Group Board Meeting: In-Depth Summary

Date: 27 July 2026 15:00 pm
Location: Gosforth Number 5
Chair: Alexis Cleveland

Context	Agenda Item
Chair's welcome	**Welcome & Opening Remarks** • The Board Chair welcomed attendees. • The Board Chair raised a declaration of interest on behalf of all Board Members on the item- (Board Recruitment, Succession and Effectiveness Update) • Group Board Minutes from 18 May 2026 approved • Group Board Strategic Event Minutes 16 June 2026 approved
Health & Safety Report *Provides assurance around sound H&S practices and performance*	• An update was provided on corporate health and safety performance for May and June • The Board noted 19 accidents, 29 incidents and 14 near misses during the two-month reporting period • Near misses had reduced slightly compared with the same period the previous year. • Health and Safety Executive benchmarking indicated a strong safety performance when compared with similar-sized organisations
Group Chief Executives Report *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*	• The Chief Executive's Report provided an update on political, sector and organisational matters. • The Board noted the appointment of a new Prime Minister, anticipated announcements on devolution and local funding, and welcomed continuity in key ministerial appointments. • The Board noted that the Social and Affordable Homes Programme (SAHP) bid was expected to take longer to progress given the wider political and policy context • Congratulations were recorded to the Development team following recognition at the Northern Housing Awards, including Home Builder of the Year, and the launch of the Karbon Foundation was positively received for its potential to strengthen partnerships, attract additional funding and increase impact.
Strategic Direction, Budgets & Planning	**Financial Reporting – Annual Financial Statements** **Annual Report of GARC to the Board** • The annual report of Group Audit & Risk Committee (GARC) to the Board was presented, which provided assurance to support approval of the annual report and accounts. **Internal Controls Assurance Statement** • The internal controls assurance statement was presented and asked the Board to note the review and approve the adoption of the Shared Ownership Code. • The Board noted that the statement confirmed the Executive Team was satisfied there was sufficient evidence that adequate systems of control had operated throughout the year. **Financial Reporting Cover Report** • The financial reporting cover report was presented, which set out the annual statutory account's approval process for the Group and its subsidiaries. **External Audit Management Letter** • The external audit management letter was presented, noting that the auditors had reported their audit work over critical items had concluded satisfactorily and that they expected to issue an unqualified audit opinion. **Reconciliations to the Management Accounts** • The reconciliations to the management accounts were presented and explained the movements between the results previously reported to subsidiary boards and the statutory accounts. **Annual Financial Statements** • The annual financial statements for the Group and each subsidiary were presented, with the Board asked to consider and approve each set of accounts in turn. **Letters of Representation** • Letters of representation required by the auditors were presented, which confirmed that the Board had disclosed all material matters relevant to the audit. **Support Letters from Parent Company** • Proposed letters of support from Karbon Homes to Next Level Developments and Karbon Land Ventures were presented. **Post-GARC Changes to the Financial Statements** • The post-GARC changes to the financial statements were presented, explaining that further audit and review work had led to some expected adjustments. **Karbon Foundation-Bank Account Approval**

	• A request was made to open bank accounts for the Karbon Foundation following its establishment.
Customer Voice	• The Annual Report of the Group Customer Committee was presented summarising the Committee's work over the previous 12 months and how the Customer Voice had informed decision-making. • The Board noted that customer insight had informed decision-making across the organisation and that the draft report had been reviewed by the Group Customer Committee on 15 June and recommended to the Board. • The Committee Chair noted that the Committee had become busier, reflecting the breadth of issues under scrutiny, with improved access to data leading to larger agendas, deeper scrutiny and longer meetings. The Committee structure, timing and reporting depth was then discussed.
Performance, Regulatory and Assurance updates	**Karbon Group Board Performance Report** • The report updated the Board on early year performance across key operational, compliance and customer safety indicators and provided assurance that core compliance areas remained well controlled. • Compliance and customer safety performance remained strong and well controlled. • The Board discussed fire risk assessment actions within 54 North • Members discussed gas safety certificates. **TSM Submission 2026-2027** • The Tenant Satisfaction Measures (TSM) submission for 2026–27 was presented, which set out the organisation's performance against the required perception survey measures and provided assurance on strong overall results. **Complaint Performance and Improvement Reports 2025/26** • Complaint Performance and Improvement Reports for Karbon Homes, Leazes Homes and 54North Homes were presented. • Karbon Homes-Positive overall position. Improved complaints response times and improved tenant perception satisfaction. Stage 2 escalations and Ombudsman upheld adjudications remained areas for continued monitoring. • Leazes Homes-Positive overall position. Although complaint volumes and stage 2 escalations increased but remained below sector averages. • 54 North Homes-Complaint numbers had increased. Likely reasons were discussed including; easier complaint routes, greater customer confidence to complain, links to repairs performance and consistency of categorisation. This would be reviewed in more depth at the September 54NH Board meeting. **Covenant Compliance and Golden Rules** • The Covenant Compliance and Golden Rules report was presented, which set out the Group's compliance position for the period ending 31 May 2026 and provided assurance on covenant and Golden Rules performance. **Notification of Contracts £2.5m or above** • The notification of contracts valued at £2.5m or above was presented, which informed the Board of qualifying contract awards made within the reporting period. **Group Development Programme Review 2025/26** • The Group Development Programme Review 2025/26, provided a retrospective annual summary of development performance and progress against the strategic partnership programme.
Governance and Risk	**Review of Subsidiaries** • The review had set out the current group subsidiary structure, reflected on previous governance reviews and confirmed that the existing structure remained fit for purpose while a number of areas continued to evolve. **Annual Self-Assessment against Regulatory Standards** • The assessments had been reviewed by the relevant committees and subsidiary boards and had been recommended to the Board for approval. • Leazes Homes was assessed as fully compliant. • Karbon and 54 North were assessed as compliant, with two amber areas identified for further improvement. A further amber area for 54 North related to fire risk assessment actions, which continues to be monitored. • Minor customer-related improvement actions would be monitored through the Group Customer Committee. **Annual Self Assessment against the Code of Governance**

	• The annual assessment was presented against the National Housing Federation Code of Governance and confirmed that the three self-assessments had been completed using the template checklist and reviewed by the relevant subsidiary boards where applicable. • The Board noted that the assessments were extensive and confirmed compliance across the relevant entities. **Board Recruitment, Succession and Effectiveness Update** • A report on Board recruitment, succession and effectiveness, presented a number of appointments and updates for approval: • To appoint S Butters as the next Group Chair, following a thorough recruitment process. • To appoint R Williamson as a new Board member. • To appoint C Smith as Chair of the Group Customer Committee. • To appoint J Knight as Chair of the Karbon Foundation • To appoint H Sugar-Wells to the Byker Community Trust Committee for a one-year term from 19 August, recognising the importance of active Newcastle City Council representation. • To appoint DTP to carry out the next light-touch external governance review. **Statistical Data Return Overview and Assurance** • An issue had been identified during preparation of the return which had led to a late submission and had been notified to the Regulator in advance. • The anomalies related mainly to stock classification issues across Karbon Homes and 54 North Homes. • Independent legal advice had supported the classification work, the return had been submitted, and a project group had been established to strengthen tenure classification and rent-setting controls. The Regulator had been kept informed. **Regulatory Improvement Plan** • A report on the Regulatory Improvement Plan was presented providing an update on progress following the C2 grading and explaining that the plan addressed the repair service and understanding the diverse needs of customers. • Members noted that substantial information had been provided to the Regulator and that sustained improvement and completion of the plan had been evidenced.
Committee and Subsidiary Minutes *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.*	• **54NH Board** noted the repairs investigation report and planned check-ins to support September and October deadlines. • **Byker Community Trust Committee** noted progress on the Newcastle Strategic Forum, decarbonisation funding, new homes and Byker Wall safety works. • **Group Treasury Committee** noted routine treasury business and ongoing funding activity. • **Graphite Living Board** noted that registration remained outstanding. Investor discussions were positive. • **Group Development Committee** noted continued focus on SAHP, investment planning assurance and no access data analysis. • **Group People Committee** noted tenure extension work and a helpful inclusion deep dive. • **Group Audit and Risk Committee** highlighted substantial assurance on service.
AOB	**Business Plan and FFR** • Primary statements included in the May papers had been taken from an early stage of the financial model rather that the final output sheets. Updated output sheets had been included for completeness and transparency **Signing of Accounts** • Signing of accounts was expected on 30 or 31 July via Docusign **Re-Appointment Approvals** • Three committee re-appointment approvals were presented to the Board for consideration **Byker District Heating System Update** • Lawyers were close to agreement and Board approval would be required for the transfer agreement and parent company guarantee **Growth Update** • The Chief Executive provided a verbal growth update and noted exploratory conversations with other organisations.
	Next Meeting- 28 September 2026