

Minutes: Plymouth Community Homes Board, 22 September 2009

Item

Action To Be Taken By

Present: Board Members: Alan Clifford, Sue Dann, Peter Ebsworth (Chair), Zilpah Leahy, William Lean, Sue McDonald Elaine Pellow, Jack Thompson, Nigel Warn, Christine Watts

Staff/Advisors : Ian Frazer, Nick Jackson, Georgina Savill, Gary Seabourne, Martin Snell, Colin Walker

Apologies: Jim Webster, Joan Watkins

1 **Declarations of interest**

None

2 **Chair's Urgent Business**

- PE noted that CT intended to join the meeting later in the evening. He had been asked to give Councillors a briefing on Stock Transfer.
- BP was meeting lawyers to finalise the SLAs.

3 **Minutes of Meeting 25 August 2009**

Agreed

4 **Matters Arising from 25 August 2009**

None

5 **Committee Feedback**

HR and Staffing Committee (21 September 2009)

- The committee had approved a set of non contractual HR policies.
- Another set of non contractual policies was due to go out for consultation.

6 **Project Update:**

In addition to the written report circulated with the Board papers, CT/NJ gave a verbal update on the latest developments.

Registration and Negotiations with Plymouth City Council

- PCC and PCH had met on 22 September 2009.
- Further discussion would be needed on some issues relating to the VAT shelter.

Business Plan

- EIB would not be part of the PCH loan arrangement before the end of this financial year, but would have a time limited (up to the end of March 2010) option to participate in the next calendar year.
- This uncertainty had arisen because the level of funding now required from EIB was lower than the sum initially discussed.
- However, RBS had confirmed it would provide all the necessary funding if EIB chose not to participate.

The Board resolved: **to note the progress described in the project update report and verbal update.**

7 Section 25 Budget

- The arrangement fee (£1.5-2.00 million) for the Section 25 loan would be paid from PCH monies on day 1 after transfer.
- This would give PCH a very significant 'buffer' as far as Section 25 was concerned.
- Spending was somewhat ahead of schedule, but all expenditure was fundamental to ensuring the success of PCH.

The Board resolved: **to note the Section 25 Report.**

8 Proposal to Extend Contract

- A contractual arrangement was currently in place with Ian Williams Ltd for the repair and external decoration of council dwellings prior to painting.
- The contract would finish in December 2009.
- It would not be possible to maintain the continuity of the programme unless the tendering process was recommenced immediately in the name of Plymouth Community Homes.

The Board resolved to:

1. **authorise staff to commence the tendering process for these works under the title of Plymouth Community Homes immediately following the successful transfer of the housing stock from Plymouth City Council by issuing an appropriate notice in the Official Journal of the European Union (OJEU),**

2. **extend the existing arrangements with the current supplier, Ian Williams Ltd., for a period of six months past the intended contractual termination date in order that sufficient time was allocated to conduct the procurement process in line with the OJEU Regulations.**

9 Gas Contracts Procurement

- As a landlord Plymouth Community Homes has a statutory obligation to hold a valid landlord's gas safety inspection certificate for all of its properties and to attend breakdowns within the prescribed timescales.
- Plymouth Community Homes was due to embark on a programmed Heating replacement programme to ensure that properties met the minimum Decent Homes standard. In addition, there was a need to undertake responsive heating installation due to the failure of appliances where spares were not available, medical referrals and to address health and safety issues.
- Gas servicing was currently undertaken by the in-house team and an external contractor.
- PCC's gas service performance was in the top quartile.
- PCH proposed to procure materials for the heating installation works via Buying Solutions.
- The use of Buying Solutions would give PCH the opportunity to negotiate warranty extensions on boilers and to control the 'aftercare' process.
- Procurement through Buying Solutions would not compromise PCH's commitment to local suppliers.
- There was slight risk that the use of Buying Solutions could be contested, even though it was the national procurement partner for public services in the UK. However, even in the event of a successful challenge the penalties were significant, but affordable without putting the business at risk.

Gas Servicing and Repairs

The Board resolved that:

1. **as the in-house team was top quartile performing and providing value for money they should continue providing this service in the north of the city. As such they would be excluded from the procurement process,**
2. **an advertisement for gas servicing and repairs work in areas central, south & west, would be placed in The Official Journal of the European Union (OJEU) at the appropriate site.**

Heating Installation

The Board resolved to approve:

1. **the separation of the procurement of materials from the heating installation works,**
2. **the procurement of materials via the Buying Solutions professional buying organisation, initially for a twelve-month trial period,**
3. **the placing of an advertisement for Heating Installation work in The Official Journal of the European Union (OJEU) at the appropriate site,**
4. **that officers continue the procurement process in conjunction with our appointed advisors.**

10 Verbal Update on Major Works Contracts

- A number of the shortlisted companies had been fined for 'cover pricing'.
- It was not possible to exclude these companies from the tender process because of these convictions.
- PCH had met with the companies to ensure that it was not subject to this practice.
- It was a good time for PCH to invite tenders as the competition for work was particularly fierce at the moment.
- MS circulated a briefing note on the timescale for the supply of kitchens, bathrooms and associated works.

CT

The Board resolved: **to note the verbal update.**

JT left the meeting at 5.45pm.

11 Verbal Update on Transfer Agreement

- Work on commercial leases was progressing well.
- Good progress on SLAs.
- Verification of the rent roll would start shortly.
- No major concerns regarding the transfer agreement.

The Board resolved: **to note the verbal update.**

12 Appointment of Insurers and Internal Auditors and Business Plan Stock Condition Validation Update

- The Audit Committee had interviewed PWC, Deloitte and Mazaars.

- The committee had been impressed by the proposals and services offered by PriceWaterhouse and Mazaars, but had eventually decided in favour of PriceWaterhouse because of their locally based service.
- The bid from Farr to provide insurance included policies from Aviva, Allianz and WRB. This bid was some £70-80,000 a year cheaper than the competing bids.

The Board resolved:

- 1 **to ratify the appointment of Price Waterhouse as PCH's internal auditors,**
- 2 **to ratify acceptance of the insurance proposals from Farr.**

13 Appointment of Company Secretary

- Belinda Pascoe had been appointed Company Secretary on the incorporation of PCH as an Industrial and Provident Society.

The Board resolved: **that Belinda Pascoe would remain as PCH Company Secretary**

14 Any Other Business

- PE asked members to note the Board Away Day scheduled for 4 December 2009.

15 Confidential Minute

- Confidential minute.
- Confidential minute.

16 Date of Next Meeting

- 5.00pm, Tuesday 13 October 2009, Boardroom, Princess Court

Name.....

Signature.....

Date.....

Time:
Location:

5.00pm
Princess
Court

