

PUBLIC MINUTES

of the Board meeting of the Homes and Communities Agency
held at 10am on Thursday 18 June 2015 at
2 Marsham St, London

Present:

Robert Napier	Chairman
Ann Limb	
Bob Lane	
Niall Mills	
Ian Robertson	
Anthony Preiskel	
Keith House	
Julian Ashby	
Kevin Parry	
Richard Hyde	
Andrew Rose	Chief Executive

In attendance:

Colin Molton	Deputy Chief Executive	
Richard Ennis	Executive Director for Finance and Corporate Services	
Fiona MacGregor	Executive Director for Programmes	
Bayo Dosunmu	Assistant Chief Executive	
Gordon More	Head of Investment	
Isabella Freeman	Head of Legal and Secretariat Services	
Jane Castor	Head of Finance and Performance	Items 1-4
Doug Livingstone	Head of Risk and Assurance Services	Items 1-4
Robert Procter	Head of Accounting (by Lync)	Items 3 & 4
Mark Dabell	Head of Health and Safety and Facilities	Item 9
Mary Carter	Board Secretary	

Apologies

01/06/15 There were no apologies.

Item 1 Minutes of previous meeting

02/06/15 The minutes of the Board meeting on 27 May 2015 were agreed as a true record.

Item 2 Matters Arising

03/06/15 *29/04/15 - inclusion of rolled up interest in the £20m delegation level.* HCA had discussed this point with DCLG and agreed that it should continue to be included.

04/06/15 The Board congratulated Board member Ann Limb on being awarded a CBE in Queen's Birthday Honours list.

05/06/15 Members NOTED the remaining matters arising.

Item 3 Annual Report and Accounts

06/06/15 The Executive Director Finance and Corporate Services introduced the item. HCA anticipated that it would receive an unqualified audit opinion for the seventh year running, and he congratulated the Head of Finance and Performance and her team for their contribution.

07/06/15 The Head of Finance and Performance gave a presentation on the Annual Report and Accounts for 2014/15, drawing out significant issues, prior period adjustments, and significant financial commitments.

08/06/15 The Agency's net expenditure before tax was similar to the previous year at £1.04bn, but there had been a substantial increase in new assets over the last two years, driven largely by Help to Buy and this trend was expected to continue. For the first time the accounts included a note demonstrating the sensitivity of the estimated valuation of home equity assets to changes in house prices, since this was becoming the most material and the most sensitive element of the accounts.

09/06/15 The change to the recognition point for Help to Buy assets had a material impact on the 2013/14 accounts, so the comparative primary statements and the related disclosures have been restated to de-recognise c. £48m of Help to Buy assets which were exchanged but not legally completed as at 31 March 2014. This issue was highlighted in the Governance Statement.

10/06/14 The Chairman of Audit & Risk Committee drew the Board's attention to the discussions that had taken place at ARC regarding the valuation of the Northstowe site, where the valuation in the previous year had not taken account of the cost of exercising the option novation agreement with Gallagher, which had eventually taken place in February 2015. There was a small value uplift this year but Northstowe remained a complex site with high delivery risk, and this was reflected in the valuation.

11/06/15 Members discussed the significant issues and financial commitments, and suggested some minor amendments to the notes. They complimented officers on making some very complex issues understandable, and on the quality of the supporting papers to Board. They agreed that the annual report and accounts gave a good reflection of their discussions over the year. They recognised the increasing importance of the home equity assets portfolio, and agreed to discuss HCA's future approach to managing the portfolio at their next meeting.

12/06/15 Having considered the Annual Report and Accounts at item 3 and the ARC Annual Report to the Board at item 4, the Board APPROVED the Homes and Communities Agency's Annual Report and Financial Statements for the year ended 31 March 2015; and DELEGATED the

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Chief Executive and Chairman to agree the final wording of their forewords once comments had been received from DCLG, unless there were any substantial changes.

13/06/15 Members NOTED the update.

Item 4 ARC Annual Report to the Board

14/06/15 The Chairman of Audit & Risk Committee presented the outcome of the work performed by the Audit & Risk Committee (ARC) during 2014/15 and its overall opinion for the year. Based on the work of the Committee during the year it was able to conclude that assurances provided were reliable and sufficient, and covered a sufficiently broad range of the Agency's activity with particular focus on key areas. The Annual Internal Audit Report was available to all Board members if requested.

15/06/15 The assurances provided and the work of the Committee indicated that the overall control environment had operated in a satisfactory manner during 2014/15. The Committee considered that it had been appropriately proactive in its approach to examining assurance and that this approach had aided it in providing the comfort to the Board.

16/06/15 The Committee commended all involved with the financial reporting, risk and internal audit processes for the hard work undertaken, and the results achieved in what had been a very challenging period for the Agency, given the significant levels of organisational change and new challenges which the Government had asked the Agency to take on during the year.

17/06/15 The Board NOTED the report and thanked the Committee for its important work.

Item 5 Combined CEO and Performance Report

18/06/15 The Chief Executive updated the Board on key developments since his last report.

19/06/15 Board members discussed the various developments and how HCA could best position itself to maintain its focus on delivery while meeting the government's emerging priorities. They agreed that HCA should invite the new DCLG Permanent Secretary to attend their July Board meeting to discuss their joint approach.

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20/06/15 The Executive Director for Finance and Corporate Services outlined the finance key messages.

23/06/15 The Board NOTED the report.

Item 6 Minutes of Committee meetings

24/06/15 The Board NOTED the minutes of Audit & Risk Committee on 10 June

2015 and Programmes & Finance Committee and Projects Committee on 11 June 2015.

Item 7 Regulation Update

25/06/15 The Chairman of Regulation Committee updated members on key developments in Regulation over the last month, including post-election issues, fees, and the latest plans for welfare reform.

26/06/15 Members NOTED the report.

Item 8 HCA Strategic Update

Item 9 Quarterly Health & Safety Report

34/06/15 The Head of Health and Safety and Facilities updated members on HCA's health and safety performance throughout the 4th quarter of 2014/15. All 11 corporate health and safety targets for 2014/15 had been met. Two non-work related fatalities had occurred on HCA sites that were not caused by, or in connection with, work, neither were they caused by the condition or state of the premises on which they occurred. Following the collapse of a quay wall at Millbay, Plymouth, the site had been made safe and work was in progress to establish the cause and extent of the collapse. The average score for all site health and safety audits completed in 2014/15 was 97% which exceeds the target threshold of 80% and was three percentage points higher than 2013/14 results.

35/06/15 In response to the new Construction (Design and Management) Regulations 2015, 10 briefing sessions on the regulations had been delivered to 126 HCA staff. In support of HCA's health and wellbeing strategy and 'On Solid Ground' initiative, two mental health first aid courses had been delivered and Health Champions had been provided with health and wellbeing training

36/06/15 Members welcomed the report, and the positive developments in staff training. They queried the 80% threshold target for the site health and safety audits, particularly in areas such as Legionella testing, lifting equipment and asbestos management. They asked what proportion of category 1 sites had been audited.

37/06/15 The Head of Health and Safety and Facilities gave assurance that the issues discovered relating to Legionella testing and lifting equipment had been resolved subsequent to the audit. There were 90 or more category 1 sites so only a sample had been audited. The 80% target was historical and could be re-visited.

38/06/15 Members considered that Board needed assurance that all sites had been tested for Legionella and needed further explanation for areas where the audit had found compliance below 100%. They asked the Head of Health and Safety and Facilities to work together with the Head of Legal Services to bring a follow-up report in September.

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Item 10 Any Other Business

39/06/15 Members noted that there would be a Special Projects Committee held on 24 June 2015.

40/06/15 The Board Secretary would examine whether it was practical to move the next Board meeting since three members were unable to make the scheduled date and time.

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Date of next meeting

41/06/15 The next meeting of the Board would be held on Tuesday 28 July 2015 at 10am.

Chairman's signature:

Date: