



NORTH LINCOLNSHIRE HOMES BOARD MEETING

**Held on Monday 6 July 2009
2.30pm Meridian House, Scunthorpe**

MINUTES

Attendance:

Members: Tony Lightfoot (Chair)
Cheryl Leaning
Roni Wilson
Colin Boyce
Edgar Patchett
Rob Waltham
Len Foster
Peter Clark
Gordon Rowlands
Mark Harland
Tony Scrase-Walters
Edna Kenyon

NLH: Andy Orrey – Director of Finance
Steve Hepworth – Director of Housing
Steve Wardrope – Head of Business Improvement
Pete Stones – Assistant Director of Regeneration/Investment
Fiona Ruddick – Governance Officer (Minutes)

Apologies: Sandra Bainbridge
Richard Leach
Jane Duncan

590 Declarations of Interest

There were no declarations of interest.

591 Review of Strategic Risks

This additional meeting of the Board had been called to review the top Strategic Risks. These were originally agreed by Board in May 2008 and needed to be reviewed annually. It was confirmed that the mitigation plans are reviewed every six months at the Audit and Risk meetings.

A graph was provided with the Board papers which showed where each risk was in terms of likelihood and impact both before and after mitigation. Some members felt this graph showed that after mitigation all risks were reduced so questioned whether

each individual risk needed to be discussed. It was felt there was merit in reviewing each risk individually to ascertain whether it still needed to be a strategic risk.

In terms of the impact levels, it was confirmed that definitions did not extend beyond the one word description..

Action 001: Andy Orrey to draft a definition for each impact level.

Each risk was then discussed in turn as per the notes below.

Risk 1 – Changes/Reduction in the Provision of Gap Funding

One Board member was concerned on the impact to funding if the cost of service charges were not recovered from tenants. No provision has been made within the Business Plan to recover these costs so no loss would be incurred if they were not received, however, potential was there to increase additional income.

Before mitigation the score was 3.0 and after mitigation this reduced to 2.0

Agreed: Board approved the before and after mitigation scores.

Risk 2 – Sudden Loss of Key Personnel

This risk has a likelihood of 20% after mitigation. In light of the recent circumstances, it was queried whether this should be increased. It was decided though after discussion to leave this the same. Before mitigation this scored 2.5 and after it scored 1.0.

Agreed: Board approved the before and after mitigation scores

Risk 3 - Poor Handling of culture change within the workforce and associated low morale

The impact of the DLO review was raised by a Board member and the perception that this was decreasing morale. Some staff anticipated the review would have started before it actually did.

The Stepping Up programme has been offered to all relevant staff and 38 staff have volunteered themselves to take part in that. Training is well underway for all managers following the perception from the staff survey working group, that management is not adequate.

Before mitigation this scored 2.5 and after mitigation this reduced to 1.5

Agreed: Board approved the before and after mitigation scores.

Risk 4 - Effects of the current credit squeeze on funders sentiments and interest rates

The effects of the current credit squeeze on funder's sentiments and interest rates prompted discussion. One member wondered whether both the impact and likelihood should be increased. Regular meetings are held with Barclays. After

discussion, it was agreed that the scores would remain the same but the terms of the Barclays agreement would be reviewed.

Action 002: To review the contract with Barclays to ascertain how and in what circumstances could they remove their funding.

Risk 5 – Failure to Effectively Monitor Business Plan Assumptions

The business plan is monitored in some detail and various actions have been implemented including training sessions with middle managers to increase their understanding of operational impacts on peak debts. Before mitigation this scored 3.5 and after reduced to 0.7

Agreed: Board agreed the before and after mitigation scores.

Risk 6 – Failure to Delivery Promises Made to Residents on Service Improvements

As each year passes more of the promises are delivered. Work is now in to year 3 and is approaching some of the more complex areas of work. The score before mitigation is 1.6 and after mitigation remains at 1.6.

Board discussed these scores and agreed that the likelihood after mitigation – currently at 20%, should be reduced to 15%. This reduced the after mitigation score to 1.2.

Amended: Board agreed the before mitigation scores and agreed to reduce the after mitigation likelihood to 15% reducing the after mitigation score to 1.2.

Risk 7 – Failure to Meet Customer Needs and/or Manage Expectations

The score before mitigation was 3.0 and after mitigation was 1.2. The mitigation plans that were ongoing were continuing and the other mitigation plans were completed.

Agreed: Board agreed the before and after mitigation scores.

Risk 8 – Failure to Meet Customer Needs and/or Manage Expectations and Reflect in Service Charges

By next year there will be a more sophisticated way of charging for heating and NLH will recover more costs. It was questioned whether the mitigation scores should be reviewed but it was decided that they would remain as they were. However, when they were reviewed next time this would no longer pose a strategic risk and could be removed.

Agreed: Board agreed the before and after mitigation scores and that on the next review, this strategic risk could be removed providing the decisions made had all been implemented.

Risk 9 – Failure to Work in Partnership with North Lincolnshire Council (NLC)

In the absence of the Chief Executive, the Chair of the Board and the Deputy Chief Executive needed to ensure they met with key people to continue the working relationship with NLC. Len Foster spoke to the NLC Cabinet Member for Housing prior to this meeting who felt that working relationships between NLH and NLC were positive.

Before mitigation the score was 1.3 and after mitigation this reduced to 0.8.

Agreed: Board agreed the before and after mitigation scores.

Risk 10 – Failure to Address Anti-Social Behaviour (ASB) and Build Stronger Communities

The meeting felt that the strategic risk related to asset management and building stronger sustainable communities and not just focusing on ASB. Before mitigation the score was 2.5 and after mitigation reduced to 1.5

Agreed: The Board agreed the before and after mitigation scores.

Risk 11 – Hard to Let Accommodation due to Demographics, Employment Levels and Major New Developments in Scunthorpe

The meeting agreed that the title of this needed changing to North Lincolnshire rather than Scunthorpe. In the local development framework for NLC there is an assessment of major new developments. It was reported that NLC are looking at rural housing needs and have commissioned a piece of work regarding this.

Agreed: The Board agreed the before and after mitigation scores.

Risk 12 – Failure to Adequately Plan for Disaster Scenario i.e. Major Flooding

The before mitigation score was 1.8 and after mitigation reduced to 1.4. The results of mitigation plan 4 (business continuity plan testing and refinement) are due to be taken to the next Audit meeting.

Agreed: Board agreed the before and after scores.

Risk 13 – Non Delivery of Major Investment Programme

The before score was 2.8 and after mitigation this reduced to 2.1. It was agreed that this was a fair reflection of the current situation. The major investment programme is currently well in advance.

Agreed: Board agreed the before and after scores.

Risk 14 – Failure to Manage our Assets Safely and Legally thus Discharging our Duty of Care to the Public

The score before mitigation was 1.8 and after mitigation reduces to 0.9. A report went to Resources in April regarding DDA compliance.

Agreed: Board agreed the before and after scores.

Risk 15 – New ICT System May Fail to Deliver

This has a before mitigation score of 4.5 and after scored 1.8. The new system has been chosen and will be demonstrated on 29 July. It was suggested, and agreed, that the impact level after mitigation should be reduced from 9 to 5, on the basis that the chosen product is a thoroughly tried and tested system, with the consequential reduction in risk of failure.

Amended: Board agreed the before mitigation score and agreed to changing the after mitigation impact level to 5 which reduced the score after mitigation to 1.

Risk 16 – Poor/Lack of Information to Board

It was recognised that Board may not always have early warning of issues. This will be discussed by Board at their away day at the end of July. The before mitigation score was 1.4 and the after mitigation score was 0.7. It was agreed to increase the after mitigation likelihood to 15% from 10%.

Amended: Board agreed the before mitigation score and agreed to increase the after mitigation likelihood to 15%.

Risk 17 – Expectations for Further Improvements Works Required in Addition to those Costed in the Original Stock Condition Survey

The Service Standards show what the expectations are but there may be an issue about managing customer's expectations regarding grounds maintenance and environmental works and what can actually be achieved with the budget. The before mitigation score was 2.0 and after mitigation this reduced to 1.8.

Agreed: Board agreed the before and after mitigation scores.

Risk 18 – Poor Access Points to NLH

This risk scored 0.5 before mitigation and 0.3 after mitigation. The Customer Access Review is underway and the result is to move to one single access point. The Board agreed this was no longer a strategic risk and it could be removed as such.

Remove: The Board agreed to remove this as a strategic risk.

Risk 19 – Failure to Achieve Housing Corporation/Audit Commission Approval – Impact on Morale, Ability to Develop etc.

The mitigation plans are all complete expect for plan 2 which is ongoing. The TSA are reviewing their standards at the moment. The before mitigation score is 2.5 and after mitigation reduces to 1.0

Agreed: Board agreed the before and after mitigation scores.

Risk 20 – Impact of Changes to National Policies Adversely Affecting Tenants, Income or Costs

This risk was scored at 0.7 before mitigation and reduced to 0.5 after mitigation. There is not a lot than can be done to mitigate legislation, although the new Policy and Performance Officer would be able to keep Board informed of key developments.

Agreed: Board agreed the before and after mitigation scores.

Risk 21 – Failure to Instil an Effective Continuous Improvement Programme Concerning Cost

Before mitigation this scored 2.0 and after mitigation reduced to 0.9. Work on value for money is progressing well.

Agreed: Board agreed the before and after mitigation scores.

Having reviewed all of the risks, the meeting discussed the sad events in London over the previous weekend where a block of high rise flats had caught fire resulting in several deaths. NLH has three high rise flats and close working relationships with the Fire Brigade. It was agreed that a report would be submitted to the next Board meeting outlining what NLH currently does regarding fire safety in high rise flats.

Action 003: Paper to be submitted to next Board meeting.