

Group Board Meeting

Date: Monday, 19 May 2025

Location: Number Five Board Room / MS Teams

Chair: Sir David Bell

Context	Agenda Item
<i>Chair's welcome</i>	Welcome & Opening Remarks <ul style="list-style-type: none"> The Chair welcomed observers from the Regulator of Social Housing (RSH) and two incoming Board members. He reflected on the Anniversaries Event celebrating long-serving staff, including one with 45 years of service. Highlighted the upcoming "Big Karbon Get Together" as a key cultural engagement event. Papers and presentations were pre-circulated and read in advance.
<i>H&S verbal update to Board.</i> <i>Provides assurance around sound H&S practices and performance</i>	Health & Safety <ul style="list-style-type: none"> 35 incidents reported: 12 customer-related, 20 colleague-related, 3 contractor-related. Notable incident: discovery of a suspected WWII bomb at Seaham Garden Village, which led to a 250-meter exclusion zone and safe disposal. Future reports will be written to improve clarity and assurance, with a mock-up report to be reviewed in July.
<i>Quarterly CEO update on what is happening across the housing sector, anything impacting our operating environment, Government policy changes and across Group that Board need to be sighted on</i>	Chief Executive's Strategic Update <ul style="list-style-type: none"> Political Landscape: Noted the Reform Party's unexpected success in local elections, especially in the North East. Reputational risks were discussed. Spring Statement: £2bn additional housing funding expected to increase grant rates. Sector Fragility: A Regulator report highlighted financial pressures across the sector. Leadership Appointments: Pat Ritchie appointed interim Chair of Homes England. Maladministration Case: 54 North Homes received a severe judgment; actions taken to improve record-keeping and resolution processes. Heat Networks Regulation: Complexity in managing Byker district heating system due to multiple regulatory bodies. Customer Service: Improved performance in Institute of Customer Service Accreditation noted.
<i>Governance completed a Regulatory Health Check in conjunction with Savills, in order to prepare the organisation for the Regulator's In-Depth Assessment</i>	Governance Review & Action Plan <ul style="list-style-type: none"> Draft action plan presented in response to the Savills Regulatory Health Check. Updates included: <ul style="list-style-type: none"> New performance dashboard with stock condition as a key indicator. Customer Engagement Plan with a new metric: hours of engagement.

	<ul style="list-style-type: none"> Plans to provide summaries of Board decisions to customers. Further discussion scheduled for the June Strategy Day.
<i>This is Karbon Homes strategic plan which sets out our projects and programme for the next three years.</i>	Stronger Foundations Plan 2025–28 <ul style="list-style-type: none"> Approved as a rolling three-year strategy focused on customer impact. Key themes: homes, customer, place, growth, and reputation. Emphasis on data integration, customer experience, and charitable initiatives. Staff and customer engagement planned through events and panels.
<i>Board approved the decision to transfer our Prince Bishops stock into Karbon Homes in order to improve operational efficiencies.</i>	Market Rent Portfolio Transfer <ul style="list-style-type: none"> Approved the transfer of 257 market rent properties from Prince Bishops Homes to Karbon Homes Limited. Financial transparency ensured by including impaired properties at nil value. Tax implications addressed through gifting of gains to avoid leakage.
<i>Reporting relates to our annual business plan for 2025/26, which forms part of our 30-year financial plan.</i>	Business Plan & Financial Forecast Return (FFR) <ul style="list-style-type: none"> Revised plan approved with updated stress-testing scenarios, including global trade risks. Adjustments improved financial metrics.
<i>Reporting relates to our 2024/25 Annual Complaint Performance and Improvement Report. It also includes our self-assessment against the Housing Ombudsman’s Complaint Handling Code.</i>	Annual Complaint Performance Report <ul style="list-style-type: none"> Approved for submission to the Ombudsman and publication. Increase in complaints linked to changes in the Complaint Handling Code and staffing. Introduction of a feedback team improved triage and response times (from 88% to 98% on-time). Skills shortages in technical roles noted; recruitment efforts ongoing.
<i>Across Group there are nine headline performance indicators that we use to measure our performance.</i>	Performance Reporting <ul style="list-style-type: none"> Year-end review showed: <ul style="list-style-type: none"> Over 700 new homes delivered. Improved rent arrears and void loss. 6,000 more repairs completed than expected due to mild winter. Concerns raised about: <ul style="list-style-type: none"> Drought risks and hardened ground conditions. Digital exclusion among older customers. Union-related disengagement among a small group of staff.

	<ul style="list-style-type: none"> Positive trends in colleague engagement and net promoter scores noted.
<i>Reporting relates to providing detail of progress made against our Stronger Foundations strategy.</i>	Q4 Stronger Foundations Update <ul style="list-style-type: none"> Final update under the current plan format. Assurance discussed regarding the accuracy of “green” indicators. Emphasis on scrutiny and committee oversight to validate progress.
<i>Reporting relates to a quarterly financial update and our year end position for 31 March 2025.</i>	Management Accounts & Financial Compliance <ul style="list-style-type: none"> Group surplus: £29.1m, slightly below budget due to goodwill adjustment. Internal liquidity breach in March resolved by April. Credit rating maintained at ‘A’, but outlook changed from Positive to Stable (embargoed until next day).
<i>Reporting relates to evaluating the risk environment alongside financial and corporate planning processes for 2025/26.</i>	Contracts & Risk <ul style="list-style-type: none"> No contracts over £2.5m reported. Risk report highlighted: <ul style="list-style-type: none"> Digital literacy challenges in the North East. Supported housing regulation pressures. Cybersecurity risks, especially in social housing.
<i>Board and Committee minutes from our subsidiaries are included in the papers to Group Board so members have visibility of the discussions taking place across the Group.</i>	Committee & Subsidiary Updates <ul style="list-style-type: none"> GRNPC: Silver Award for diversity; finalist in HR&D Awards. GARC: Strategic Risk Register updated with environmental and supported housing risks. 54North Homes: Leadership diversity gaps discussed; void management challenges noted. Leazes Homes: ICT transformation, complaints performance, and development progress reviewed.
	Next Meeting 18 June 2025 – Strategic Event at Crowne Plaza Hotel