

Date/Time 1 st October 2021 13:00 – 15:20	Venue Wansbeck Workspace and by Teams/Telephone Link
In attendance: Directors: Jeff Watson Jeff Reid Kelly Gardner Lynne Grimshaw* John Riddle Present: Robin Earl Colin Dixon Jan Willis* Rick O'Farrell William Thompson* Kim Grant (Minutes) Jon Anderson Part: Andrew Lovatt Michael Black John Hildreth Apologies: Guy Renner-Thompson Maureen Taylor Steven Bridgett Daljit Lally Pat Walker	* means in attendance by Teams link Chair Advance Northumberland Chief Operating Officer Advance Northumberland Chief Finance Officer NCC Executive Director of Finance (s151 Officer) NCC Executive Director, Planning & Economy Group Company Secretary Advance Northumberland Personal Assistant Head of Finance, Advance Northumberland Advance Northumberland Director of Developments (Commercial & Infrastructure) Advance Northumberland Director of Economic Growth & Investments Advance Northumberland Head of Economic Growth NCC Chief Executive Advance Northumberland Governance & Performance Manager

1.0	Notice & Quorum
1.1	<p>The Chair welcomed the attendees and introduced Jon Anderson, Advance Northumberland's new Head of Finance.</p> <p>The meeting was declared quorate.</p>
2.0	Apologies for Absence
2.1	<p>The Chair reported that there had been apologies for absence from G Renner-Thompson, M Taylor, S Bridgett, D Lally and P Walker.</p>
3.0	Declarations of Interest
3.1	<p>The Company Secretary stated that the Board's written declarations were recorded as a general notice. There were the following individual declarations of interest for this meeting.</p>
3.2	<p>L Grimshaw asked whether she needed to declare that she had been a previous member of NCC's Audit Committee.</p> <p>The Group Company Secretary confirmed that the declaration wasn't required.</p>
3.3	<p>The Chief Operating Officer highlighted that, with regards to Item 10.1, the Capacity Building Business Support Project, he was Company Secretary of the NewcastleGateshead Initiative, who were also a delivery partner in the project.</p> <p>The Group Company Secretary confirmed that this did not constitute a conflict of interest.</p>
	The Chair agreed to bring forward in the agenda Item 11.2 – External Audit Strategy
	External Audit Strategy
	<p>The Chief Operating Officer introduced Craig Maxell from Mazars explaining that this was the second year of Mazars forming an audit of the company and Mazars also audited the Council, although via a separate audit team; the company would be audited to corporate audit standards rather than Council standards.</p>
	<p>C Maxwell discussed the paper with the Board, focussing on the scope of work and key risk areas. The following questions were raised by the Board.</p>
	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

	<p>[REDACTED]</p>
	<p>[REDACTED]</p>
	<p>The Chief Operating Officer asked the External Auditor to give a summary of the previous year's audit findings for the benefit of the new Board members.</p> <p>[REDACTED]</p> <p>C Maxwell also highlighted that Mazars had reviewed the report of KPMG following their review of Advance Northumberland, and he confirmed that the KPMG report identified no issues that might have impacted on Mazars giving a clean audit opinion on the company, and the KPMG report gave comfort.</p> <p>C Maxwell went on to confirm that there very few adjustments to the final accounts arising from the audit.</p> <p>The Chair commented that he was fairly new to the Board and he had been aware of lots of questions about the KPMG Audit so it was very interesting for him to hear that KPMG had only come up with minor things.</p> <p>C Maxwell stated that his understanding was that the actual report had not been finalised and issued. They had had sight of the initial draft of the report and there were no major items of concern that would impact the numbers that the external auditor was reporting and signing off on.</p>

[REDACTED]

The NCC Executive Director of Finance informed the Board that the report was commissioned by NCC not Advance Northumberland. It was shared with the external auditors of Advance Northumberland because some of the matters that were touched on in the report concerned legacy issues arising from Arch and had a bearing on the audit of Advance Northumberland. The version of the report that was shared with the external auditors was subsequently issued as the final version, there were no changes from the version seen by the external auditors and that report has not been put into the public domain. [REDACTED]

[REDACTED]

[REDACTED] NCC shared it with the external auditor in order that he could be satisfied that no issues were uncovered through the forensic audit work that would have a bearing on his certification of the Advance Northumberland accounts.

The Chair reiterated that it would be good to get something out in the public domain that gave some new assurance that there were no problems, and we were doing good work.

[REDACTED]

[REDACTED]

[REDACTED]

	<p>The Chair asked whether an annual statement could be prepared as a statement of fact from the Board which said that the Company was being governed correctly and that there were no issues that were concerning the external auditors.</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED] The external auditor had already stated that as far as Advance Northumberland were concerned there were no issues that had prevented him from issuing an unqualified opinion on the Advance Northumberland accounts and things that were touched on in that KPMG report. The mere fact that the external auditor has issued a clean certificate should speak for itself. [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
	<p>The Board:</p>
	<p>NOTED the contents of the report.</p>
<p>4.0</p>	<p>Minutes of the Previous Meetings</p>
<p>4.1</p>	<ul style="list-style-type: none"> The minutes of the previous meetings held on the 10th September 2021 were REVIEWED and AGREED with two amendments: to point 8.4.5 (paragraph 3) and 10.1.
<p>4.2</p>	<p>Actions from the 10th September 2021 Board Meeting</p>
<p>4.2.1</p>	<p>The Chief Operating Officer confirmed that all actions to report back on from the previous Board meeting would be picked up under Matters Arising or elsewhere on the Agenda for this meeting.</p>
<p>5.0</p>	<p>Matters Arising</p>
<p>5.1</p>	<p>The Chief Operating Officer discussed the summary of actions detailed in the minutes with the Board as follows.</p> <ul style="list-style-type: none"> Internal Audit Plan – private company or public body. Work in progress, currently with the Internal Audit team and will be brought back to Board. [REDACTED] - R O'F confirmed that an internal meeting had taken place within NCC and also with D Bowman, Advance Development Director. P Soderquest, NCC's Head of Housing, was preparing a briefing which would go out to Consultants.

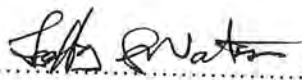
	<ul style="list-style-type: none"> • Review of Articles of Association & Delegations – Delegations Policy currently with NCC Chief Exec as Shareholder Representative. Final document was approved earlier this week and would come to the Board for approval. Once that was in place the Chief Operating Officer/Group Company Secretary would start work on the review of the actual articles themselves. • Cautious for-profit investment within North of Tyne Combined Authority Area and the policy of cross subsidy whereby we produced affordable home in excess of those required by the planning system – Verbal agreement received from both the Shareholder and NCC Cabinet. To be discussed at the next Shareholder Assurance Group meeting on 5th October 2021 for formal agreement. Suggested change of wording to read North of Tyne Combined Area. • Shareholder Group Minutes – Would be circulated to the Board when available. • Amble Links – currently with the Lawyers, may require a SLA between the pool operator and NCC. • Audit Committee – On today's meeting agenda. • Efficiency Strategy – Would be brought to a future meeting. • Board Deputy Chair – Ongoing.
6.0	Ratification of Virtual Board Decisions
6.1	The Chief Operating Officer confirmed that there had been no virtual Board decisions required since the previous Board meeting.
7.0	Performance Updates
7.1	Verbal Update on Staff Survey
7.1.1	The HR Manager gave the Board a verbal update on the results of the recent Staff Survey and the following questions were asked.
7.1.2	<p>NCC Executive Director, Planning & Economy asked, with regards to the headlines of communication, management behaviours and teamwork, how far had been drilled down in terms of what this meant?</p> <p>The HR Manager confirmed that this had been looked at in depth as a lot of the information had been gleaned from individual comments within the survey and it was fairly straightforward to identify which areas of the business those comments had come from. Due to the nature of the comments being made it was clear that there was an issue in terms of engagement with our site-based teams so this was being actioned.</p>
7.1.3	K Gardner asked whether, with regards to a specific direct cause of that disengagement and the wider action plan, did the directorates have their own individual action plans?

	The HR Manager confirmed that there was one particular area of the business that needed some support and that was being managed within their own management teams with their own action plans.
8.0	Policies
8.1	There were no policies brought to the meeting.
9.0	Non-Confidential Approvals
9.1	There were no approvals brought to the Board under this section.
	CONFIDENTIAL ITEMS
[Redacted]	[Redacted]
[Redacted]	[Redacted]
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[Redacted]	<ul style="list-style-type: none">[Redacted][Redacted][Redacted][Redacted]
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	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
	<p>[REDACTED]</p>
	<ul style="list-style-type: none"> ■ [REDACTED] ■ [REDACTED] ■ [REDACTED]
10.4	Board Committees Discussion
10.4.1	The report and appendices were discussed at length by the Board and no questions were raised.
10.4.2	The NCC Executive Director of Finance reminded the Board that NCC had agreed to undertake a review of Board membership and governance and, as part of that, NCC would be looking to appoint some independent Board members. It may well be that one of those members would take the Chair of the Audit Committee as well.
	The Board:

10.4.3	<ul style="list-style-type: none"> • NOTED the current position regarding Board committees including the requirements of the new Articles of Association • DETERMINED that the Company should establish an Audit Committee and recommend to the Shareholder that a Remuneration Committee be established in accordance with the Articles of Association • NOMINATED individuals to form an Audit Committee – K Gardner, M Taylor, L Grimshaw and J Reid if required. Absent Board members to be asked if willing to join the committee. Independent member possibly required to take over the role of Chair. • SUGGESTED Board members to form a Remuneration Committee to recommend to the Shareholder – K Gardner/J Reid/J Riddle nominated to the Remuneration Committee with J Reid as Chair. • Noted: An Independent Chair also possibly required for Board.
11.0	Reports for Information
11.1	Northumberland Energy Park
11.1.1	The report was discussed by the Board at length and the following question was raised.
[REDACTED]	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
	The Board:
11.1.3	<ul style="list-style-type: none"> • NOTED the presentation.
11.2	External Audit Strategy – See above
11.3	Procurement
11.3.1	The report was discussed by the Board and the following question was raised.
11.3.2	<p>J Riddle asked whether, if we were purely commercial, were we buying things at the right price?</p> <p>The Chief Operating Officer confirmed that a large part of trying to work through the new SLA for Procurement was to allow it to be structured in such a way that we could procure more efficiently for Ascent Homes.</p>

11.3.3	<p>M Taylor (via the Group Company Secretary) asked whether Advance Northumberland had any concerns with regards to the current fuel panic buying crisis.</p> <p>The Chief Operating Officer confirmed that there had been no impact on Advance Northumberland so far as we were part of the NCC depot framework which enabled our vans to fill up with fuel at Council depots as well as public filling stations.</p> <p>The COO continued that in terms of our power, it was a complicated picture. For a lot of our tenants it was their own responsibility, they had their own supplies but we did incur costs on behalf of tenants and bills were recharged through a service charge e.g. workspace tenants. Those tenants had been written to warn them that there will be an increase and then as a company ourselves we were exposed to increased fuel costs. Between now and the end of the year we estimated that we would be £22,000 over budget, annualised at £45,000 per year in terms of increased fuel costs. Advance Northumberland were within the NEPO framework, as are NCC, and therefore not on a fixed price contract.</p>
	<p>The Board:</p>
11.3.4	<ul style="list-style-type: none"> • NOTED the contents of the report.
	<p>Reports for Information</p>
9.1	<p>Finance Update</p>
9.1.1	<p>The Board NOTED the contents of the report and appendices and no questions were raised.</p>
9.2	<p>HR Update</p>
9.2.1	<p>The Board NOTED the contents of the report and no questions were raised.</p>
9.3	<p>H&S Update</p>
9.3.1	<p>The Board NOTED the contents of the report and no questions were raised.</p>
9.4	<p>Advance Northumberland Board Forward Plan</p>
9.4.1	<p>The Board NOTED the contents of the report and no questions were raised.</p>
9.5	<p>Advance Northumberland Board Actions Tracker</p>
9.5.1	<p>The Board NOTED the contents of the report and no questions were raised.</p>
9.6	<p>Performance Updates</p>
9.6.1	<p>The Board NOTED the contents of the report and appendices and no questions were raised.</p>
9.7	<p>PID Summary</p>
9.7.1	<p>The Board NOTED the contents of the report and appendix and no questions</p>

	were raised.
9.8	Data Governance
9.8.1	The Board NOTED the contents of the report and no questions were raised.
9.9	Power of Attorney inc. Ward Hadaway Schedule
9.9.1	The Board NOTED the contents of the report and appendix and no questions were raised.
10.0	Any Other Business
10.1	The Board agreed that Board meetings in 2022 would continue to be held on the last Friday of every month at 1:00pm.
10.2	The Chair thanked the Board for their attendance and closed the meeting at 15:20.  CHAIR

Summary of Actions	
Minutes of Previous Meeting – 10th September 2021	<ul style="list-style-type: none"> • Amendment to 8.4.5 • Amendment to 10.1
Matters Arising	<ul style="list-style-type: none"> • Cautious for-profit investment within North of Tyne and the policy of cross subsidy whereby we produce affordable home in excess of those required by the planning system –To be discussed at the next Shareholder Assurance Group meeting on 5th October, 2021 for formal agreement. • Suggested change of wording to read North of Tyne Combined Area.
Risk Management Strategy	<ul style="list-style-type: none"> • Risk Management Strategy to be amended to state that red operational risks be reported to the Board monthly.
Board Committees Discussion	<ul style="list-style-type: none"> • The Company should establish an Audit Committee and Remuneration

	<p>Committee in accordance with the Articles of Association.</p> <ul style="list-style-type: none"> • K Gardner M Taylor L Grimshaw J Reid nominated to the Audit Committee, Absent Board members to be asked if willing to join the committee. Independent member possibly required to take over the role of Chair. • K Gardner/J Reid/J Riddle nominated to the Remuneration Committee with J Reid as Chair. • Independent Chair also possibly required for Board.
<p>External Audit Strategy</p>	<ul style="list-style-type: none"> • List of internal audit recommendations to be forwarded to the Board. • Board would like to look at how to promote a more positive outlook of what Advance Northumberland were doing.
<p>AOB</p>	<ul style="list-style-type: none"> • Board meetings to continue for 2022 on the last Friday of every month at 1:00pm.