

## Northwards Housing – Resource & Governance Sub-Committee Meeting

Hexagon Tower  
Tuesday 20<sup>th</sup> June at 5.30pm

Chair: Martin McKeivitt

**Present:**

Ade Alao (AA)	Board Member
Eric Hobin (EH)	Board Member
Richard Lockwood (RL)	Board Member
Martin McKeivitt (MM)	Board Member
Harvey Norton (HN) from item 5	Board Member

**In Attendance:**

Steve Wood (SW)	Director of Business Services
Ian Wilson (IW)	Audit Commission

ITEM	SUBJECT	ACTION
1	<b>Welcome and Introductions</b>  It was confirmed that the meeting was quorate.  In the absence of HN at the beginning of the meeting, MM agreed to take the Chair.	
2	<b>Apologies for Absence</b>  Apologies had been received from Fionnuala Stringer (FS).	
3	<b>Declaration of Interests / Confidential Matters / Equality &amp; Diversity Matters Arising</b>  There were no matters for noting under this item. Equality & Diversity implications were noted on particular reports.	
4	<b>Minutes of Last Meeting - 23<sup>rd</sup> May 2006</b>  The minutes of the previous meeting were approved and signed by the Chair.	

5	<p><b>Matters Arising</b></p> <p><b>a) Internal Audit</b>  SW reported on discussions that had taken place with KPMG to put the Internal Audit framework in place. A meeting is due to be held in July with EMT to prepare the 2006-07 programme and Sub-Committee discussed some possible themes for the first year. It was agreed that a review of the Service Level Agreement review programme looking at both the methodology and the outcomes would be appropriate. It was suggested that the area of Performance might also be incorporated. Other proposed areas were Governance, Risk, the Comino IT system implementation and Finance systems.</p> <p>KPMG themselves might well come up with other areas and would be having a dialogue with MCC to ensure there was some working together and no duplication.</p> <p>Sub-Committee noted that a formal programme would come back to them in due course for approval.</p> <p><b>b) ICT Strategy</b>  Further to the discussion at the previous meeting, SW presented some additional information about the ICT budget for 2006-07.</p> <p>The new projects and potential work under phase 2 of Comino would need careful planning given a budget of only £50,000 but this was felt to be appropriate given the timescales involved. There would be further discussions on plans as part of the next budget round.</p> <p>After a couple of questions, Sub-Committee noted the report.</p> <p><b>c) Risk Strategy</b>  The Risk Management Strategy had been approved at the last meeting but Sub-Committee had asked for sight of the detailed risk register and this was presented.</p> <p>Sub-Committee briefly discussed issues over Housing Demand and Pandemic Influenza. SW confirmed that the organisation had Terrorism Insurance in place.</p> <p>Sub-Committee noted the report.</p>	SW
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	<p><b>d) Financial Business Plan</b>  SW reported on discussions which had been held with MCC about the status of surpluses and efficiency gains and how these could be used, by agreement, for tenant services.</p> <p>AA confirmed that the form of wording had been arrived at following long discussions early on in the ALMO process.</p> <p>Sub-Committee started a discussion about how priorities would be assessed for available funds and what role they, Area Panels and tenants would have in making these decisions.</p> <p>SW agreed to do some further work on this with others and bring back some suggestions for a methodology in due course.</p> <p><b>e) Rent Performance PI's</b>  In answer to a question, SW agreed to clarify the Arrears Procedure to assure Sub-Committee that arrears were being looked at prior to the seven weeks monitoring target.</p>	<p><b>SW</b></p> <p><b>SW</b></p>
<p><b>6</b></p>	<p><b>Governance</b></p> <p><b>a) Governance Development Plan</b>  SW presented an update report on progress against the Governance Development Plan and highlighted a few of the areas where further progress was required.</p> <p>Sub-Committee discussed the Area Panels and their importance in the Governance arrangements of the organisation. SW confirmed that the Area Panels and the work with them was covered by the Governance Development Plan.</p> <p>Sub-Committee noted the report.</p> <p><b>b) Governance Resource Pack</b>  SW presented a proposed contents sheet for the Governance Resource Pack which was in the process of being pulled together. He outlined for Sub-Committee, the thinking for making this Pack more of an E library or CD, rather than a large pack of paper.</p>	

	<p>Sub-Committee discussed the list and suggested that some additional information on Area Panels might be added in due course. It was felt that it might be appropriate for some leaflets to be produced about how tenants and independent members are appointed onto the Board and SW agreed to look into this.</p> <p>Recognising that the list of contents would keep evolving, Sub-Committee approved the list and recommended to the Board that it be approved.</p> <p><b>Recommendations to the Board: That the Board approve the contents of the Governance Resource Pack</b></p>	<p><b>SW</b></p> <p><b>Board</b></p>
<p><b>7</b></p>	<p><b>Accounts</b></p> <p><b>a) Monthly Budget Report</b>  SW presented the Monthly Accounts for the first period in the financial year 2006-07 and talked through some of the key issues. He referred in particular to payroll information from MCC and the repairs expenditure figure which was low in the month.</p> <p>Sub-Committee asked a number of questions about the timing of the contract fee and the Service Level Agreements.</p> <p>From a presentation point of view, MM asked that perhaps more detail on repairs and less on other smaller expenditure lines might be helpful. It was also suggested that the Actual and Budget columns might be reversed and that the Forecast column be relabelled to clarify what it was. Variance analysis and colour might enhance the report and make monitoring easier. SW agreed to take all their issues away and work with the Team to continually improve the reporting. He also confirmed that he would like to incorporate some cash flow analysis which might cover the issue of Balance Sheet investments also.</p> <p>Sub-Committee noted the report, feeling that some additional training might be required in due course.</p> <p><b>b) Accounts to 31 March 2006</b>  SW reported on progress in producing the financial statements for the period ended 31 March 2006 and shared with Sub-Committee three issues which he was currently discussing with Auditors.</p> <p>i) Under Financial Reporting Standard 5, there was an</p>	<p><b>SW</b></p>

	<p>ongoing discussion about the treatment of capitalised salaries which would affect their presentation in the accounts.</p> <p>ii) Financial Reporting Standard 17 sets out the calculation of pension assets, liabilities and charges for accounts and the relevant calculations for Northwards were being prepared.</p> <p>iii) A review was being undertaken to ascertain whether there were any capital items purchased on behalf of Northwards by the Council for inclusion in an opening balance sheet.</p> <p>Sub-Committee noted the report.</p>	
<p><b>8</b></p>	<p><b>Monitoring</b></p> <p><b>a) Performance Management</b>  Sub-Committee received the Performance Management Framework in respect of April and May 2006 for rents and finance.</p> <p>RL asked about the performance on BV8 Invoice payments and SW explained the reason for only achieving 90% in May.</p> <p>MM asked about NHL053 where it appeared only 15 out of 32 possession cases had been granted. SW said he would look into this and report back.</p> <p>EH asked about voids performance and SW explained briefly the progress that was being made which he was aware of. This area was reviewed regularly by Performance &amp; Quality Services Sub-Committee.</p> <p>Sub-Committee noted this report.</p> <p><b>b) Service Level Agreements</b>  A brief report had been circulated with the papers for the meeting detailing progress on monitoring and reviewing the Service Level Agreements.</p> <p>SW reported that there were fortnightly meetings between EMT and the Councils Directorate Management Team which included reviews of performance as well as operational issues including the SLA reviews.</p> <p>Sub-Committee noted the report.</p>	<p><b>SW</b></p>

	<p><b>c) Delivery Plan</b>  SW presented a report outlining the monitoring process for the Delivery Plan. The most important part of the review mechanism was a formal meeting each January between Councillors, Tenant Representatives and the Board to review performance and set priorities for the following year.</p> <p>Sub-Committee noted the report. It was felt that there was a training issue likely for Tenant Representative members about the Delivery Plan.</p>	
<p><b>9</b></p>	<p><b>Standing Order Review and Procurement Strategy and Rules</b></p> <p>SW reported to Sub-Committee on a review which had been undertaken of the Standing Orders incorporating the Financial Regulations and Rules of Contract.</p> <p>The three documents have now been separated out. A full review of the Standing Orders had been done and the only main revision was to incorporate the responsibilities of the Chair and Vice Chair. Sub-Committee asked for some adjustments to be made to the sections on non attendance and urgent decisions.</p> <p>With these amendments, Sub-Committee approved the revised Standing Orders and agreed to recommend them to the Board.</p> <p><b>Recommendation to the Board: That the Board approve the revised Standing Orders.</b></p> <p>The Rules of Contract had now been incorporated in full into a comprehensive Procurement Strategy and Rules. This document had been based on a best practice example and altered to incorporate features from MCC's approach to procurement.</p> <p>HN asked for the Health and Safety section to be enhanced and SW agreed to look at this in the light of an overall piece of work that was going on about Health and Safety generally within the organisation. MM wondered whether there was a potential training issue here for the Board.</p> <p>With an appropriate alteration for the Health and Safety section, Sub-Committee approved the Procurement Strategy and Rules and agreed to recommend it to the Board for their approval.</p>	<p><b>SW</b></p> <p><b>Board</b></p>

	<p><b>Recommendation to the Board: That the Board approve the Procurement Strategy and Rules.</b></p> <p>SW confirmed that the review of the Financial Regulations would be coming to the next meeting of the Sub-Committee. He also suggested to Sub-Committee that all strategies and policies be reviewed on an annual basis and this was agreed.</p>	<b>Board</b>
<b>10</b>	<p><b>Training Requirements</b></p> <p>Potential Training requirements noted in the meeting were as follows:</p> <ul style="list-style-type: none"> <li>• Additional Finance Training.</li> <li>• Delivery Plan (for Tenant Representatives).</li> <li>• Health and Safety overview and compliance.</li> </ul>	
<b>11</b>	<p><b>AOB</b></p> <p>There was no additional business for the Sub-Committee to consider.</p>	
<b>12</b>	<p><b>Date of next meeting</b></p> <p>The next meeting of the Sub-Committee would take place on Tuesday 25<sup>th</sup> July - 5.30 pm at Hexagon Tower.</p> <p>With thanks to everyone, the Chair closed the meeting at 7.00pm.</p>	