

DRAFT

Resources Committee

Minutes of meeting held on Wednesday 20th January 2010

Present:

Directors

Barry Coppock	Director (Chair)	BC
Cllr Midge Broadley	Director	MB
Liz Ormston	Director	LO
Mark Boisson	Director	MB

Management Team

Terry Borkett	Interim Head of Finance	TB
John Lowe	Head of Policy and Development	JL
Tony Gillett	Budget and Finance Manager	TG
Sue Roberts	Minutes/Executive Support Officer	SR

	Items	Action
1.	Welcome, Introduction, Apologies for absence: Mary Nuako, Mohamed Jiva, Ron Tamcken and Cllr. Alan Siggers The Chair informed the Committee that the agenda would be reorganised, item 12.1, Revenue Budget would be addressed first along with 3.2 Medium Term Financial Strategy.	
1a	<u>Election of Vice Chair</u> Liz Ormston has been elected as Vice Chair of the Resources Committee.	
2	Minutes from the meeting held on Tuesday 15th December 2009	
2.2	Matters Arising Noted and agreed. First paragraph of page 3, the word 'Less' should be inserted to read '£60,000 is less than the Council's one at £75,000.' The following items below are to be re-actioned. <ul style="list-style-type: none"> • Re-Action: John Lowe to develop a procedure for financial vetting. • Re: Action: Eamonn Bolt to investigate further the issue regarding financial vetting and compile a report which would be submitted to the Performance and Development Committee. • The Medium Term Financial Strategy will be submitted at the next meeting of 16th March 2010. 	TG EB MN

<p>3</p> <p>3.2</p>	<p>Decision Report</p> <p>Value for Money and Efficiency Strategy</p> <p>JL presented the report and explained that the report was a draft and the purpose of the report was to review the draft updated Value for Money and Efficiency Strategy that was attached to Appendix 1 of the report.</p> <p>The draft Strategy sets out Ascham Homes priorities for achieving VfM and efficient services and the organisational structures that would support this.</p> <p>The Strategy has taken into account the recommendations made by Housemark (Appendix 2) as part of the review of the existing Efficiency Strategy.</p> <p>A Director [Mohamed Jiva] who was unable to attend the meeting had submitted an email with various questions regarding the Value for Money and Efficiency Strategy, Annual Efficiency Review and Insurance Contract.</p> <p>MJ referred to 3.1.2 of the VFMES report and requested confirmation that the final strategy and action plan would be submitted to the board in February 2010, and if so, why?</p> <p>MJ's general comment was that he didn't agree that VFM means doing more for less. He believed its doing more with what you have or doing the same with less.</p> <p>MJ commented on section 6, Resident engagement – He wanted to know what was the current position in identifying high cost areas which provide poor or average performance?</p> <p>MJ commented on section 7, Resources implications – He stressed that benchmarking in itself cannot identify areas which the Company need to address as Ascham Homes need to look at areas in terms of AH priorities.</p> <p>Also, what training is being given to staff to develop a VFM Culture?</p> <p>Action: JL to respond to MJ questions and send copies to Committee Members.</p> <p>This action has been completed</p> <p>The Committee noted and commented on the Value For Money and Efficiency Strategy 2009-2012. Also, noted Housemark's report regarding a Value For Money assessment of Ascham Homes.</p> <p>The Committee noted that further consultation around the Strategy has and will take place on a number of dates in January and that the finalised Strategy, and Action Plan will be submitted to Board in March 2011</p>	<p>JL</p>
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3.3

Cheques Signatories

TG presented the report and explained that the purpose of the report was for the Committee to agree an addition to the list of cheque signatories. In January 2007, Resources Committee approved the list of cheque signatories.

At its meeting of 27 November 2007, the Committee approved a proposal to increase the number of people able to sign cheques for the company as a result of Legal services being brought in house. Most cheques are issued for legal purposes, thus there was a need to increase the number of people able to sign cheques for the company and it was felt appropriate that this should be the Head of Legal.

The Committee agreed the following resolution:

- The Co-operative Bank p.l.c. (“the Bank”) shall continue as their bankers in accordance with our original application
- The Bank shall be authorised to accept instructions (including written instructions sent by facsimile and electronic instructions through the use of digital signatures and/or identification numbers or passwords) from Ascham Homes in connection with the account(s) and the service, provided that the instructions are given and/or signed in accordance with the signing authority listed in the account signatories Section 6b. Instructions shall mean: cheques, bills of exchange, promissory notes or other orders for payment drawn, made or accepted on Ascham Homes behalf (even if the payments cause the account(s) to be overdrawn) and requests or instructions in writing concerning the account(s), our affairs or property (including the opening of new account(s), the arranging of facilities and creation of security)
- The Bank shall be authorised to honour all cheques and all other documents made or accepted on Ascham Homes behalf even if the payments cause any accounts to be overdrawn or increase any existing overdraft, provided that such documents are signed in accordance with the specimen signatures shown in the account signatories Section 6b
- The Bank shall act on all specimen signatures in accordance with any instruction, notice, request or other document in writing concerning Ascham Homes account (including the opening of new accounts), affairs or property, as shown in the account signatories Section 6b
- The Bank shall be sent a copy of any future resolutions which affect the terms of these resolutions
- The Bank shall be sent a copy of any changes in our /Memorandum and Articles of Association
- The Bank shall be notified in writing of any changes of Director
- The Bank shall be notified in writing of any changes of official authorised to sign on Ascham Homes behalf
- The Bank shall otherwise continue to operate our account(s) in accordance with the business account mandate
- The Bank shall be notified in writing of any overall change of control in the business
- All signatories to the account shall be aged 16 or over

<p>4.1</p>	<p>The Committee discussed and approved that the following signatories;</p> <ol style="list-style-type: none"> 1. Director of Resources and Legal – Mary Nuako 2. Director of Operations – Janet Wilson 3. Director of Property & Investment – Julian Mitchell 4. Budget & Finance Manger – Tony Gillett 5. Head of Legal of Services – Sonya Jackson <p>Efficiency Review</p> <p>JL presented the report and explained that the purpose of the report was to update the Resources Committee on value for money and efficiency savings made in Ascham Homes in 2008/9 and report on the Efficiency review carried out by HouseMark.</p> <p>In 2008/9, the delivery of efficiency was based on the strategy agreed by Board at its meeting on 3 April 2006. This was in line with the strategic objective at the time of providing efficient and effective services. In order to achieve this, the action plan required among other targets, the production of an annual statement of cashable savings.</p> <p>Savings made during 2008-09 were attached to appendix 1. These savings only include cashable savings as per the Audit Commission new definition and were a total of £405,213 which is 3.1% of the non repairs management fee.</p> <p>During 2009/10, HouseMark have carried out an efficiency review of services in Ascham Homes. This was attached to appendix 2. Reported as item 3.2 on the agenda is the updated value for money and efficiency strategy. The strategy took into account recommendations made by HouseMark as part of the efficiency review. The main purpose of the change was to change the focus for value for money being based on cost to one that looks at both cost and quality.</p> <p>Mohamed Jiva asked what impact was there on services due to reduced expenditure as identified by the efficiency review?</p> <p>What actual plans were made to identify these savings?</p> <p>What are the plans for 2009/10?</p> <p>Action: JL confirmed that he would respond to all Mohamed Jiva questions raised in his email.</p> <p>This action has been completed.</p> <p>JL reported that he would be implementing HouseMark recommendations from the Annual Efficiency Review into the 'Value for Money and Efficiency Strategy'. Also, the top 5 Efficiency Savings for 2010 will be presented to LBWF.</p> <p>The Committee discussed and noted the cashable efficiency savings made in 2008/9. They also noted the efficiency review report from HouseMark and agree to receive an update within 6 months on the progress in implementing the recommendations in the report.</p>	<p>JL</p>
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<p>4.2</p>	<p>Insurance Review</p> <p>TG presented the report and explained that the purpose of the report was to provide the Committee with an update on the renewal of the insurance contract for Ascham Homes Ltd.</p> <p>In 2006/7, the Committee agreed to extend its contract with Zurich to 2009/10 for a reduction in cost of £70,000 per annum.</p> <p>This contract term ends in May 2010 so it is time that the company put the contract up for tender.</p> <p>The Committee at its meeting of 15th September 2009 considered delaying the tender for insurance services until the Company is aware of its full liability position with regard to the Leasehold Valuation Tribunal (LVT), and considered continuing with Zurich Municipal for insurance services. In the event it decided to defer a decision until January 2010 when more information could be available.</p> <p>The decision was reported to Zurich Municipal, who were happy to extend the current contract by one year. In addition they were put on notice of a potential claim arising out of the LVT in 2008.</p> <p>Since the September meeting, the Company has decided not to pursue further legal action following the refusal of a judicial review in September 2009. The Council has indicated that it would make a claim on the Company for the lost revenue that could have been received from leaseholders, but written notification of that has yet to be received.</p> <p>The impact of this or the threat of this being the case would have a significant impact on Ascham Homes insurance premiums should we go to the market to tender insurance services.</p> <p>Given the position, and because of limited resources within the Finance team at the current time, it is felt appropriate to delay the tender of the insurance service until 1 May 2011.</p> <p>Mohamed Jiva asked how much work required to obtain a new quote?</p> <p>Why is this an issue?</p> <p>Is it not possible to get confirmation from LBWF? If not, please escalate to the Chair.</p> <p>Action: TG will respond to Mohamed Jiva questions raised in his email and send copies to Committee Members.</p> <p>This has been completed.</p> <p>The Committee discussed report and collectively decided to delay the tender for insurance services in time for the renewal date 1 May 2011.</p>	<p>TG</p>
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<p>4.3</p>	<p>Accommodation Update</p> <p>TG presented the report and explained that the purpose of the report was to provide the Resources Committee with an update on the accommodation project.</p> <p>The report provided the Committee with an update on the company's accommodation giving an overview of issues related to each site.</p> <p>The report also advised on the resource implications, which may have an impact on the services we provide to our customers.</p> <p>The Committee expressed their concern regarding the cost to install the bike shed.</p> <p>The Chair reported that he had requested part of the report should include information regarding 'EVAC' chairs. However, a while ago he had raised concerns regarding the 'EVAC' chairs stressing that they were not suitable and should be replaced. He would like to know why it has taken so long.</p> <p>Action: Michelle Mair, Business Support Manager to provide update regarding the replacement of 'EVAC' chairs.</p> <p>This action has been completed.</p> <p>The Committee commented and noted the report and requested that a report is submitted for each meeting.</p>	<p>MM</p>
<p>6</p> <p>6.1</p>	<p>Future Work Plan</p> <p>Work Plan 2010</p> <p>The Chair presented the report and explained that the purpose was to provide the Resources Committee with an update of the work plan agreed by the committee for scrutiny in the 2009/10 year.</p> <p>The enclosed information at Appendix 1 comprised of the suggested areas that the Resources Committee agreed to review over the year at its meeting in December 2009. It detailed the timeframes agreed for considering these areas and the progress made to date.</p> <p>It then provided a suggested workplan attached Appendix 2 for the current year until the next AGM. Appendix 3 provided details of the key activities in the Company's business which may be considered for scrutiny.</p> <p>The following reports were agreed for March 2010 meeting.</p> <ul style="list-style-type: none"> • Human Resources Quarterly report • Treasury Management Strategy • Staff terms and Conditions • Business and Delivery Plan • Accommodation Strategy Update • Clarke Hillyer update and approval for extension • Medium Term Financial Strategy 	

	<ul style="list-style-type: none"> • Budget Monitoring – Revenue • Budget Monitoring – Capital <p>The Accommodation update report should be added to September's meeting.</p>	
7.	<p>Any Other Business</p> <p><u>Board Training</u> The Chair reported that he had concerns over lack of Board training for Board members and induction for tenants. He felt that this area has been neglected.</p> <p>This issue is now being reviewed by the Governance & Remuneration Committee at their next meeting in February 2010.</p>	