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**Date/Time**

Friday 26<sup>th</sup> April 2019  
13:00 – 15:28

**Venue:**

Advance Northumberland, Wansbeck  
Workspace, Rotary Parkway, Ashington,  
Northumberland, NE63 8QZ

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**In attendance:**

Cllr Richard Wearmouth  
Cllr Peter Jackson  
Cllr Wayne Daley  
Cllr Jeff Reid  
Chris Sayers

Advance Northumberland Chairman  
Leader NCC  
Deputy Leader NCC  
Leader of Liberal Democrat Group  
Chair of Board of Governors, Northumbria  
University

John Woodman

**Present:**

Ken Dunbar  
Colin Dickson

Advance Northumberland Managing Director  
Advance Northumberland Interim Chief  
Finance Officer

Kim Grant (Minutes)

Advance Northumberland Personal Assistant

**Part:**

Pam Robertson  
Daljit Lally

Advance Northumberland HR Manager  
NCC Chief Executive

**Apologies:**

Chris Sayers

Chair of Board of Governors, Northumbria  
University

Neil Bradley

NCC Finance Director/Advance  
Northumberland Interim Finance Director

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**1.0 Welcome and Introductions**

1.1 The Chairman welcomed the attendees and declared the meeting quorate.

**2.0 Apologies for Absence**

2.1 The Chairman reported that there had been apologies for absence from Chris Sayers and Neil Bradley.

**3.0 Declarations of Interest**

3.1 There were no declarations of interest.

**4.0 Minutes of Previous Meetings**

4.1 The minutes of the previous meeting held on the 5<sup>th</sup> April 2019 were **REVIEWED** and **AGREED** as an accurate record of proceedings.

**5.0 Matters Arising**

5.1 [REDACTED]

**6.0 Ratification of Board Decision Made Electronically**

6.1 The Board ratified their previous decision to **APPROVE** the following Project Approval;

[REDACTED]

**7.0 Organisation Structure**

7.1 The Managing Director presented a proposed organisational structure which included a request to Board to appoint a Chief Operating Officer for Advance Northumberland. The proposal was similar to that presented to the Board last year, but which was held back until the appointment of the Managing Director.

7.2 The Board noted the organisational challenges and opportunities set out in the report and rationale for the restructure proposal.

- 7.3 The Board approved the new organisational structure as presented but noted a phased recruitment process.
- 7.4 Board approved the following posts, which were provided for within the annual budget as contained within the MTFP (including on costs) with indicative salaries as follows:
- Chief Operating Officer ■
  - Business and Facility Operations Manager ■
  - Governance and Performance Manager ■
  - P/T Legal Advisor ■
  - Project manager (Capital project team) ■
  - Senior Project Manager ■
  - Assistant PM ■
  - Financial recovery assistant ■
  - IT support ■
  - Accounts assistant ■
  - 4 additional Business Growth advisors, (subject to confirmation of funding from MHCLG and NCC)@ ■
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- 7.5 Following a discussion amongst the Board members it was agreed that approval to recruit addition Business Growth Advisors would be subject to the confirmation of programme funding.
- 7.6 Board approved the appointment of a Director of Economic Growth and Investments which would be an internal appointment and would result in a merger of Economic growth with the Strategic investments team with a review of the salary to be considered by the Nominations and Remunerations Committee.
- 8.0 Health & Safety**
- 8.1 The Managing Director gave an update on current Health & Safety (H&S) issues.
- 8.2 The Managing Director reminded Board that there was an ongoing revision of H&S policies for the Company. Four overarching polices were agreed at the last meeting and a further five were appended to this report for Board consideration.

Directors were invited to consider and approve the following policies,

- Confined spaces
- Control of Vibration at work
- Lifting equipment
- Display screen equipment

- PPE Policy

- 8.3 The Managing Director confirmed that Advance Northumberland and NCC had appointed a new Health And Safety Manager who would be managed and employed by NCC but dedicated to Advance Northumberland. The Board would be aware that there were concerns that it would be difficult to recruit a construction specialist (with generalist skills) at the NCC pay line. However, the successful candidate appears to meet all Advance Northumberland requirements, and through the direction of the NCC Health and Safety team, would be able to call on support, back up and mentoring as necessary.
- 8.4 The Managing Director went on to confirm that the existing interim H&S Advisor arrangements with NCC (under a Service Level Agreement) would remain in place and effectively deal with ongoing issues i.e. site audits, policy development and RIDDOR incident reporting, utilising the skills of Peter Judd who had considerable experience in H&S in construction.
- 8.5 The Managing Director stated that the organisational changes within the proposed staffing structure made provision for better strategic management of the Health and Safety function, by ensuring robust oversight and management of the SLA.
- 8.6 The Managing Director informed Board that all three current live Ascent Homes construction sites were visited in April 2019 by the NCC H&S Advisor. The reports that followed showed only minor issues on two of the sites, with the remaining site, Ellington, reported as exemplary. The general approach and culture around health and safety had improved immeasurably.
- 8.7 The Managing Director confirmed that a programme of improvement to office H&S information displays and safety equipment across the company was ongoing, and whilst this was to have been completed by the end of March, it had been delayed slightly. It was recognised that new notice boards and safety equipment (defibrillators / first aid kits) storage would raise the profile of H&S issues / information and make equipment easier to access at head office and at all Workspace sites.
- 8.8 The Managing Director went on to confirm that an audit of PPE across the Company was completed in March with all damaged and out of date equipment disposed of.
- 8.9 The Managing Director stated that there were no major issues to highlight from the H&S dashboard, however it was appropriate to highlight the key risks that continued to be closely monitored.

- Ongoing work programme in homes / residential to complete required electrical testing certification, note key impact of higher number of EICR certificates expiring at calendar year end - 31/12/18.
- Ongoing work with significant progress to date in homes / residential to complete required gas CP12 testing certification.
- Ongoing work programme in commercial property to complete asbestos surveys.

8.10 The Managing Director confirmed that no RIDDOR reportable incidents were recorded in March. Action had been taken to improve security at our Bedlington town centre site to address potential safety issues.

**The Board:**

- 8.11
- **NOTED** the contents of the report.
  - **APPROVED** the following policies/procedures;
    - Confined spaces
    - Control of Vibration at Work
    - Lifting equipment
    - Display screen equipment
    - PPE Policy

**9.0 Human Resources**

9.1 The HR Manager presented the report to update the Board on current HR activities.

9.2 The HR Manager stated that the current headcount within Advance Northumberland at 31<sup>st</sup> March 2019 was 129 and labour turnover for the period ending March 2019 was 14.9% (19 leavers).

9.3 The HR Manager confirmed that the sickness absence rate for period ending 31<sup>st</sup> March 2019 was 972 days absence which equated to 7.62 days per person or 2.93% (annualised data). Last reported data was March 2018 with 881 days absence which equated to 6.88 days per person or 2.64%. This could be accounted for by four long term absences all of which were being managed with occupational health support – three due to accidents at work and one due to recurring ill health. All of these issues have had an impact on absence levels. All other absences were being managed by HR in conjunction with the relevant line manager.

- 9.4 The HR Manager stated that recruitment was ongoing with 5 live vacancies and 1 vacancy awaiting approval.
- 9.5 The HR Manager confirmed that completion rates for mandatory training on the NCC portal were being monitored and at the end of March 2019 were 99%. All new employees would complete the mandatory training during the first month of employment.
- 9.6 The HR Manager confirmed that Advance Northumberland was progressing with plans for Continuing Excellence as part of the Company's on-going commitment to the Better Health at Work award. The assessment date had been deferred to July 2019. New health advocates had been appointed and these have an action plan of activities.
- 9.7 The HR Manager stated that, in relation to other training activities, the focus had been on health and safety training, particularly within Ascent Homes and Estates, to ensure there was reduced risk to the business. Each person had a health and safety training needs analysis, which was role specific. Significant elements of this training had been delivered by the health and safety manager, however it was expected that the training would now need to be outsourced. A programme would be drawn up with the relevant manager on a priority basis. These areas would include;
- Asbestos Awareness refresher training
  - Working at Heights
  - Spill containment
  - Pasma Mobile Tower usage
  - Scaffold Awareness
  - CSCS Cards

- 9.8 The HR Manager confirmed that some of the highlights included;
- 6 people achieved the IOSH Managing Safely course in November.
  - 1 person had passed NEBOSH training.
  - 4 people had completed 1-2-1 management coaching.
  - 1 person had attended management training through the NHS leadership programme.
  - 85 people had attended Dignity at Work training.
  - 1 person had completed an IT apprenticeship.

There were currently 9 people undertaking career pathways.

There was currently 1 apprentice within the group studying Business Administration. This number was planned to increase to 5 during the next financial year.

9.9

[REDACTED]

9.10

The HR Manager stated that confirmation was awaited of funding for the Business Northumberland Programme. Contracts for the team had been extended until June 2019 to give some continuity and security. [REDACTED]

9.11

[REDACTED]

9.12

The HR Manager confirmed that the Employee Forum had met on the 19<sup>th</sup> March 2019. Key issues discussed were around office management and revised HR policies. [REDACTED]

9.13

The HR Manager went on to confirm that the Staff Survey closed on the 11<sup>th</sup> March 2019 with a completion rate overall of 81.4%.

9.14

The HR Manager stated that a review and planning meeting had been held with Advance Northumberland's pensions' advisors. The pension scheme was working well, with low cost and good return on investments. The following areas were being worked on;

- Ensuring compliance with auto enrolment requirements
- Transition to salary exchange scheme
- Introduction of pension surgeries to ensure all staff understood the importance of good retirement planning
- Auto-enrolment / 3-year review
- Potential change to scheme to introduce employee contributions
- Removing the option of staff continuing with separate pension arrangements.

9.15

The HR Manager informed Board that a flexitime scheme had been developed which included finger print technology for recording hours as well as an APP for offsite working. The policy was submitted to the Board for approval.

9.16 The HR Manager confirmed that Advance Northumberland would be adopting NCC HR policies, as appropriate. Work was underway to align these to Advance Northumberland. The following policy had been submitted to Board for approval;

- Grievance Policy

9.17 The HR Manager stated that Advance Northumberland was working with NCC on the introduction of job evaluation. There was some background work to do in relation to job descriptions and pay bands before the job evaluation process and panel could be confirmed.

9.18 The HR Manager confirmed that the performance management cycle was April to March. End of year reviews were due to be completed in April. Briefing sessions had been arranged for managers. Objective setting for 19/20 year would also be carried out during April 19.

**The Board:**

9.19 • **NOTED** the contents of the report.

**10.0 Financial Update**

10.1 The Interim Chief Finance Officer presented the report and gave the Board an update of the current position and key risks;

**Company (Advance Northumberland)**

- The reduction in expenditure within Corporate/Advance meant that the dividend received could be reduced [REDACTED] from Advance Northumberland Developments and an increase in Advance Northumberland Housing [REDACTED].
- The charitable contribution [REDACTED] had been moved to Advance Northumberland (Developments) Limited to allow the change in dividend payment back to Advance Northumberland, which is profit permitting.
- The expenses are largely better than budget [REDACTED] due to the reduction in employee related costs [REDACTED] for various reasons, change of management and replacement of posts on part time basis. Inward investment costs are [REDACTED] behind budget due to the lack of activity until the transition had taken place ¾ of the way through the year. IT costs have come in [REDACTED] under budget due to the new SLA arrangement with NCC.

**Group (Consolidated)**

- Advance Northumberland (Group) – the full year position was better than budget [REDACTED]. This was predominantly due to the asset sales within the Advance Northumberland Commercial entity [REDACTED]. The remainder [REDACTED]



can be attributed to a large reduction in profit generated from Ascent Homes, which has been offset by the reduction in Charitable Contribution.



This large overspend was down to two main factors; the reduction in units budget from 154 to 99 and the large overspends on two Ascent Homes projects.

- 10.2 Cllr Jackson requested that a detailed report concerning the number of voids be prepared and presented by the Homes Manager to the next Board meeting.

**The Board:**

- 10.3 • **NOTED** the contents of the report.

**11.0 Policies and Plans for Approval**

**11.1 Grievance Policy**

11.1.1 The HR Manager introduced the policy explaining that the policy's aim was to provide a framework for the prompt resolution of grievances from members of staff. The policy was intended to contribute towards good management/staff relations and should not be regarded as a confrontational process.

11.1.2 The HR Manager confirmed that the policy identified how staff could raise a grievance, both informally and formally, and what alternatives may be available to them. It also sets out how a grievance would be dealt with, by whom and within what timeframe.

11.1.3 The HR Manager confirmed that this policy was directly aligned to NCC's Grievance policy.

- 11.2 **Residential Rent Increase**
- 11.2.1 The Managing Director presented the paper which requested Board to approve a maximum of 2% per annum residential rate increase for those properties that currently fall below the current market rental value or the Local Housing Allowance whichever was relevant to the particular property/area and to approve delegated authority to the Homes Manager to set rents of void properties in keeping with Private Rented Sector Market Value.
- 11.2.2 The Managing Director reminded Board that the current Advance Northumberland Housing Ltd (ANH) stock comprised of 1,144 residential units which served as accommodation for both the Private and Affordable rental markets. Historically the Board had approved ANH to levy an annual rent increase to applicable stock in its Private Rented Sector portfolio.
- 11.2.3 The Managing Director confirmed that the two main factors considered when applying a rental increase to a property were Private Rented Sector Market Value (MRV) and Local Housing Allowance (LHA). The location/demand of the property dictates which factor would be considered.
- 11.2.4 The Managing Director confirmed that no increases would be applied to properties deemed to be achieving market MRV/LHA levels. This was inclusive of all properties acquired in the last 12 months. Existing tenancies which fell below market rent would be increased by up to 2% per annum until they reached the current MRV/LHA levels.
- 11.2.5 The Managing Director went on to confirm that the increases would be applied throughout the year on a monthly basis at the anniversary of each tenancy. Assured Shorthold Tenancies could not have rent increases during their fixed term period, hence increasing at the point of renewal. This would see increases levied against 258 properties in total generating an additional [REDACTED] revenue for the financial year. [REDACTED].
- 11.2.6 The Managing Director stated that this moderate increase of 2% reflected the potential growth in competition from the reduced rents of local Registered Providers and ANH's estate management plan to focus on tenant retention and drive revenue through increased and maintained occupancy levels.
- 11.2.7 [REDACTED]  
[REDACTED]  
[REDACTED]

- [REDACTED]
- 11.2.8 The Managing Director confirmed that the current operational process dictated that when a property became void the Homes Manager, within his capacity as qualified Residential Chartered Surveyor, would assess the property's MRV based on market comparables and similar properties within the ANH portfolio. Operationally, it was considered key that this duty remained with the Homes Manager to ensure a proactive and efficient approach to maximise rental income and minimise void costs. Although it was agreed that the current process was indeed best practice, Internal Audit recommended the Board should consider formalising this delegated authority.

**The Board:**

- 11.3
- **APPROVED** the Grievance Policy.
  - **APPROVED** a maximum of 2% per annum residential rate increase for those properties that currently fall below the current market rental value or the Local Housing Allowance whichever was relevant to the particular property/area.
  - **APPROVED** delegated authority to the Homes Manager to set rents of void properties in keeping with Private Rented Sector Market Value.

**12.0 Approvals**

**12.1 Seghill Depot - Disposal**

- 12.1.1 The Managing Director presented the paper to request Board to approve the sale of Blaketown Depot, Seghill [REDACTED].
- 12.1.2 The Managing Director informed Board that Blaketown Depot comprised a standalone, single storey brick structure situated within a small compound. It was acquired from NCC in 2013 as part of the commercial asset transfer with a notional value applied to the property [REDACTED]. [REDACTED].
- 12.1.3 The Managing Director stated that the building was in a poor state of repair and currently unoccupied with the previous tenant vacating around four months ago. With lack of income and a deteriorating physical asset the property was deemed surplus, an agent appointed and it was offered to the open market with best and final offers sought by 22<sup>nd</sup> March 2019. [REDACTED].

**The Board:**

- 12.1.4           •     **APPROVED** the sale of Blaketown Depot, Seghill [REDACTED]

**13.0           Project Updates**

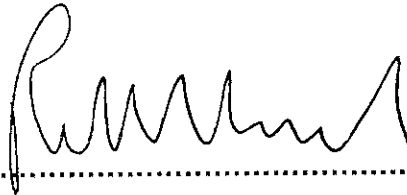
There were no project updates.

**14.0           AOB**

14.1           The Chairman reminded Board that paperwork would need to be prepared for the new Councillor representation on the Board and stated that Objectives for new Board members would be circulated.

14.2           The Managing Director confirmed that the Operating Agreement between Advance Northumberland and NCC is expected to be presented to the next Board Meeting.

14.3           The Chairman thanked the Board for their attendance and closed the meeting at 15:28.



.....CHAIRMAN