas	(ST)	Board Member
Mark Hackett	(MH)	Board Member
Naeem Ul Hassan	(NH)	Board Member (part meeting)

In Attendance:

Stephen Brown	(SB)	Director of Business Services
Robbie Chapman	(RC)	Head of Finance
Hayley Crane	(HC)	Assistant to Chief Executive
John Burton	(JB)	Head of ICT (part meeting)

ITEM	SUBJECT	ACTION
1	Welcome and Introductions HV welcomed everyone to the meeting. The meeting was declared as quorate.	
2	Apologies for Absence Guy Johnson, Fatima Adamjee	
3	Declarations of Interest/Confidential Matters/Equality & Diversity There were no declarations of interest.	
	CONFIDENTIAL ITEMS	
4	Minutes of Last Meeting 29 July 2014 (Confidential) Please see confidential minutes Matters Arising Please see confidential minutes	
5	Management Accounts Please see confidential minutes	

	NON CONFIDENTIAL ITEMS	
6	<p>Minutes of Last Meeting 29 July 2014</p> <p>The minutes of the Sub-Committee meeting held on Tuesday 29 July 2014 were approved.</p> <p>Matters Arising</p> <p>Resources Rolling Agenda</p> <p>SB advised that the Community Hydro feasibility study had been uploaded to the Board sharepoint.</p> <p>Equality & Diversity Action Plan 2014/15</p> <p>SB agreed to check that TL had fed back to the Board on the Money Advice roadshows.</p> <p>Value for Money strategy</p> <p>RC advised that the paper had been completed and will be taken to the Board meeting on 16 October 2014</p> <p>People update Qtr 1</p> <p>SB reported that SH is finalising the E&D Action Plan.</p>	<p>SB</p> <p>RC</p> <p>SH</p>
7	<p>Replacement of Housing Management IT system</p> <p>SB gave a verbal update and advised that Capita had assisted Northwards with the process so far. SB highlighted that there had been no competitive dialogue with any other consultants and that Capita's costs were capped at £35,000.</p> <p>SB advised that obtaining 2 additional quotes would take approx. 2 months, and would impact on the timescales for procurement of new IT system.</p> <p>SB gave a detailed update on discussions with the Council and the need to move quickly on the procurement.</p> <p>SB stated that the reasons for the tight timescales were solely down to the Council's IT department lack of responsiveness, despite Northwards pressing for action.</p> <p>RC explained that the technical element of the proposal would take</p>	

time and advised that this is in line with the new Standing Financial Instructions (SFIs) and that the risks of inaction are too great.

SB asked the Sub Committee to approve continuing to work with Capita.

PM asked if the auditors are aware of this. RC advised that they will be made aware and also receive minutes from the Sub Committee meetings, as part of the audit.

MH stated that he would be happy to support this as it is MCC's responsibility and delays on their part are the main issue.

MH felt it was a sensible approach .

The Sub Committee approved the recommendation.

Considering her previous experience with MCC, HV expressed some concerns.

HV asked SB how assured Northwards is that this approach will work.

SB advised that Northwards is in a very difficult place, as at some point we run the risk of the Council intervening and instructing Northwards not to proceed on our own. SB explained that this would cause dispute, which he wants to avoid.

SB went through the key benefits of the suggested approach in detail which are:

- Northwards will run the procurement exercise;
- Northwards will be in charge of choosing the supplier;
- The Council will offer a hosting service;
- Northwards will manage any application and staff;
- The Council will be accredited by the Public Service Network (data protection)
- Rent data will come directly from the DWP and will be held in the PSN.
- Northwards will be able to edit access and retrieve data at their own will.

SB explained that when you add together all of the clear advantages of this approach, it would be difficult for the Council to go back on their word.

SB advised that Paul Beardmore is fully aware of the situation. As is Karen Johnson, the Director of IT at the Council.

SB advised that it is a hard decision for Northwards to make, but time is short and there isn't room to delay a decision much longer.

JB advised that he is confident enough to say that all Northwards requests have been met and the commitment from the Council will be underpinned by much tighter SLA's.

HV advised that having staff answerable to Northwards is the key element.

HV expressed her concern about the IT contract being held with MCC.

SB advised that the next critical step is the relationship with the supplier. He explained that Northwards needs to be clear that they have the authority to speak to the supplier and are a party to the contract.

ST asked how long systems will be down and the risks involved. JB advised that the process will be phased with detailed planning and up front testing.

PM asked how long the process will take. JB advised that the first implementation phase will commence around Easter 2016; with the 2nd phase taking place over a 2-3 month period.

JB gave a detailed update on what the phases will include and the timescales involved.

HV asked if training was part of the implementation costs. JB advised that this was additional, but felt that delivery of training could be resourced in-house.

HV asked if the proposed number of users was enough for the organisation. JB advised that this is more than Northwards currently holds and felt the number is manageable.

A detailed discussion took place on costs and HV asked how this is funded.

SB advised that the Council accepts that this is additional to the Management Fee. He advised that this will form part of the Management Fee negotiations.

MH asked if it was separate to the HRA. SB advised that technically this should be funded by the HRA as it is a HRA function.

HV highlighted the upfront costs and resources and asked if Northwards is confident that it has enough resources. JB advised that the IT team as proposed would have sufficient resource.

SB advised that one of the main problems is that introducing a new housing management system requires housing management and

	<p>repairs staff to be involved to ensure that it is fit for purpose.</p> <p>SB explained that back filling of staff may be required for 6-12 months. SB reported that MS has been consulted throughout the process, as the main impact will be on Neighbourhood Services.</p> <p>MH advised that he believes a wider strategic discussion at Board level is required to look at ways to reduce future running costs. SB noted MH's comments and agreed to speak to RL.</p> <p>HV asked that the Sub Committee are provided with updated on the process at each of their meetings.</p> <p>The Sub-Committee approved the recommendations and the need for regular updates.</p>	SB
	<p>JB and NH left the meeting at 7.15pm</p>	
8	<p>Repairs Budget</p> <p>RC gave a verbal update on the repairs budget and advised that it is currently £139,000 over budget from the start of the year.</p> <p>Overall overspend is looking likely to be between £300,000 and £350,000.</p> <p>RC advised that a further update will be brought to the Sub Committee in November.</p> <p>SB informed the meeting that as agreed with the council this overspend would be the first call on our reserves above the £1M invested.</p> <p>The Sub-Committee noted the update.</p>	
9	<p>Update to Financial Regulations and SFIs.</p> <p>RC gave a verbal update and advised that the Financial Regulations were last formally updated in 2009.</p> <p>RC advised that the largest change is the referral to the Standing Financial Instructions (SFIs). RC explained the changes and highlighted the key areas.</p> <p>He advised that the SFIs are in draft form and have been submitted to the Sub Committee for discussion and noting. RC explained that following this meeting there will be further discussions with the Executive Management Team to ensure that the instructions do not present needless operational difficulties to staff.</p> <p>A detailed and thorough discussion took place around "delegated powers of authority" and "waivers".</p>	

<p>Both HV and MH felt that waivers should be shared with the relevant Sub Committee Chair for approval.</p> <p>SB responded by suggesting that to a large extent the Director of Business Services, would be responsible, since he is the officer who is responsible to the Board for maintaining financial probity.</p> <p>SB advised that it is not anticipated that such waivers would be granted very often, and can only be granted if the specific rules set out in the SFIs are met. HV and MH considered that it would not represent an additional difficulty for consultation to take place at the time on these rare occasions.</p> <p>SB reported that every time a waiver is granted, the paperwork justifying, and in particular setting out how the rules within the SFIs have been applied, will be supplied to the Resources Sub Committee as a standing information agenda item. HV and MH felt this was scrutinising after the event and that liaison on such decisions would be more appropriate at the time.</p> <p>SB advised that in reviewing the use of waivers it will be open to the Sub Committee to decide that in any particular case the rules have been misapplied, and to ensure that any misapplication is recorded and prevented from being repeated. HV and MH felt this exposed the organisation to reputational and financial risk.</p> <p>RC concurred with SB and advised that he felt SB is detached enough from the operations of the business to make a proper judgement without the need for a further consultation.</p> <p>HV advised that it was more about protecting resources in the organisation and SB And providing assurance to the Board. HV stated that the rules are very grey especially in respect of “exception circumstances” and how these are interpreted.</p> <p>SB asked HV if she would like RC to review the rules to make them clearer. HV stated that she did not think this was possible.</p> <p>ST asked what happens if SB is on leave. RC explained that there is a clear route of delegation.</p> <p>SB advised that he would need to speak to RL to check that he is comfortable that Executive Directors are unable to make a judgement without seeking approval from a Sub Committee Chair in the first instance. SB highlighted that this is very different from the current day to day operational running of the business and he felt that decisions would not be able to be made in real time. MH advised that this was the position at MCC and it worked well without hindering the day to day operations.</p>	<p>SB</p>
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	<p>HV suggested the following amendments are made to the report:</p> <ul style="list-style-type: none"> - A reference to VfM is missing – specific words are required. - Social value issues are missing <p>RC referred HV back to the introduction and advised that the SFIs and Financial Regs are linked into the VFM strategy which covers social value.</p> <ul style="list-style-type: none"> - No reference to data protection - Risk/insurance sits under the Audit Sub Committee, not Resources. <p>HV asked if the organisation can cope with electronic bidding. RC advised that there are no particular issues within the SFIs in terms of electronic or manual tendering.</p> <p>RC explained that the SFIs/Financial Regs are designed to highlight the principles, not to hinder the process.</p> <p>ST asked if invoicing was paper based. RC advised that it was, as the current invoicing system could not support paperless transactions.</p> <p>SB suggested that members of the Committee should review the rules in detail and pass any comments to RC. HV asked if the final version would be brought back to Resources.</p> <p>It was agreed that, because the Sub Committee would not meet until late November, the SFIs would go to the Board for their consideration.</p> <p>The Sub-Committee noted the update.</p>	RC
10	<p>Budget Matrix</p> <p>RC gave a verbal update and advised that there had been no change.</p> <p>The Sub-Committee noted the update.</p>	
11	<p>Resources Rolling Agenda</p> <p>November – IT update needs adding to the agenda.</p> <p>The sub-committee agreed that the VFM paper would go to Board.</p>	
14	<p>AOB</p> <p>No items.</p>	

	HV thanked everyone for attending, and closed the meeting at 8.15pm	
	Date and Time of Next Meeting: Tuesday 25 November 2014 at 6.00pm Hexagon Tower Board Room	