

AGENDA

- | | |
|--|--------------------------|
| 1. Appointment of BCT Chair | Company Secretary |
| 2. Reminder to switch off mobile phones | |
| 3. Apologies for absence | |
| 4. Declarations of Interest | |
| 5. Urgent Items which Board Members wish to raise, not elsewhere on the agenda | |
| 6. Health and Safety Update | |

Page: *Presented by:*

ITEMS FOR DECISION

- | | | |
|--|--------|--------------------------|
| 7. To approve the Minutes of the meeting held 31 July 2019 and Matters Arising | 1 - 6 | Chair |
| 8. Appointment of Board and Committee Members | 7 | Company Secretary |
| 9. Chief Executive Monthly Progress Report | 8 - 23 | J Haley |

ITEMS FOR INFORMATION

- | | | |
|--|---------|------------------|
| 10. Complaints and Compliments Review Summery Report | 24 - 30 | P Pollard |
| 11. AOB | | |

CONFIDENTIAL ITEMS FOR DECISION

- | | |
|--|---------------|
| 12. To approve the confidential Minutes of the meeting held 31 July 2019 and Matters Arising | Chair |
| 13. Dunn Terrace External Improvements – Selection of Preferred Contractor | M Bell |

CONFIDENTIAL FOR INFORMATION

- | | |
|---|-------------------|
| 14. Developing the Strategy for 2020 and Beyond | J Haley |
| 15. Audit and Risk Committee Minutes and Actions | J Clifford |
| 16. Customer Scrutiny Committee Minutes and Actions | P Pollard |
| 17. AOB | |
| 18. Date and time of the next Board 27 November 2019, 6pm – 8pm at the BCT office and reminder of Board Away Day on 19 October 2019 | |

Minutes of Board 31 July 2019 6:00pm

Board Members Present: Jim Coulter (Chair), Gordon Bell, Christine Stobbs, Anthony Itiat (Late 6:10), Nigel Emmerson, Victoria Beattie, Annette Patten, Amanda Senior, Keith Tallintire and Geraldine Kay.

BCT Officers Present: Jill Haley (CE), Philip Pollard (DoO), James Clifford (DoF), Michelle Bell (DoP) and Jaime Flinn (taking minutes)

Observers: Krystian Szpunar (BCT), Nicky Watson (JDDK), Stephen Sheraton and Caroline Prince.

1. WELCOME

1.1 The Chair welcomed everyone to the meeting including Keith Tallintire as a new Board member and observers Nicky Watson (JDDK), Krystian Szpunar (BCT), Stephen Sheraton and Caroline Prince (Byker Estate Residents).

2. APOLOGIES FOR ABSENCE

2.1 Apologies were received from Andrew Taylor and Nick Kemp.

2.2 The Chair informed the Board that Andrew Taylor had contacted the Chief Executive (CE) to hand in his resignation as a BCT Board member. He has had difficulty attending Board meetings due to work commitments and requested to step down from the Board to allow someone else to take his seat. The Board agreed to accept the resignation from the current date. The Chair advised further details of how BCT will recruit the additional Board member vacancy would be discussed under item 7 of the Board agenda.

2.3 The Chair advised that the meeting had a substantial agenda and that there were three items that needed particular attention including the Environmental Upgrade, Financial Statements and Developing the Strategy for 2020 and beyond.

3. DECLARATIONS OF INTEREST

3.1 There were no new declarations of interest.

4. URGENT ITEMS WHICH BOARD MEMBERS WISH TO RAISE

4.1 There were no urgent items arising.

5. HEALTH AND SAFETY (H&S) VERBAL UPDATE

5.1 An email was sent to Board members on 17 July from the Director of Property and Development (DoP) regarding a RIDDOR incident where unidentified asbestos had been exposed whilst carrying out works inside the lift shaft at Rabygate. The DoP updated Board members that BCT had been experiencing difficulties obtaining a scaffolder to dismantle the scaffold in the lift shaft. Savana Environmental (asbestos removal experts) have now been successful in subcontracting this work, and asbestos training and fitted masks is being arranged. A detailed programme and cost for the scaffolding and asbestos removal works has been requested and at which point residents will receive a home visit and a letter from BCT. The Health and Safety Executive (HSE) has not

contacted Classic Lifts or BCT or asked to visit the site. It was clarified there was no need for transition rehousing for mobility reasons while works continue on the lifts, however tenants will get a visit from a member of staff to ensure no circumstances have changed.

5.2 Board was notified of a fire which occurred on Friday 19 July in Dalton Crescent communal landing in the Byker Wall. The police are investigating this as a suspected arson attack. The fire affected the electrical supply to 22 homes and residents were offered a hotel room while repairs were carried out. All residents are now back in their properties except one tenant who is currently on holiday. The CE advised she had written to the Regulator of Social Housing but has not yet had a response.

5.3 It was advised all remaining compliance checks are up to date.

6. APPROVAL OF BOARD MINUTES AND MATTERS ARISING

6.1 The Minutes of the last Board meeting held on 22 May 2019 were agreed as a correct record and signed by the Chair.

6.2 It was confirmed that all Board members had completed their declarations of interest forms.

7. APPLICATION FOR SHAREHOLDER MEMBERSHIP - VERBAL UPDATE

7.1 Board members reviewed the two Shareholder applications saved in Virtual Board Room and agreed that both Caroline Prince and Nicola Snowdon would be appointed as Tenant Shareholders.

7.2 The Board agreed that at the Annual General meeting in September, after shareholders have voted for candidates for the Tenant Board position, the two unsuccessful candidates would be put forward for the Additional Board member vacancy now available due to Andrew Taylor's resignation.

8. COMPREHENSIVE ENVIRONMENTAL UPGRADE CONSULTATION FEEDBACK

8.1 A presentation was delivered by the DoP & Nicky Watson from JDDK detailing the results of the Comprehensive Environmental Upgrade Resident and Stakeholder Consultation. The presentation summarised:

- The various types of consultation carried out during the stakeholder and community engagement;
- Emerging priorities for investment;
- A summary of each investment priority; and
- Recommended approach to delivery in taking forward Stage 1 H&S Works, in advance of exploring grant funding opportunities and developing the main project.

8.2 A Board member queried if BCT had considered to what extent the environment was driving the void level and could the Board expect void performance to improve after investment. Consultation had taken place at events aimed at families which had resulted in requests for play provision across the Estate, however with a high turnover of one-bed properties, it is unlikely that play areas would be a priority for those tenants. The DoP advised that feedback specifically from tenants living in one bed properties had not been investigated and not all consultation exercises were aimed at families. Every BCT tenant was contacted as part of the consultation exercise as well as reviewing tenant exit surveys, where feedback from tenants living in one bed properties had identified issues of anti-social behaviour and waste management. The CE stated that BCT will be upgrading parts of the Byker Wall as part of the environmental upgrade to help tackle

issues such as anti-social behaviour and waste management, however would not allocate budgets to specific property types at this stage. Significant other investment has taken place to improve security and work is planned to improve the internal condition of the Byker Wall stairwells.

- 8.3 The Chair discussed the “Whey Aye” Ferris Wheel project and the potential to apply for funding related to that investment. A Board member suggested speaking with the planning department at Newcastle City Council (NCC) to establish the conditionality of any funding, and to talk to Nexus to discuss the long-term transport plan for the area.
- 8.4 A Board member suggested beginning planning discussions at a strategic level. The DoP advised productive meetings have already taken place with NCC Planning department and Historic England regarding the Environmental Upgrade. The CE stated that a future meeting will take place at a strategic level with all parties involved and where a rational conversation would take place regarding taking forward the project, to avoid issues BCT have experienced in the past in relation to specification materials and perhaps altering the external appearance of buildings to improve environmental and social sustainability.
- 8.5 A Board member complimented the work done on the consultation and that the order of the conclusions align with Board expectations, however it was surprising that car parking had not been highlighted as an issue. It was stated that this had not fed back as a priority for tenants.
- 8.6 The Chair suggested that feedback should be provided to tenants regarding the consultation results. The DoP confirmed following the meeting, more definitive costs for stage one would be developed and with Boards permission a bid be submitted to the Heritage Lottery Fund (HLF). It was suggested an article could be prepared for the autumn newsletter to update residents on the stage one works being taken forward and the next steps for the main project.
- 8.7 The CE advised that the Byker Community Centre had also expressed an interest to submit a bid to the HLF and that BCT would liaise with the Community Centre to potentially submit a joint bid.
- 8.8 A Board member stated that there is a lot of energy from residents on the Estate to change the environment through volunteering and litter picks etc. but in the past has been difficult to sustain. It was queried if there was an opportunity to employ/attain funding for a volunteer manager to look at volunteering opportunities to help with the consultation and maintaining the environment. The DoP advised that there is a steering group involved with the consultation but that this could be explored as part of the bid for additional funding from the HLF.
- 8.9 The Board noted the contents of the report and agreed the initial proposed stage one works to be taken forward to complete the essential H&S works.

9. BCT’S SELF-ASSESSMENT AGAINST THE REGULATORY STANDARDS

- 9.1 The Board noted and agreed the self-assessment against the Regulatory Standards and the National Housing Federation (NHF) Code of Governance.

The Director of Operations (DoO) advised that the Tenancy Fraud and Equality and Diversity policies and procedures are due to be refreshed and will be presented to Board before the end of the financial year.

It was further advised that the NHF is currently reviewing the Code of Governance and that a further discussion will be required by the Board when consultation on the proposed changes takes place.

10. QUARTERLY STRATEGIC RISK REGISTER UPDATE

- 10.1 The Director of Finance and Resources (DoF) updated Board that there were no fundamental changes made to the Strategic Risk Register during quarter one. It was noted that the key performance indicators on page 28 and 29 are currently in draft and would be confirmed for the next quarterly report.
- 10.2 A Board member queried if SR4 'VAT savings from Cost Sharing Exemption lost' could be downgraded, it was advised that the risk had already been downgraded and would not be lowered any further as it is not only the risk of HMRC policy changes but also the risk of the exemption criteria not being followed properly by cost sharing group partners.

11. APPROVE ANNUAL ACCOUNTS AND VALUE FOR MONEY STATEMENT

- 11.1 A presentation was delivered by the DoF detailing the Annual Accounts and Value for Money Statement. Key points from the presentation were:
- Investment was higher than last year, but fell short of plans;
 - Surplus for the year was higher than planned;
 - BCT has built up a creditor with Karbon Solutions Limited due to a delay in invoicing; and
 - For these reasons, cash balances remain high.
- 11.2 The DoF explained in detail the previous, current and forecast performance of the reinvestment metric and the gearing metric.
- 11.3 Following a question from a Board Member, it was clarified that the Environmental works will add to the value of assets on the balance sheet. It was explained that the recent EUV-SH valuation of the properties categorised the £4m of Environmental works included in the current investment plan as essential works, and so caused a reduction in the valuation.
- 11.4 A Board member questioned why we put so much importance in the reinvestment percentage. The DoF explained that the Regulator uses the metrics to compare relative performance across housing associations. The purposes of this metric is to show what percentage of resources is being invested into housing stock. As a stock transfer organisation, our primary purpose is reinvestment in the Byker Estate, and the performance shows we are rightly well above the sector median.
- 11.5 A Board member queried if the asset value will increase after BCT's investment into the District Heating System. It was confirmed that the District Heating System was not currently BCT's asset but is planned to transfer to BCT within ten years. The DoF advised that a technical discussion is required with BCT's auditors once the proposed loan agreements are signed to confirm how the liabilities and related assets are shown in BCT's accounts.
- 11.6 The Chair of Audit and Risk Committee provided an update on the negotiations with NCC regarding the District Heating backdated claim and explained that Board members should be satisfied that NCC have formally waved the charge to the year end March 2019 and that the arrangement fee is a separate charge not linked to any historic liability.

11.7 The DoF provided an update on the McCloud judgement and impact on pension liabilities, it was advised Audit and Risk Committee agreed to commission the scheme actuary to provide an estimate of the potential liability. This estimate increased the pension liability by £54k in the worst-case scenario and this estimate was included in the accounts.

11.8 Board approved the reports and Jim Coulter, Christine Stobbs and James Clifford signed the Annual Accounts. The Financial Statements will be submitted to Shareholders at the Annual General Meeting on 18 September.

12. APPROVAL OF HOUSING MANAGEMENT POLICIES

12.1 Board reviewed and approved the updated BCT housing management policies and supporting procedures which covered:

- Income Management;
- Void Management; and
- Lettings and Allocations.

13. CHIEF EXECUTIVE MONTHLY PROGRESS REPORT

13.1 The CE presented the report, which provided an update on progress since the last meeting, as well as any relevant, regional or national developments. Key points from the discussion were;

- The CE discussed the key messages in item 9.3 and the assurance for Board regarding compliance with the consumer standards;
- The Board agreed the CE contact the Regulator of Social Housing to recommend they review the current fee proposal;
- Board discussed the feedback from staff following meetings regarding the staff survey, it was noted that actions had already been put in place to address the communication issues staff had experienced and personal safety is being addressed for members of staff working out on the Estate. The CE stated overall she was pleased with the results from the staff survey; and
- Board noted the confidential delegated decisions at Appendix A.

14. QUARTERLY PERFORMANCE UPDATE

14.1 The Director of Operations (DoO) delivered a presentation to Board summarising the operational and financial performance of BCT for quarter one of 2019/20. Board members were directed to the scorecard provided.

14.2 It was advised by the DoP that a breakdown of the June charges had been received that impacted upon the performance figures outlined within the scorecard and the report. The performance figures positively impacted upon the average void cost for Q1, reducing it to £2793. It was advised that the scorecard will be amended accordingly.

14.3 A Board member suggested it would be useful to see the variance in terms of number of jobs and costs per jobs to allow comparison to the management accounts.

14.4 It was noted there were 200 less repairs in comparison to 2018/19 however there were no emerging trends to explain the variance.

15. QUARTERLY INVESTMENT PROGRAMME UPDATE INCLUDING CONFIDENTIAL APPENDIX A

- 15.1 The DoP presented the report, which provided an update to Board on the delivery of BCT's Investment Programme. Key points from the discussion were;
- Planning permission and listed building consent has now been approved for the metal roofs included in the reroofing contract;
 - BCT won a Constructing Excellence Award for the refurbishment of Tom Collins House in the Preservation and Rejuvenation category and will now go on to represent the region in the finals;
 - A Board member advised the Ministry of Housing, Communities and Local Government (MHCLG) has commenced consultation on a new building safety regime whereby BCT will need to consider extra inspection and compliance obligations and potential additional cost. The CE advised that BCT have already registered with MHCLG and are obtaining costs for buildings over 18metres to receive detailed surveys in response to MHCLG's information request; and
 - J Coulter volunteered to take part in the tender evaluation of Dunn Terrace External Upgrade to appoint a contractor.
- 16.2 The meeting adjourned at 8:00 pm to allow the confidential session to take place.

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Chair of Byker Community Trust Board
18 September 2019

Title: Appointment of Board and Committee Members

Report By: James Clifford, Director of Finance & Resources

FOR DECISION

1. Recommendations

1.1 The Board is recommended to approve the reappointment of the Chair and Committee members. Volunteers are sought to fill the vacancies in the Committee membership.

2. Synopsis

2.1 Make appointments to the Committees for the year.

3. Reappointment of Committee Members

3.1 Proposed membership: Governance and Remuneration Committee

Chair	Committee Member
Gordon Bell	Nigel Emmerson
	Nick Kemp
	Geraldine Kay
	<i>Vacancy</i>

3.2 Proposed membership: Audit and Risk Committee

Chair	Committee Member
Christine Stobbs	Gordon Bell
	Keith Tallintire
	Victoria Beattie
	<i>Vacancy</i>

3.3 Proposed membership: Customer Scrutiny Committee (Tenant Board Members only).

Chair	Committee Member
Annette Patten	Anthony Itiat
	<i>Vacancy</i>

4. Contact Officer

4.1 If you have any questions about this report that you would like clarifying before the meeting, you can contact James Clifford by telephone on 0800 5335 442 or email james.clifford@bykerct.co.uk



Title: Chief Executives Progress Report

Report By: Jill Haley, Chief Executive (CE)

FOR INFORMATION AND DECISION

1. Recommendations

1.1 The Board is recommended to note and discuss the contents of this report.

2. Synopsis

2.1 This report aims to bring Board Members an update of information and progress since the last meeting, as well as any relevant, regional or national developments.

3. Actions from last Board meeting

3.1 All outstanding actions from the minutes of the meeting of 31 July 2019 were reported separately in an email to Board on 9 September 2019. Any further progress in relation to ongoing actions will be reported at the meeting.

4. Delegated Decisions

4.1 There has been one delegated decisions since the last Board meeting on 31 July 2019 detailed at confidential Appendix A.

5. Annual Report to Tenants 2019

5.1 Publishing an Annual Report to Tenants is a regulatory requirement, the purpose of the report is to show tenants how BCT is performing and how we comply with the National Standards.

5.2 The first draft of the 2019 BCT Annual Report to Tenants has been uploaded to the shared documents in Virtual Boardroom, a further developed version including graphics and pictures will be printed and tabled at the meeting.

5.3 BCT staff have worked with the Tenant Communications Group (TCG) to agree the style, title, content, text, layout and pictures used in the 2019 report.

5.4 Following feedback from BCT Board, the TCG will approve the final content and design of the report and it will then be issued to every BCT tenant, posted on the website, social media etc. during October.

6. Asset and Liability Register

6.1 The Regulator of Social Housings Governance & Viability Standard stipulates that Registered Providers must maintain a thorough, accurate and up to date record of their

assets and liabilities, particularly those liabilities that may have recourse to social housing assets.

6.2 BCT's Asset and Liability Register (ALR) provides an index to our business and acts as a reference and signposting mechanism for users to identify where all relevant information can be found.

6.3 An annual review of the ALR has been completed by the Executive Team, to ensure all current assets and liabilities are referenced and a tracked changed copy is included in Appendix B which is also a shared document in Virtual Boardroom.

7. Cost Sharing Exemption Update

7.1 On 27 August 2019 HMRC published a Policy Paper "Revenue and Customs Brief 8 2019: review of the VAT exemption for cost sharing groups in the social housing sector".

7.2 The Policy Brief announces the continued application of the CSE to cost sharing groups (CSGs) implemented by social housing associations. Furthermore, it details that if changes are required HMRC intends to give 12 months' notice of them and that any such changes would have no retrospective effect.

7.3 This is excellent news for BCT and our Karbon Solutions Ltd partners. The CE's lobbying and sharing the BCT story with HMRC was a main contributor to this positive outcome for the sector.

7.4 A full copy of the HMRC brief can be found at:

7.5 <https://www.gov.uk/government/publications/revenue-and-customs-brief-8-2019-review-of-the-vat-exemption-for-cost-sharing-groups-in-the-social-housing-sector/revenue-and-customs-brief-8-2019-review-of-the-vat-exemption-for-cost-sharing-groups-in-the-social-housing-sector>

8. Contact Officer

8.1 If you have any questions about this report that you would like clarifying before the meeting, you can contact Jill Haley by telephone on 0191 290 3910 or email jill.haley@bykerct.co.uk

Asset and Liability Register

September 201~~9~~⁸

1. Overview

- 1.1 In response to the changing risks faced by Housing Associations, the Regulator of Social Housing (RSH), through its Governance and Financial Viability Standard, ~~and its New Approach to Regulation, has set out a range of new requirements for~~ requires Housing Associations. ~~The two most substantive ones are compiling to compile~~ a record of assets and liabilities ~~and stress testing.~~

The primary purpose is to:

- Ensure that Registered Providers understand their assets and security position and have swift access to this information in decision making and risk management;
 - Ensure information is readily available in the event of a potential or actual failure of the Housing Association;
 - Ensure it contains sufficient information to enable a potential buyer to accurately price the value of the business and / or the value of the social housing assets in the event of distress.
- 1.2 The Byker Community Trust (BCT) Asset and Liability Register (ALR) was developed to maintain a thorough, accurate and up to date record of assets and liabilities particularly those liabilities that may have recourse to social housing assets. It is:
- a. An 'index' to our business.
 - b. It is not a single repository for everything but acts as a signposting mechanism for users to identify where the relevant information can be found.
 - c. It relies on data from a number of corporate and operational systems.
 - d. Individual teams are responsible for collation of base data, populating and updating relevant registers.
 - e. Executive Team members hold single point accountability for their business function and linkages with the relevant strategies.
 - f. The register is not meant to be a stand-alone position at a fixed point in time. Its ongoing review, reconciliation and maintenance will be undertaken by BCT Executive team on a quarterly basis.
- 1.3 The benefits of BCT implementing and maintaining an ALR allows BCT board to demonstrate:
- a. It understands the liabilities / obligations / commitments of the business.
 - b. It understands the risk of these commitments to its going concern status.
 - c. The business has the capacity / liquidity to maintain these commitments over time.
 - d. The governance structure that is in place is relevant and proportionate to the scope, scale and risk profile of the business.
 - e. Resources are being invested appropriately in optimising the income generating capacity of the property assets.
 - f. Resources are being appropriately managed and deployed to provide a return on the cumulative investment in the business.

- g. It is balancing the ambition to grow with the responsibility to protect the social housing assets.
- h. It is compliant with regulatory requirements.

2. Background to BCT

- 2.1 The BCT was formed to create a sustainable and self-financing future for the iconic Grade 2* listed Byker Estate.

<S:\Property Services\IMPORTANT DOCS\English Heritage Byker Listing>

- 2.2 On the 5th July 2012 the stock transfer of the Byker Estate from Newcastle City Council (NCC) to the BCT was finalised.

This involved the transfer of all of the social housing stock, garages, hobby rooms and shops together with the land within the Byker Estate, the scope of the transfer was set out within the “Transfer Agreement”.

<S:\Property Services\IMPORTANT DOCS\Transfer Agreement 05-07-12>

- 2.3 In forming BCT and transferring the Estate, the primary objectives was to ensure the Byker Estate received the level investment required to secure a sustainable future for this listed estate (building and estate environment) while retaining and improving the level of services required by the residents. The creation of the BCT has ensured that a focus is kept on the needs of the Estate and its residents while having the resources and flexibility to respond to emerging issues and opportunities

- 2.4 The initial investment priorities sought to complete the decent homes investment, partially delivered by the NCC but also had a broader range of objectives set out in the “Transfer Offer to the Tenants”

<S:\Property Services\IMPORTANT DOCS\Official Offer Document.pdf>

- 2.5 As the Estate was built in the 1970’s there was a need for major investment to outworn parts of the building fabric and services.

The Byker district heating system (DHS) that provides heat and hot water to most of the homes and buildings on the estate was one area that required major investment. To reduce the risks to BCT, the district heating infrastructure has remained in the ownership of NCC until the upgrade works are completed and successfully commissioned. The details of these arrangements are set out in the suite of District Heating transfer documents that comprise;

1. “The Residential Heat Supply Agreement.”

<S:\Property Services\IMPORTANT DOCS\DHS\DHS RESIDENTIAL SUPPLY AGREEMENT.pdf>

[This agreement includes a detailed breakdown of all costs and income including RHI & FIT relating to the operation of the DHS. Details of cost apportionment between BCT and NCC are also included.](#)

2. “DHS Development Agreement.”

<S:\Property Services\IMPORTANT DOCS\DHS\DHS DEVELOPMENT AGREEMENT.pdf>

3. “DHS Transfer Agreement.”

<S:\Property Services\IMPORTANT DOCS\DHS\DHS Business Transfer Agreement\DHS Business Transfer Agreement.pdf>

4. “The Non-Residential Heat Supply Agreement.”

<S:\Property Services\IMPORTANT DOCS\DHS\DHS Non Residential Supply Agreement.pdf>

- 2.6 From July 2012 to October 2016, the support services for the Estate were initially delivered by Your Homes Newcastle (YHN) and NCC for a period of four years via the YHN Management Agreement and NCC Service Contract.

<S:\Property Services\IMPORTANT DOCS\YHN Management Agreement>

<S:\Property Services\IMPORTANT DOCS\Transfer Agreement 05-07-12>

These contracts included a requirement for BCT to undertake a full review by year three, to look at costs, risks, quality, performance and any benefits of existing arrangements and to also look at those of alternative providers.

- 2.7 Following a BCT Board Away day “Visioning for 2020” on 22 November 2014, Board established a new Corporate Plan 2015-20 and new Vision, Mission, Values and Objectives.

<S:\9. Finance & Resources\8. CORP PLAN\2018 20\BCT-Corporate-Plan-2015-2020.pdf>

The CEO and BCT Board took considerable time working through a rigorous, professional and thorough process (commencing February 2014 with the contract review) leading to the decisions of the Board in 2015. The work included:

- Examining the service coverage of the current contracts and underlying costs put in place at the time of stock transfer and lasting for a 4 year duration;
- Benchmarking across a range of comparator organisations (outcomes as well as costs);
- Consideration of value for money, efficiency and quality;
- Potential tax efficiency as a contribution to reducing costs through participation in a Cost Sharing Vehicle (CSV).

In addition, BCT commissioned independent and professional due diligence work and took appropriate legal and other advice.

BCT were clear on the objectives to be achieved by the service transition which were:

- Control over standards of service delivery with a focus on improvement in quality and cost;
- Value for money including excellence in service to customers; and
- Completing the stock transfer promises to tenants, including those which highlighted service delivery reviews.

The new contract arrangements are set out in Section 6

3. Governance Arrangements

- 3.1 BCT is a Registered Provider of Social Housing, and a Cooperative and Community Benefits Society with Charitable Objectives. Board have adopted the National Housing Federation Excellence in Governance 2015 standards and also incorporate an ethos of a "Community Trust." An external review of BCTs governance arrangements and documents was commissioned in October 2017 and in July 2018 a new governance structure and rules were adopted.
- 3.2 The Board is responsible for setting the overall strategic direction of the business and comprises 12 board members. The members include;
- 3 Tenant Board Members
 - 5 Independent Board Members
 - 2 Local Authority Board Members
 - 2 Independent or Tenant Board Members

The current Board Members are;

<S:\9. Finance & Resources\2. JENNY\Jim Coulter\Board Members List.doc>

- 3.3 BCT's key governance documents include:

- BCT Rules
- Scheme of Delegations
- Board Standing Orders
- Board Member and Shareholder Policy
- Shareholder Register
- Terms of Reference for the Committees of Board

They can be found here: <S:\7. Governance\New Governance Documents from May 2018>

- 3.4 The CEO is supported by an Executive Team who are responsible for the delivery of the day to day business operations of BCT and to drive forward the business to ensure it achieves its objectives and delivers a high quality service.

4. Property Register

- 4.1 The physical assets owned by BCT are all located within the boundary of the Byker Estate.

The portfolio of BCT's assets includes freehold properties for rent, garage blocks, hobby rooms, the freehold interest of leasehold properties other non-residential buildings such as shops and heat stations and all land within the Estates red-line boundary. BCTs Asset Register includes details of which assets are secured against our loan facility with Yorkshire Building Society (YBS).

The asset register is reconciled to the statistical data return (SDR) each year.

<S:\Property Services\Asset and Liability\Asset Register.xlsx>

[The financial asset register showing the historic cost of assets under BCT ownership is updated monthly and is found here:](#)

<S:\9. Finance & Resources\Finance Documents\Management Accounts\2019-20\5. August 1920\WP003 Fixed Asset Depreciation August done.xlsx>

The table below highlights the remaining lease period for the ~~30-29~~ BCT private leaseholders as of ~~January~~ September 2019

BCT Leasehold Properties with 125 Lease	
Between 90 and 100 Years Remaining	10
Between 101 and 110 Years Remaining	5
Between 111 and 120 Years Remaining	<u>98</u>
More than 120 Years Remaining	6
Total	30 <u>29</u>

- 4.2 The majority of these assets were included in the initial Transfer Agreement. BCT has however taken a very proactive approach to developing and growing its asset base, since the stock transfer in July 2012. The Transfer Agreement allows for BCT to acquire from NCC any buildings in their ownership which are empty and surplus to requirements within the red line boundary of BCTs ownership, subject to viable business cases. The Asset Register confirms which properties are secured against the YBS loan facility.

<S:\Property Services\IMPORTANT DOCS\Transfer Agreement 05-07-12\Transfer>

- 4.3 Transferring tenants retained their Right to Buy entitlement and new tenants have the Right to Acquire. Since the BCT was formed in 2012 there have been a number of completed Right to Buy applications. BCT receive 100% of any capital receipt from RTB and RTA sales and this funding is ring-fenced for property buy backs.

<S:\Property Services Confidential\Right to Buy + Buybacks>

[The procedure for considering buyback opportunities is found here:](#)

[S:\7. Governance\(a\) BOARD\2019\9. 14 February 2019\9. Review of BuyBack Policy.docx](S:\7. Governance(a) BOARD\2019\9. 14 February 2019\9. Review of BuyBack Policy.docx)
[S:\7. Governance\(a\) BOARD\2019\9a. 14 February 2019\9a. BCT Property Purchase Policy.docx](S:\7. Governance(a) BOARD\2019\9a. 14 February 2019\9a. BCT Property Purchase Policy.docx)

- 4.4 Since July 2013, BCT Board agreed for BCT to acquire properties that come on the market for sale where a payback period of 12 years or less can be achieved. A revised Buy Back Policy was approved in ~~July 2017~~February 2019, requiring future purchases to achieve a positive return on investment over a 20-30 year net present value (NPV) calculation. BCT has successfully acquired a number of properties and subsequently refurbished them for rent. [All details can be found in:](#)

<S:\Property Services Confidential\Right to Buy + Buybacks>

- 4.5 As detailed within the transfer agreement, BCT has acquired from NCC, Chirton House, a vacant care home. This has been fully refurbished to provide 16 apartments for the over 50's thereby adding to the property portfolio but also responding to demand for this type of specialist accommodation.

<S:\Property Services\Investment Programme\Chirton House>

- 4.6 BCT has converted ten hobby rooms into new dwellings to add to its property portfolio. Two of these hobby rooms were acquired from NCC post transfer. In addition, 45-47 Brinkburn Street has been acquired from NCC and ~~this is being~~ converted to provide an additional four new homes for affordable rent. [now named 1-4 Ralph Erskine House.-](#)

Comprehensive details relating to the development and delivery of the Hobby Rooms Phase 1 project can be found here:

<S:\Property Services\Hobby Rooms\HCA Compliance Audit - Final Info>

Comprehensive details relating to the acquisition, development and delivery of the 45-47 Brinkburn Street conversion can be found here:

<S:\Property Services\45-47 Brinkburn Street>

- 4.7 BCT has a lease arrangement with the Charity - Armed Forces and Veterans Launchpad Ltd for Avondale House and a number of supported tenancies leased to the Richmond Fellowship. The lease agreements in place are;

<S:\Property Services\Investment Programme\Avondale House>

<S:\Property Services\IMPORTANT DOCS\Richmond Fellowship Leases>

- 4.8 At transfer a VAT shelter was formed with the agreement of HMRC to allow for the recovery of VAT over a 15 year period within the scope of the Development Agreement 2012 (i.e. initial 15 year investment programme).

<S:\Property Services\IMPORTANT DOCS\Transfer Agreement 05-07-12\Transfer\Schedule 13 - Development Agreement.pdf>

BCT also has agreed with HMRC a partial exemption calculation, details are here:

<S:\9. Finance & Resources\Finance Documents\VAT and Corporation Tax\VAT Shelter>

- 4.9 BCT also has a “call-off” agreement with NCC for three sites adjoining the estate. The terms of the agreement are set out in the transfer agreement with the sites defined on the plan. In 2018, BCT were advised that 2 of the 3 sites are designated as green open space and subject to planning restrictions. This-The call-off agreement enables BCT to develop the sites within the constraints of the planning restrictions and -when market conditions are favourable without the potential liabilities of owning the vacant sites in the interim. This call-off option is available until 2032.

<S:\Property Services\IMPORTANT DOCS\Transfer Agreement 05-07-12\Transfer\Schedule 15 - Option sites.pdf>

- 4.10 To provide cover for all of the assets as well as public and professional indemnity, BCT has a comprehensive insurance policy with Zurich [Municipal:Insurance Services](#).

<S:\9. Finance & Resources\Finance Documents\Insurance>

- 4.11 Professional property advice is obtained from Savills, who undertake an annual valuation of BCT assets for loan security purposes

<S:\9. Finance & Resources\Finance Documents\Valuation\2017\Byker Reval 2017 - full final report.pdf>

<S:\9. Finance & Resources\Finance Documents\Valuation\2018>

5. Financial Liabilities Register

- 5.1 A loan facility agreement with YBS was put in place at the point of transfer in July 2012.

[S:\Property Services\IMPORTANT DOCS\Funding Agreement \(SCND Doc\)](S:\Property Services\IMPORTANT DOCS\Funding Agreement (SCND Doc))

- 5.2 This initial agreement offered a loan of up to £12m over a five year period to help fund the 2012-17 Investment Programme developed to deliver the transfer offer promises.

[S:\7. Governance\ \(a\) BOARD\2012\ \(i\) 25th July 2012\Item 9 - Exec Summary - Early Years Investment Programme.doc](S:\7. Governance\ (a) BOARD\2012\ (i) 25th July 2012\Item 9 - Exec Summary - Early Years Investment Programme.doc)

<S:\Property Services\IMPORTANT DOCS\Official Offer Document.pdf>

- 5.3 To take advantage of improved financial market conditions BCT refinanced with YBS in January 2015. This amended facility agreement provides a loan of up to £26m over a ten year period at a lower rate of interest. The terms of the facility and revised covenants are detailed in the agreement and variation letter.

[S:\Property Services\IMPORTANT DOCS\Funding Agreement \(SCND Doc\)\Facility Agreement Variation Letter 09-01-15.pdf](S:\Property Services\IMPORTANT DOCS\Funding Agreement (SCND Doc)\Facility Agreement Variation Letter 09-01-15.pdf)

- 5.4 To secure further cost certainty and align the drawdown requirements with the investment programme a series of fixings have been put in place.

<S:\9. Finance & Resources\Finance Documents\Loan\Revised Facility Agreement Dec 14>

- 5.5 At transfer BCT became responsible for the repayments for Bolam Coyne prudential borrowing loan facility that helped finance the redevelopment of the building pre-transfer. With favourable cash balances after three years of trading BCT reviewed its loan commitment and repayment options. [This loan is now repaid in full.](#) The early repayment of this loan has strengthened the business plan position and removed the liabilities of the only transferred loan.

<S:\9. Finance & Resources\Finance Documents\Loan\Bolam Coyne>

- 5.6 Other than the main YBS loan facility the only other loan agreement incorporated within the business plan is a future Prudential Borrowing facility set up by NCC to fund the purchase price of the District Heating Infrastructure when ownership of the upgrade system transfers to BCT. The terms and conditions of this agreement as set out as the District Heating Transfer Agreement.

<S:\Property Services\IMPORTANT DOCS\DHS\DHS Business Transfer Agreement>

[In 2019 negotiations between BCT and NCC commenced to agree new funding and transfer arrangements for the DHS. As part of this process, Savills have been instructed to complete a valuation of the DHS infrastructure and plant, in order for BCT and NCC to finalise Heads of Terms for a new funding agreement.](#)

- 5.7 The loan facilities and projected costs are incorporated within the BCT Business Plan and the overall financial performance of the business set out in the Management Accounts.

<S:\9. Finance & Resources\Finance Documents\Business Plan\2018-19>

<S:\9. Finance & Resources\Finance Documents\Management Accounts\2018-19>

<S:\9. Finance & Resources\Finance Documents\Business Plan\2019-20>

<S:\9. Finance & Resources\Finance Documents\Management Accounts\2019-20>

- 5.8 BCT's staffing structure has been reviewed and amended to respond to business requirements. With the review of housing and environment service delivery in 2015/16 this has led to the expansion of the team as more services are delivered in house to achieve better value for money. Current staff members are:

<S:\9. Finance & Resources\2. JENNY\Jim Coulter\BCT Staff Contact List Aug 2018.docx>

- 5.9 When the Executive Team was first set up in 2012, BCT joined the Tyne and Wear Local Government Pension Scheme and currently 4 staff members are within this pension scheme.

<S:\9. Finance & Resources\Finance Documents\Pension>

Pension Performance Bond. BCT has placed £172,000 on deposit with NCC. This sum is available to NCC to fund any costs they incur in respect of their role as guarantor for the BCT membership of Tyne & Wear Pension Fund.

<S:\9. Finance & Resources\Finance Documents\Pension\TWPF>

The pension arrangements have subsequently been reviewed in order to minimise pension liability risks and as a consequences new members of staff are incorporated into the SHPS 'defined contribution scheme' scheme. The following staff members are within this pension scheme.

<S:\9. Finance & Resources\Finance Documents\Pension\SHPS>

- 5.10 BCT has lease and tenancy arrangements in place to occupy premises owned by NCC. This applies to BCT Office at 17 Raby Cross and Unit 2 Ayton workshops which is used by ICS operatives for services across our estate.

<S:\Property Services\BCT Office\Raby cross 15, 17 & 23 BCT Ltd Lease 20151030.pdf>

<S:\Property Services\Investment Programme\BCT Office at 17 Raby Cross\Lease and Tenancy - BCT Office at 17 Raby Cross.pdf>

<S:\Property Services\Ayton Street Workshop\Finance>

5.11 Current Assets and Liabilities

1. BCT Creditors - recorded in the Open Accounts system and include amounts owing on BCT company credit card.
2. Cash at bank - Bank statements records held by Finance & Resources Team detail balances on the individual BCT accounts:
 - Lloyds Bank Current Account
 - Lloyds Bank Instant Access Deposit Account
 - Lloyds Bank 32 Day Notice Bank Account
 - [Nationwide Building Society Instant Access Savings Account](#)
 - [Nationwide 125 day notice account](#)
 - [Santander account \(in application\)](#).
 - BCT Petty Cash Float
3. BCT debtors. Recorded in the Open Accounts system.

6. Corporate Liabilities Register

- 6.1 BCT is a partner within a Cost Sharing ~~Group with Karbon Homes and Castles and Coast Housing Association, named Karbon Solutions Ltd Group with Karbon Homes and Castles and Costs Housing Association for 5 years from 1st July 2016., named The cost sharing vehicle is Karbon Solutions Limited (KSL) for 5 years from 1st July 2016.~~ This arrangement allows BCT to access and deliver a range of services with reduced overhead costs and provide greater value for money.

[S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\CSV Members Agreement - Signed.pdf](#)

- 6.2 From 1st July 2016 the delivery of the grounds maintenance and environmental response service transferred to KSL to deliver as set out within the current Service Agreement for Grounds Maintenance and Environmental Response Services:

[S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\SERVICE LEVEL AGREEMENTS\FINAL - to be signed off\1. FINAL Grounds Maintenance SLA for 2018-19.docx](#)

[S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\SERVICE LEVEL AGREEMENTS\SLAs 2019-20\Signed SLAs 2019-20\Grounds Maintenance.pdf](#)

- 6.3 From 3rd October 2016 a number of services have been delivered by KSL to support BCT to efficiently and effectively undertake its business operations. The Service Level Agreements have been refreshed in 2019. Details of the service terms currently in operation are set out in the specific service agreements:

ICT Services - [S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\SERVICE LEVEL AGREEMENTS\FINAL - to be signed off\5. FINAL ICT SLA for 2018-19.docx](#)[S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\SERVICE LEVEL AGREEMENTS\SLAs 2018-19\Signed SLAs 2018-19\ICT.pdf](#)

Income Management – [S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\SERVICE LEVEL AGREEMENTS\FINAL - to be signed off\3. FINAL Income Management SLA for 2018-19.docx](#)[S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\SERVICE LEVEL AGREEMENTS\SLAs 2018-19\Signed SLAs 2018-19\Income Management.pdf](#)

Finance – [S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\SERVICE LEVEL AGREEMENTS\FINAL - to be signed off\2. FINAL Finance SLA for 2018-19.docx](#)[S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\SERVICE LEVEL AGREEMENTS\SLAs 2018-19\Signed SLAs 2018-19\Finance Services.pdf](#)

Property Services – [S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\SERVICE LEVEL AGREEMENTS\FINAL - to be signed off\6. FINAL Property Services SLA for 2018-19.docx](#)[S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\SERVICE LEVEL AGREEMENTS\SLAs 2019-20\Signed SLAs 2019-20\Property Services.pdf](#)

Sheltered Housing Services – [S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\SERVICE LEVEL AGREEMENTS\FINAL - to be signed off\7. FINAL Sheltered Housing SLA for 2018-19.docx](#)[S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\SERVICE LEVEL AGREEMENTS\SLAs 2018-19\Signed SLAs 2018-19\Sheltered Housing.pdf](#)

General Services -

~~S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\SERVICE LEVEL AGREEMENTS\FINAL – to be signed off\8. FINAL Additional Business Services SLA for 2018.docx~~

~~S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\SERVICE LEVEL AGREEMENTS\SLAs 2019-20\Signed SLAs 2019-20\Additional Business Services.pdf~~

Details of any potential TUPE implications are set out in the respective service agreements.

- 6.4 From ~~July 2016~~ ~~1 April 2019~~, ~~NGC / YHN have continued to provide~~ new contractual arrangements have been put in place for ~~concierge security/enquiry~~ and cleaning services for a 3 year period. up to 7 January 2019. Details of the service terms are set out in the Agreement for Services following contracts:
- Kingdom Services Group Ltd – agreement for provision of cleaning services - S:\9. Finance & Resources\Tendering\BCT007 - Concierge Review\Cleaning and Security Contracts\Kingdom Cleaning Contract signed 29 May 2019.pdf
- G & A Security NE Ltd – agreement for the provision of security and enquiry services - S:\9. Finance & Resources\Tendering\BCT007 - Concierge Review\Cleaning and Security Contracts\G&A Security Contract signed 29 May 2019.pdf

~~S:\9. Finance & Resources\10. ISOS COMPLETE SUPPORT\SERVICE LEVEL AGREEMENTS\8. Agreement for services – FINAL DRAFT 6 9 16.pdf~~

- 6.5 To support BCT a range of Professional Support Services are in place. They include external and internal audit arrangements, business planning advice software, valuation services, security trustee and annual pension disclosure statement.

External Audit – Tait Walker

S:\9. Finance & Resources\Tendering\BCT015 - External Audit\Letter of Appointment Tait Walker.docx

Internal Audit – TIAA

S:\9. Finance & Resources\Tendering\BCT016 - Internal Audit\Letter of Appointment TIAA.docx

Business Planning – Capita

S:\9. Finance & Resources\Finance Documents\Business Plan\General\Business Planning Support Services – Capita.pdf

Valuation Services - Savills

S:\9. Finance & Resources\Finance Documents\Valuation\2017\Byker Reval 2017 - full final report.pdf

Security Trustees – Prudential Trustees

S:\9. Finance & Resources\Finance Documents\Appendix 4 Forms\Prudential Trustees 29-08-13.pdf

Pensions – Pension Actuary

S:\9. Finance & Resources\Finance Documents\Pension\Actuary\Aon Hewitt Consultancy Agreement 16-04-15.pdf

Asset depreciation

S:\9. Finance & Resources\Finance Documents\Annual Accounts\2016-17\Mar 17 audit\Working papers\Housing property\702.01 Housing property – depreciation.xlsx

- 6.6 BCT has developed its own procurement strategy for the procurement of services and capital works. ~~This is scheduled to be reported to Board September 2018.~~

- 6.7 BCT has developed a contract register which provides details of all current contractual agreements including details of suppliers, contract type, cost and duration. This can be located at:

~~[S:\9. Finance & Resources\Finance Documents\Procurement Decisions\Contracts\BCT Suppliers List 18-19.xlsx](#)~~

~~[S:\9. Finance & Resources\Finance Documents\Procurement Decisions\Contracts\Contract Log.xlsx](#)~~

- 6.8 BCT has in place a Business Continuity and Disaster Recovery Plan which will ensure the continuation of business critical services in the event of an emergency and/or a significant disruption, by minimising the impact of any damage to staff, premises, equipment or records. The purpose of this document is to ensure that there are clear plans in place to maintain critical services whilst also protecting the reputation of the organisation and facilitating the recovery of business critical services and processes within agreed time frames. It provides information, guidance and assistance to managers and members of staff on the course of action to take and sets out clear lines of responsibility.

[S:\9. Finance & Resources\Risk Register\Business Continuity Plan](#)

7. Property Investment Liabilities Register

- 7.1 BCT developed its own asset register following ~~the the 2016~~ stock condition surveys (SCS) ~~completed in 2016 and 2019. This SCS information was has been validated by Savills by in June 2019. A copy of their validation report is located in:~~

~~[S:\9. Finance & Resources\Finance Documents\Assets\BCT SCS Report June 2019.pdf](#)~~

~~.. The SCS register holds comprehensive stock condition information for 100% of blocks and garages and 71% of properties were surveyed internally. The SCS information relating to the 29% internal non-accesses was cloned from the YHN stock condition information at stock transfer stage, which was validated in 2012 by Ridge & Partners.~~

The SCS stock condition information including component replacement years and lifecycles and replacement costs is now held in the OT1S Planned Management Module and is used to inform investment planning. The report listing all properties, blocks, garages and link bridges is held in the folder:

[S:\Property Services\Stephen\Planned Maintenance\Planned Maintenance Reports from Live Data](#)

- 7.2 A number of work contracts have been completed via the ~~Early Years~~**BCT** Investment Programme. These include:-

- Avondale House Refurbishment
- Chirton House Redevelopment
- Modern Homes Omits Programme Phase 1
- Refurbishment of the Byker Wall
- ~~Byker Wall Concierge Upgrade and Communal Digital Aerial Installation~~
- ~~Hobby Rooms Refurbishment Phase 1~~
- ~~Byker Wall Link Bridge Improvements~~
- ~~Modern Homes Omits Programme Phase 2~~
- ~~Byker Wall High Security Lock Upgrades~~
- ~~Communal and Emergency Lighting Upgrades~~

Recently completed contracts that are still within the defect liability period include:-

- ~~Hobby Rooms Refurbishment Phase 1~~
- ~~Byker Wall Link Bridge Improvements~~
- 1-4 Ralph Erskine House conversion
- Tom Collins House and Mount Pleasant External and Communal Upgrade
- Communal doors replacements at The Brow, The Chevron, Headlam Green and Thornborough House

Ongoing contracts include:

- District Heating Internal Upgrade
- ~~Modern Homes Omits Programme Phase 2~~
- ~~Tom Collins House and Mount Pleasant External and Communal Upgrade~~
- ~~Conversion of 45-47 Brinkburn Street~~
- Disabled Adaptations Programme
- Passenger Lift Replacement Programme
- Byker Re-roofing Programme

Current investment projects under development are:

- Comprehensive Environmental Upgrade of the Estate
- Dunn Terrace External Upgrade
- Fire Risk Assessment Works (FRA) Communal Door Replacements from Bamburgh Terrace to Salisbury House
- FRA Fire Compartmentalisation Works
- ~~Passenger Lift Replacement Programme~~
- ~~Byker Re-roofing Programme~~

Details of all scheme development information can be found in BCT's Property Team confidential storage room at BCT Office. Information is also held in:

<S:\Property Services>

188 tenants chose to omit from the internal decent homes upgrade in Byker completed by NCC. These properties are being upgraded internally through the voids process or opted in through the modern homes phase 1 and 2 omit programme and one-off procurements. The outstanding modern homes internal omits are:

<S:\Property Services\Omits\Byker Omit Properties FINAL.xlsx>

7.3 To support the BCT Investment Programme grant funding has been secured where possible and grant agreements include:-

Avondale House - Ministry of Defence funding

Chirton House – NCC funding

Hobby Room Refurbishment Phase 1 – Homes England funding

45-47 Brinkburn Street Conversion – Homes England funding

<S:\9. Finance & Resources\Finance Documents\Annual Accounts\2015-16\Grants & Contributions to Investment Programme.xlsx>

[The financial position of the grants including any accumulated amortisation is updated monthly. The latest information is here:](#)

<S:\9. Finance & Resources\Finance Documents\Management Accounts\2019-20\5. August 1920\WP0015 Grants August done JW\WP015 Grants August done .xlsx>

Spirit Partnership Deed of Adherence:

<S:\Property Services\Hobby Rooms\HCA Grant - Spirit Partnership\BCT hobby rooms project AHP 2015-18 Form.xlsx>

Grant Agreement:

[S:\Property Services\Hobby Rooms\HCA Compliance Audit - Final Info\Final Information for Compliance Audit\Item 1A Empty Homes Consortium Agreement\Item 1A - Empty Homes Consortium Agreement 2015-18 allocation \(mixed led consortium\) - dated 24-11-2015.pdf](S:\Property Services\Hobby Rooms\HCA Compliance Audit - Final Info\Final Information for Compliance Audit\Item 1A Empty Homes Consortium Agreement\Item 1A - Empty Homes Consortium Agreement 2015-18 allocation (mixed led consortium) - dated 24-11-2015.pdf)

- 7.4 BCT has a transfer agreement in place to transfer the upgraded district heating infrastructure from NCC once the improvements included in work ~~Package-package~~ 1 and work ~~Package-package~~ 2 are complete and a transfer date agreed in partnership with NCC. The agreement sets out the terms and conditions of the transfer including the purchase price and prudential borrowing arrangement to potentially fund the purchase. Further details are included in 5.6 above.

<S:\Property Services\IMPORTANT DOCS\DHS\DHS Business Transfer Agreement>

- 7.5 BCT are included in a framework agreement for all of its internal and external cyclical painting programme contracts in place with Bell Group for a 4 year period from January 2016.

<S:\Property Services\IMPORTANT DOCS\Bell Group Framework>

8. Other Assets

- 8.1 To support the delivery of BCTs business, we own a number of fixed assets which includes:-

- ICT hardware (e.g. IGELS, Screens, Office Furniture & Equipment, telephones, ICT networking installation, mobile phones, laptops, ipads and software licences);
- Leased equipment (e.g.: vehicles, photocopies);
- Grounds maintenance and environmental response team equipment;
- Disabled adapted stairlifts and shower cubicles.

A comprehensive list of these assets including make, model and serial numbers where available is located:-

<S:\9. Finance & Resources\Jaime Flinn\Jenny\Equipment Inventory BCT.xlsx>

[Latest financial details are here:](#)

<S:\9. Finance & Resources\Finance Documents\Management Accounts\2019-20\5. August 1920\WP003a NON HOUSING Fixed Asset Depreciaton August done .xlsx>

References:-

National Housing Federation 'Managing the Assets' a guide for Housing Associations 2nd Edition.

Title: Customer Scrutiny Committee Review of Complaints, Compliments & Suggestions Policy.

Report by: Philip Pollard, Director of Operations & Annette Patton, Chair of Customer Scrutiny Committee.

FOR INFORMATION

Business Implications	
Risk	The purpose of the review is to ensure that BCT have to up to date and relevant policies and procedures that ensure that complaints are handled in a fair manner and that there is a clear and accessible way for tenants to make a complaint.
Financial and Value for Money	In-depth customer reviews of BCT services ensure that we are meeting tenants expectations and providing value for money.
People/Consultation	BCT have an established Tenant Engagement Framework that maintains open communication channels. The Customer Scrutiny Committee led the review of the Complaints, Compliments and Suggestions Policy. All policies are made available for tenants.
Equality and Diversity	Byker has a very diverse community and by engaging with all residents through various methods we are able to reach people whose characteristics are detailed in the Equality Act. The policies have been subject to Equality Impact Assessments.
Environment Implications	There are no environmental implications.
Contractor Implications	The performance of contractors is closely monitored through SLAs by the Senior Management Team to ensure that performance is achieved. Any complaints made to BCT about a contractor will be investigated though the Complaints, Compliments and Suggestions Policy.

1. Recommendations

- 1.1 The Board is recommended to note the contents of the report and presentation from the Customer Scrutiny Committee (CSC) Chair. A further report will follow recommending policy changes and the implementation of the CSC recommendations.

2. Synopsis

- 2.1 This report outlines the key findings of the CSC review of the Complaints, Compliments and Suggestions Policy.

3. Background Information

- 3.1 A sub-group of seven members of the CSC chaired by Annette Patten carried out the review during the period from April to July 2019, prior to presenting the initial findings at the CSC meeting on 5 August.
- 3.2 The CSC used each element of the review to gather evidence to assess findings against the RSH's minimum standards for complaints (Appendix B).

3.3 The CSC report details the assessment against 11 key findings (4 required outcomes, 7 specific expectations).

4. Summary of Findings

4.1 This report outlines the key findings and recommendations from the CSC review of BCT's existing Complaints, Compliments and Suggestions Policy (Appendix A). The review was completed using the Regulator for Social Housing's (RSH) "minimum standards" that say a Registered Providers (RP) approach should be clear, simple and accessible.

4.2 The CSC found the policy was clear and simple and that a light-touch review would bring it up-to-date with current legislation and best practice. A key finding was that tenants were not aware of, or fully able to exercise, their right to make a complaint. This was largely due to a lack of information and guidance for tenants, inconsistencies in the way staff handled complaints and existing processes and practices for logging and responding to complaints not being aligned.

4.3 The CSC also found that there was some confusion around what was classed as a complaint and what was a request for service. The CSC concluded this led to low levels of tenant's satisfaction as well as missed opportunities for BCT to learn from issues.

4.4 It was identified that a number of changes could be implemented, which include updating the policy, the development of a complaints leaflet, an update of the BCT website and staff training.

5. Next Steps

5.1 A further report will be presented to Board that suggests changes to BCT's Complaints, Compliments and Suggestions Policy and implementation of the recommendations made by the CSC.

6. Contact Officer

6.1 If you have any questions about this report that you would like clarifying before the meeting, you can contact Philip Pollard by telephone on 0800 533 5442 or email philip.pollard@bykerct.co.uk

Customer Scrutiny Committee Review of Complaints, Compliments & Suggestions Policy.

1. Background Information

- 1.1 A sub-group of seven members of the Customer Scrutiny Committee (CSC), chaired by Annette Patten, carried out the review during the period from April to July 2019. The review included the following:
- A presentation delivered by the Business Information Officer to provide an overview of the current Complaints, Compliments and Suggestions Policy and Procedure.
 - A desktop review of existing policy documentation, BCT website and supporting documents, which included newsletters, annual reports and Board reports.
 - CSC sub-group members completing surveys with tenants.
 - CSC hosting a tenant's focus group.
- 1.2 The CSC used each element of the review to gather evidence to assess findings against the RSH's minimum standards for complaints (Appendix B). This standard states that registered social landlords should:
- “Have an approach to complaints that is clear, simple and accessible that ensures that complaints are resolved promptly, politely and fairly”
- 1.3 This report details the CSC assessment against 11 key findings (4 required outcomes, 7 specific expectations).

2. Findings – Required Outcomes

- 2.1 Finding 1 – The existing policy document was simple, clear and easy to understand. The CSC found that the parts that weren't clear were:
- With regard to the term 'designated persons', it was felt that the existing policy would benefit from further clarity on who the designated person is for BCT and what their role is.
 - When discussing “What constitutes a complaint?”, the CSC felt the current wording was subjective and could be more measurable. For example, not delivering a service on time or not being happy with a member of staff could be a subjective issue.
- 2.2 Finding 2 – Accessibility:
- The policy is not freely available to tenants and should be available in BCT reception and on the BCT website.
 - Finding information on how to make a complaint on the website was not easy as the word 'complaint' was not appropriately stated. Tenants have to search the

website and contained within the “contact us” tab is a generic contact form that is not specifically for making a complaint. Furthermore, there is no acknowledgement that a complaint has been made, nor any detail of what the tenant can expect to happen next.

- There is no information relating to making a complaint that tenants can easily access in BCT reception.

2.3 Finding 3 - More could be done to welcome compliments, suggestions and feedback:

- Although suggestions and compliments were referenced in the current policy, it was not clear what a tenant could expect if they made a compliment or suggestion or whether the compliment was acknowledged or the suggestion implemented.
- The CSC were keen to see BCT introduce a scheme to reward tenant suggestions, particularly if they made a difference to the business. It was suggested that the scheme could be featured in Byker News.

2.4 Finding 4 - It was difficult to establish as to whether complaints were resolved promptly, politely and fairly:

- The CSC did not review closed complaints so cannot comment on whether complaints were dealt with politely or fairly.
- The CSC felt that the policy around contractor complaints was not clear. They felt tenants should be able to complain to BCT directly about its contractors and should not have to access a third party complaints policy.
- There was a discrepancy in the current procedure around when something is a complaint and when it is a request for service. The policy was not clear in this area and the overall tenant perception was that BCT did not deal with complaints ‘promptly.’
- Tenants repeatedly told the CSC that their complaints were not dealt with and in some instances they had complained about the same problem and sometimes didn’t hear anything back at all. It was acknowledged that this could be because of how issues were categorised.
- BCT could improve the processes by looking at ways they can ensure that they ‘close the loop’ and by letting tenants know the outcome of any issue or complaint. Tenants were clear that they would always prefer to be provided with an explanation

3. Findings – Specific Expectations

3.1 Finding 1 – Tenants are not clear on the range of ways to make a complaint:

- Although the policy sets out the range of ways to make a complaint, the CSC felt that the website was the only place where a tenant could log a complaint and even then this could be improved.
- The CSC felt that it is not clear whether tenants can complain in person or over the phone or whether a complaint had to be made in writing.
- There was nothing in the BCT reception that advised how a tenant could make a complaint and what a tenant could expect.
- It is not clear whether BCT will accept complaints via Facebook and other forms of social media. The CSC identified that younger people specifically felt this was a more familiar form for them to communicate with BCT and that the policy should be updated to include this.

3.2 Finding 2 - The service standards for responding to complaints were clear in the policy but this was not accessible to tenants:

- Making the service standards available in a format outside of the main policy as a quick reference detailing each stage of a complaint would be a useful guide for tenants.
- Closing the loop (response and feedback) was very important to tenants even if it was an explanation, as opposed to a solution.

3.3 Finding 3 - In the main tenants were not clear about BCT's complaints standards, how BCT performed against the standards and how they could complain about performance against the standards:

- CSC suggestions included the publication of information in BCT publications and on the BCT website. BCT could consider having a complaints performance board in the BCT reception.

3.4 Finding 4 – The existing policy does give details on what to do if tenants are unhappy with the outcome of a complaint:

- Findings revealed that tenants who felt they had made a complaint were generally unhappy because they had no feedback whatsoever as to what had been done as a result of the complaint. Tenants reported that they had informed BCT of issues on a number of occasions but that nothing had been done.
- The CSC reiterate the importance of being clear in the policy what constitutes a complaint and what constitutes a request for service.

3.5 Finding 5 – BCT need to take steps to improve the ways they inform tenants how complaints are used to improve their services:

- This aspect of publicising any learning or improvements to services was missing from the existing policy and the CSC found no evidence to show that BCT had used learning from complaints to improve its services.
- The CSC suggested that if BCT are doing this then sharing and celebrating with tenants any learning would be a positive approach.

3.6 Finding 6 – The amount of published information about complaints each year, including the number, nature and outcome was limited:

- The CSC were able to find information in one Board Report however felt that this would not be accessible to the majority of tenants. The CSC also found the number of complaints dealt with had been published in the 2018 Annual Report; however, this did not include the nature of the complaint or any outcomes.
- The review uncovered a general disparity in complaint recording mechanisms with numbers differing between the number of formal complaints logged by BCT (13) and the number logged by Karbon Customer Services (55). The CSC acknowledged that the number should be nearer the higher figure based on their own experience of making complaints, however this could also be as a result of a lack of understanding between a complaint and a request for service.
- During the Focus Group tenants suggested implementing a system which could identify the difference between a complaint and a request for service.

3.7 Finding 7 – It was not clear in the existing policy whether BCT would accept complaints made by advocates:

- The CSC found that there was nothing in the existing policy or on BCT the website that providing clarity on advocates supporting tenants.
- The CSC felt that tenant advocates may be a good way of supporting tenants with the complaints process.

4. CONCLUSION

- 4.1 Despite the existing policy document being relatively clear and simple there are other factors that contributed to the overall conclusion that BCT's approach to complaints, compliments suggestions can be improved to make it more clear, simple or accessible to tenants.
- 4.2 It was evident that BCT do not systematically log complaints and requests for service in a way that will result in a guarantee for tenants that their complaint will be resolved or closed off within timescales. The impact of this for tenants is that they may lose faith in the process.
- 4.3 This paired with the limited understanding of the process that significantly reduces the likelihood that tenants will exercise their right to complain and to escalate their complaint through the formal stages. This in turn impacts upon tenant satisfaction and also reduces the opportunity for BCT to learn from issues and improve services.

5. CUSTOMER SCRUTINY COMMITTEE RECOMMENDATIONS

- 5.1 The CSC recommend that the Complaints and Compliments Policy and Procedure is revised with specific focus placed upon:
- What constitutes a complaint and a request for service.
 - BCT's guidelines on complaints via social media.
 - How complaints about contractors are dealt with.
 - A description of who the designated persons are.
 - Service standards about complaints and performance against these standards.
 - How BCT will use information about its complaints.
 - Who can advocate on a tenants' behalf.
 - Consideration given to implementing a scheme to reward tenant suggestions and feedback that have a positive outcome for BCT.
 - Equalities Act and protected groups.
- 5.2 The CSC also suggested that:
- All BCT staff are trained on the new policy and procedure.
 - Consideration be given training tenant advocates (trusted people) e.g. Tenants and Residents Association (TARA) to help and support people understand their rights and responsibilities when making a complaint.
 - Improve ways of monitoring, reporting and sharing information with tenants.
 - Improve accessibility to complaint forms including revisions to the BCT website and the production of policy documents that are available in the BCT reception and online.
 - Streamline the systems for logging complaints and requests for service.

Regulator of Social Housing

What are the minimum standards? Are they changing?

Required outcome:

“Have an approach to complaints that is clear, simple and accessible that ensures that complaints are resolved promptly, politely and fairly”

Specific expectations:

Providers shall offer a range of ways for tenants to express a complaint and set out clear service standards for responding to complaints, including complaints about performance against the standards, and details of what to do if they are unhappy with the outcome of a complaint. Providers shall inform tenants how they use complaints to improve their services. Registered providers shall publish information about complaints each year, including their number and nature, and the outcome of the complaints. Providers shall accept complaints made by advocates authorised to act on a tenant’s/tenants’ behalf.

