



**Ealing Homes Limited (the “Company”)  
Company number 5120243  
Company Limited by Guarantee  
Companies Act 1985 - 2006**

Minutes of a Part A of a meeting of the Board of Directors, open to the public

**Present:**

Russell Caller	(‘RC’) Chair
Abdi Ali	(‘AA’)
Greg Birdseye	(‘GB’)
Ziggy Brennan	(‘ZB’)
Eddie Brown	(‘EB’)
Donncha Downey	(‘DD’)
John Gallagher	(‘JG’)
Deborah Haynes	(‘DH’)
Dawn Larmouth	(‘DL’)
Diana Pagan	(‘DP’) (until item 5)
John Popham	(‘JP’)
Brian Reeves	(‘BR’)
Fatima Williams	(‘FW’)

**Apologies**

Romana Baig  
Mike Kirk  
Carole Lorrington

**In attendance:**

Peter Driver	(‘PD’) London Registrars, Company Secretary
John Tunney	(‘JT’) Interim Director of Housing Services
Tim Willis	(‘TW’) Interim Director of Finance & Corp Services
Chris Wood	(‘CW’) Interim Chief Executive

Glyn Francies (‘GF’) Audit Partner, Baker Tilly

Pat Hayes (‘PH’) Exec Director, Housing and Regeneration. LBE

Place: Telfer Room  
Ealing Town Hall  
New Broadway  
Ealing, W5 2BY

Date/time: 16 July 2009 at 6.30pm

## 1. Welcome, introduction and apologies

- 170 Russell Caller noted that apologies had been received from Romana Baig, Mike Kirk and Carole Lorrington and welcomed Glyn Francies from Baker Tilly and Pat Hayes from London Borough of Ealing as guests to the meeting.
- 171 Greg Birdseye reported that he was no longer likely to have a conflict arising from his association with Housing Quality Network.
- 172 RC confirmed that the Company's Annual General Meeting was being held earlier in the financial year than previously to ensure that the Accounts were filed with Companies House and HMRC well within statutory deadlines.

## Notice and Quorum

173. The Secretary reported that notice had been given to all those who were entitled to attend the meeting and, as per the Articles of the Company, the quorum necessary for the conduct of the meeting was present.

## Minutes and appointments

### Minutes of Part A of the last meeting (item 2)

174. The minutes of Part A of the meeting held on 21 May 2009 were APPROVED and SIGNED as a correct record, subject to the substitution of the initials 'RC' for 'GC' in paragraph 164.

### Matters arising from last meeting (item 3)

175. The Board reviewed the list of matters arising from previous meetings circulated by the Company Secretary and NOTED the following points, which were not covered on the agenda;
- the reference to 'Southampton' Estate in matter arising 42/09 should read 'South Acton' Estate.
  - on Equality and Diversity, JG suggested that a regular update be added to the Board agenda to give the Board an opportunity to review relevant documentation.
- [Action: Company Secretary]**

### Updates on recent Committee meetings (item 4)

176. *Asset Management Committee* – Greg Birdseye, AMC Chair, reported on the meeting held on 3 June and noted that many issues discussed were now on the Board's agenda.
177. On health and safety (H&S), Deborah Haynes, the Board's H&S Champion, would be providing reports at future Board meetings on H&S activities.
178. GB referred to discussions at several AMC meetings on the development of a comprehensive suite of Key Performance Indicators for the Board and its Committees and noted that this was being worked on by Officers.

179. *Audit and Regulatory Committee* – Brian Reeves, A&R Chair, noted that the Committee had considered its forward plan and, noting the activities to be undertaken during the coming year, suggested that Board members might volunteer to join the Committee. **[Action: Board members]**

180. BR reported that the main item on the A&RC agenda had been the review of the Annual Report and draft Financial Statements Accounts with the Auditor. Thanks were due to Tim Willis and his team, and the Audit team at Baker Tilly, for their extremely hard work ensuring the Accounts were ready for the Committee despite the recent systems problems.

181. Committee members had noted the clear and helpful format in which the Accounts had been presented at the meeting. BR confirmed that following the Committee's review of the draft Accounts and the Auditor's draft findings, the A&RC was RECOMMENDING to the Board that it approved the Annual Report and Financial Statements.

Final Accounts (item 5)

182. Tim Willis referred to the Annual Report and Financial Statements and drew the following documents to the Board's attention.

183. First, a letter from London Borough of Ealing dated 16 July 2009 confirming that the Management Agreement with EH had been extended for a period of 12 months to 31 March 2011. TW noted that receipt of the confirmation of the extension from LBE had enabled the Accounts to be prepared on a going concern basis.

184. Second, a letter from Pinsent Masons, prepared at RC's request and dated 1 July 2009, which provided legal advice on Board members' personal liability in respect of the deficit on Ealing Homes' pension scheme. The impact of the deficit on the balance sheet, which had been prepared in accordance with accounting standard FRS 17, was a loss of over £3 million. Although the letter did not provide absolute assurance, it indicated that, in seeking information about their potential liabilities, Board members had acted responsibly in considering the Company's financial position and future prospects.

185. BR noted that, before adjustments for the pensions deficit, the company had an operating surplus of £129,000, which had reduced from £250,000 in the previous year. In the coming year, a corporation tax liability could arise for EH, and other ALMOs, depending on a decision by HM Revenue and Customs. The mitigation of the risks arising from the recent IT systems problems could also lead to further expenditure in the coming year.

186. GB suggested, and it was AGREED, that Officers would provide the Board with a briefing on the pension scheme so that Board members could understand more clearly the references to retirement benefits in the Annual Report, the reasons for increases in contributions to the scheme and the respective responsibilities of EH and LBE to fund the pension scheme on an on-going basis and in the event of Ealing Homes ceasing to operate. **[Action: CW/TW]**

187. In conclusion, the Board AGREED that it was in the best interests of the Company to:

- APPROVE the Annual Report and Financial Statements for 2009;

- PRESENT the Accounts to the sole member of the Company at the Annual General Meeting, for adoption;
- NOTE the confirmation of the extension to the Management Agreement with LBE, as referred to in the letter from the Director of Legal Services at LBE dated 16 July 2009;
- NOTE the legal advice received from Pinsent Masons regarding the pensions deficit, in a letter dated 1 July 2009.

At this point, the Board meeting was adjourned so that the Company's AGM could be held. The Board meeting was re-convened at 7pm.

## **Discussion and decisions**

### Risk (Item 6)

188. RC noted that risk management was a key topic for EH. Chris Wood and TW had been asked to prepare a paper for the Board setting out the proposed approach to managing risks to EH's objectives.
189. TW noted, with apologies, that the risk register had been circulated around the table and not circulated with the papers. The risk identification process had involved speaking to Officers involved in managing risks day-to-day in specific areas and assessing the score, and resulting action, to be allocated to each using a benchmarking system, in line with good practice.
190. The risk register had been aligned to the three strategic priorities in EH's Business plan, with detailed risk assessments for individual projects. A fourth category of business risk had also been identified covering the areas of operation not directly related to the strategic priorities.
191. TW noted that risks to the strategic priorities could be broken down in various ways and asked the Board how it wished to review high-level risks going forward. The risk register could not remain static but needed to be updated in response to events including, for example, the recent fire at a block of flats in Camberwell. The Board would be asked to review updates to the register on a regular basis.
192. The assessment of the score allocated to each risk was undertaken by the risk management team in conjunction with Officers from the relevant department. The decision on scoring individual risks was subject to checks and balances with the executive management team taking a strategic oversight of the process.
193. TW pointed out that the cycle of review, scoring and checking was similar to that undertaken during an annual budgeting process. The scoring of risks was based on individuals' professional opinions so was, to some extent, subjective although the Board recognised the need to have a system to enable risks to be prioritised.
194. Board members suggested that it would be helpful to have further information on the impact of the various risks, with timescales to show how the impact of the risk occurring might differ over time. Others suggested that a programme for discussing key risks at forthcoming Board meetings before the Audit Commission's Inspection would be helpful and enable the Board to develop its understanding of the risks faced by the business.

195. Board members reviewed the scoring for IT risks and noted that the score for IT-related disasters remained high. Board members were surprised that the scoring for risks relating to the IT infrastructure was lower, given the duration and extent of the recent IT problems.
196. Board members suggested that, as part of its oversight role, the Board could be provided with a rolling update of progress with actions taken by risk owners against targets for mitigating individual risks. **[Action: TW]**
197. Pat Hayes confirmed his view that the register was clear and understandable and should help the Board to fulfil its responsibility for managing risk efficiently and effectively.
198. RC suggested, and it was AGREED that the Board should review an area of the risk register in detail at each meeting (chosen in advance) so that it could evaluate the risks involved and the proposed actions. It was also AGREED that the Board would review the high-scoring risks at each meeting to ensure that these were kept under active review. **[Action: TW/CW]**
199. In conclusion, the Board AGREED:
- the approach to managing risk as set out in the paper;
  - a schedule of risks areas to be reviewed at each meeting, as noted above; and
  - the latest version of the risk register.

#### Area Housing Panels (item 7)

200. John Tunney introduced the paper and noted that the establishment of Area Housing Panels (AHP) had been referred to in the Business Plan and recommended during the Audit Commission Inspection in order to involve residents in the outcomes of consultations.
201. The proposed AHPs would focus on residents' involvement in the performance of EH rather than policy or strategy.
202. Some Board members referred to previous, negative experiences of involvement in housing panels with concerns being expressed that the composition of the panels was not representative and resident participation had been low. The aim to increase resident participation was a good one but expectations for success should be realistic. Other Board members noted that residents' panels worked well and had been a successful forum for residents to raise concerns with LBE Officers.
203. JT confirmed that the new AHPs had been designed drawing on experience of previous groups and were intended to provide a forum for feedback for all residents, with earlier meetings intended to provide an opportunity for residents to raise specific concerns. Residents' views would be sought on the structure and number of the AHPs to ensure, as far as possible, that any concerns were addressed at an early stage.
204. On governance, it was suggested that the AHP should not be chaired by a Board member in order to avoid a suggestion of 'top-down' management. Ideally, the Chair should be independent of the Board and existing residents' associations.

205. In response to Board members' questions, JT confirmed that the focus of the panels would be on anti-social behaviour rather than issues covered by other groups, such as ward forums and safer neighbourhood groups.
206. Board members suggested that, in order to encourage resident participation in the panels, it might be preferable to hold fewer meetings in more locations. It had previously proved difficult to co-ordinate the scheduling of ward forums and meetings with the police, which had led to duplication of effort in organising meetings.
207. PH confirmed that LBE would support the establishment of the AHPs before the Audit Commission's re-inspection to encourage resident participation. The boundaries for each panel would require careful consideration to ensure the panels worked as effectively as possible. LBE and EH could learn the lessons from earlier mistakes made with the management of panels.
208. JT noted the importance of ensuring that panel meetings were arranged to be as relevant as possible for residents, taking Board members' comments on the frequency and location of meetings into account. JT suggested that these options could be raised with residents during the consultation process, which would take place during the Summer.
209. In conclusion, the Board AGREED to:
- consult residents on the outline proposals for the AHPs over the Summer, subject to the comments outlined above;
  - consider a report back on the resident consultation and arrangements for holding a pilot Area Panel meeting.

#### Domestic violence strategy (agenda item 8)

210. JT introduced the paper and noted that the Audit Commission Inspection had highlighted the need for an identifiable strategy for tackling domestic violence. The revised strategy was now separate from the Strategy on Anti-Social Behaviour and had been prepared in consultation with partners, including LBE and other ALMOs.
211. According to police records, more than 3,900 domestic incidents had been reported in Ealing during the previous year, which underlined the need for a clear strategy and action plan, as outlined in the paper, including an out-of-hours reporting line for cases of domestic violence.
212. Board members pointed out that situations involving domestic violence were complex, particularly if a victim left the borough or a perpetrator moved to private accommodation, which were outside EH's jurisdiction. Others noted that the establishment of local resource centres could provide a source of assistance that victims would feel able to use. The multi-agency approach to tackling domestic violence could be improved and greater co-ordination was needed.
213. JT confirmed that the multi-agency approach had recently been reviewed with the parties involved and changes made to ensure it worked effectively. JT noted the need to discuss further with partners how EH managed cases where the victim had left the borough.

214. The Board noted that the issues involved in tackling domestic violence were complicated and difficult and AGREED to approve the strategy and implement the action plan.

**V For information**

Chief Executive's report (agenda item 9)

215. Chris Wood reported that the Decent Homes programme was now up and running and contractors were on site. Board members AGREED with CW's suggestion that estate visits be arranged for Board members to review progress in early September. **[Action: CW]**
216. CW and the management team were prioritising leaseholders' queries about the repayment options for the costs of Decent Homes works. In some cases, the costs were approx £18,000 and it was hoped to bring a proposal to the next Board meeting to extend repayment options for leaseholders. **[Action: CW]**
217. CW confirmed that Susmita Sen would return to her permanent role as Chief Executive during the second week of September and would be attending the September Board meeting.
218. Following the recent fire at a local authority block of flats in Camberwell, Officers at EH and other ALMOs in London were reviewing fire risk assessment processes. Fire safety procedures at blocks of flats of a similar design to the block in Camberwell, which was considered vulnerable to fire risk by the London Fire Brigade, were also being reviewed as a matter of urgency. Board members asked that safety procedures for disabled people be considered as part of the review.

Board development plan (agenda item 10)

219. CW introduced the paper and noted that the proposals had been prepared in response to a recommendation during the Audit Commission's inspection. Board members were asked to complete a self-assessment questionnaire to help Officers refine the development plan. **[Action: Board members]**
220. CW noted that the development plan proposed a system of continuous development points, based on Board members' attendance at briefings and other events during the year. The intention was that Board members would achieve a minimum of six points during the year.
221. In conclusion, Board members AGREED that it was in the best interests of the Company to:
- introduce continuous development points for Board members, with a minimum of six points per annum to be achieved;
  - introduce an annual Board appraisal process commencing in January 2010 to support effective learning and development and good governance.

Board members also NOTED that forthcoming Board awaydays were to take place on Saturday 7 November 2009 and in March 2010.

#### Company Secretary's report (agenda item 11)

222. Peter Driver introduced the report and, after due consideration, the Board AGREED to:
- ADOPT revised terms of reference, as set out in the paper, for the Asset Management Committee and Audit and Regulatory Committee, with immediate effect;
  - AUTHORISE the continued use of specific consortia and buying groups named in the Company Secretary's Report and AUTHORISE the Head of Strategic Procurement to enter into the appropriate access agreements or other legal arrangements to allow the use of these consortia and buying groups (taking advice from the Director of Legal Services at Ealing Council as necessary);
  - DELEGATE authority to the Head of Strategic Procurement to enter into agreements at a later stage with further consortia and buying groups as necessary in order to deliver value for money for Ealing Homes;
223. The Board NOTED that it would be updated no less than every 12 months on the known or intended consortia and buying groups to be used by Ealing Homes.

#### Finance and Performance Reporting (agenda item 12)

223. TW introduced the report, which was NOTED by the Board and confirmed that the presentation of the budget information was work in progress. Further work was needed to re-align budgets and cost centres following the re-structure. The projected under-spend of £150k was in line with expectations given the number of current permanent vacancies.
224. The performance report included performance indicators based on the targets in the Business Plan recently agreed by the Board. EH's performance was currently being assessed against the performance of other London ALMOs.
225. Board members commended the revised presentation of the budget information. TW was asked to ensure that, if cost centres were to be revised, spending could be tracked across to the new cost centres.

#### Any other business/Date of next meeting

226. RC noted that Tim Willis would shortly be leaving his interim role at Ealing Homes and thanked him, on behalf of the Board, for his work to clarify and explain EH's financial and performance management processes.
227. Eddie Brown referred to an incident involving a faulty boiler at his residential block on 26 June 2009, which had led to residents being without water and power over the weekend. EB thanked the EH staff for their efforts to fix the problems and suggested that a claim for reparations be made to Three Valleys Water Company, which CW was asked to pursue.
228. EB referred to the Residents' fun day on Saturday 18 July, encouraged Board members to attend and noted how hard the Officers worked to make the day a success.

229. Board members noted that the next meeting would be held on Thursday 17 September 2009.

**Part B – confidential**

230. The minutes of Part B of the Board meeting held on 21 May 2009 were APPROVED and SIGNED as a correct record.

231. The minutes of Part B of the Board meeting held on 9 June 2009 were APPROVED and SIGNED as a correct record.

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Chairman