



<b>1.0</b>	<b>Notice, Quorum &amp; Apologies for Absence</b>
1.1	<p>The Chair welcomed the attendees to the meeting and declared the meeting quorate.</p> <p>The Chair welcomed David Warburton to the Board in his role as Non-Executive Director as a the NCC Officer Director replacement for Kelly Gardner who had resigned on 14<sup>th</sup> February 2024 upon taking up her new employment.</p>
1.2.	The Chair reported that apologies for absence had been received from Adam McGhin and Jan Willis.
<b>2.0</b>	<b>Declarations of Interest</b>
2.1	The Chair stated that the Board's written declarations were recorded as a general notice.
2.2	<p>W Thompson confirmed that David Warburton was currently a Director of Advance Northumberland Limited having been appointed by notice by the Shareholder with effect from the 17<sup>th</sup> February 2025.</p> <p>A resolution was put to the Board to appoint David Warburton as a Director of the Subsidiary Companies with immediate effect, and a recommendation to authorise the Chair to execute any documentation required.</p>
	<b>The Board:</b>
2.3	<ul style="list-style-type: none"> <li>• <b>APPROVED</b> the appointment of David Warburton as a Director of Advance Northumberland Subsidiary Companies with effect from 27<sup>th</sup> February 2025.</li> <li>• <b>AUTHORISED</b> the Chair to execute any documentation required to effect the appointments.</li> <li>• <b>INSTRUCTED</b> the Company Secretary to make the appropriate filings at Companies House.</li> </ul>
<b>3.0</b>	<b>Minutes of the Previous Meetings &amp; Matters Arising</b>
3.1	The minutes of the previous meetings held on 6 <sup>th</sup> December 2024 and 2 <sup>nd</sup> January 2025 were <b>REVIEWED</b> and <b>AGREED</b> .
3.2	<b>Actions from previous meeting:</b>

3.2.1	The Actions and updates were accepted as per the updated Actions summary table.
<b>4.0</b>	<b>Health &amp; Safety Update</b>
<b>4.1</b>	<b>Activity Summary</b>
4.1.1	The Executive Director of Governance & Sustainability & Company Secretary, W Thompson introduced the update report the purpose of which was to update Board on the Health & Safety matters and statistics for the month of January 2025.
4.1.2	The Board discussed the report, and the following questions/points were raised.
4.1.3	W Thompson confirmed that twelve hazards/near misses were reported during January. This figure was particularly pleasing and testament to the message getting through to all employees.
4.1.4	W Thompson informed the Board that this was the second month in a row with no lost time accidents which was very positive.
4.1.5	<p>W Thompson informed the Board that a new proposed PPE policy, which was on the agenda later under Matters for Approval, would be part of the accident reduction strategy which was being brought forward as an action to support the Business Plan.</p> <p>The additional mandatory PPE requirements for construction sites would now include hand protection, eye protection and chin straps would also be a requirement for all hard hat wearers. Its implementation should address the causes of approximately 50% of historic accidents within the Company.</p> <p>If approved, the target date for the new policy to come into force would be 1<sup>st</sup> April 2025 for Advance employees and visitors, and after a lead in period to allow for communication, 1<sup>st</sup> July for contractors.</p> <p>A Moffat said he was fully supportive but wondered how that was received. W Thompson confirmed that there was some reluctance to change but hopefully there was an understanding that this had been implemented in order to focus on getting people home safely.</p>
4.1.6	<p>W Thompson confirmed that there had been one red card raised in January at the Lyndon Walk site against a ██████████ Contractor for failure of a drugs test.</p> <p>H Florek asked what the result of that red card incident had been.</p>

	<p>W Thompson confirmed that the contractor's employee in question had been removed from site and would not be returning. This demonstrated to all sites that Advance had a zero tolerance to such incidents.</p>
4.1.7	<p>A Moffat commented that the Health &amp; Safety policy included a number of references to welfare and health and questioned how this was monitored and whether this area needed to be developed.</p> <p>W Thompson commented that the company was very good in this area, receiving recognition through the Better Health at Work initiative where ambassador status had just been achieved. The company also had a number of mental health ambassadors.</p> <p>A Moffat commented that these achievements could be given visibility within the KPIs.</p>
	<p><b>The Board:</b></p>
4.1.8	<ul style="list-style-type: none"> <li>• <b>NOTED</b> the contents of the report.</li> </ul>
<b>5.0</b>	<b>Risk Matters</b>
<b>5.1</b>	<b>Report of Executive Risk Management Group (ERMG)</b>
5.1.1	<p>W Thompson presented the report, the purpose of which was to set out the proposed Corporate Risk Register amendments and summary of the actions undertaken by the ERMG since the last Board meeting.</p>
5.1.2	<p>The Board discussed the report, and the following questions/points were raised.</p>
5.1.3	<p>W Thompson stated that the Corporate Risk Register was ordinarily reviewed on an 8-weekly cycle by the Executive Risk Management Group (ERMG) which comprised the Executive Leadership Team (ELT) and the Head of Business Transformation.</p> <p>The development and approval of the Business Plan was a priority for the ELT (and SMT) during the last review period. As a result, the full ERMG had not formally met to review the Corporate Risk Register. However, the Head of Business Transformation and the Executive Director of Governance and Sustainability had completed an offline review of the risk register on 16/01/2025 which had subsequently been reviewed and endorsed by ELT.</p>
5.1.4	<p>W Thompson drew the Board's attention to the following Corporate red risks:</p> <ul style="list-style-type: none"> <li>• Financial model results in long term decline of the business.</li> <li>• Manor Walks Shopping Centre &amp; Westmorland Retail Park.</li> </ul>

	<ul style="list-style-type: none"> <li>• Failure to meet JDR Lease Obligations.</li> <li>• Short Term Cash Flow.</li> </ul> <p>W Thompson confirmed that the risks were detailed within the corporate risk register. On approval of the Business Plan and refinancing proposals, the first two risks above would be addressed, the JDR risk was addressed on a regular basis and the short term cash flow linked to the funding structure was being monitored regularly.</p>
5.1.5	<p>With regards to the financial model, A Moffat queried why the risk score was still 20 as the company had demonstrated that, with or without the refinancing, it was no longer the significant risk that had been previously thought.</p> <p>W Thompson stated that the company was taking a very long term view of the financial model, in particular the obligation in the future to repay the significant debt that was not reducing due to the way the loans and the company had been structured from inception.</p>
	<p><b>The Board</b></p>
5.1.6	<ul style="list-style-type: none"> <li>• <b>NOTED</b> the contents of this report.</li> <li>• <b>NOTED</b> the Corporate Risk Register attached as Appendix 1.</li> <li>• <b>APPROVED</b> the proposed amendments to the Corporate Risk Register, reviewed on January 16<sup>th</sup>, 2025.</li> </ul>
<b>6.1</b>	<p><b>CEO Report</b></p>
6.1.1	<p>The Chief Executive Officer, S Harrison, presented key areas of the report.</p>
6.1.2	<p>The Board discussed the report, and the following questions/points were raised.</p>
6.1.3	<p>S Harrison informed the Board of an error on the 2<sup>nd</sup> line of the report where the stated £207k variance should read £72k.</p>
6.1.4	<p>S Harrison stated that a lot of work had taken place over the last few weeks with regards to the company's refinancing proposals on which the Board had been sighted. The Grant Thornton work was ongoing with a first draft of their proposals expected this week. There was more detail within the report in terms of the way that loans would be dealt with but there were still some gaps.</p> <p>M Choudhary commented that Grant Thornton were now understanding the level of detail required to go through the process and flagged the potential of their not achieving the target completion date of 1<sup>st</sup> March 2025 for their work.</p> <p>S Harrison confirmed that it was intended that the report would be presented to NCC's Full Council on the 26<sup>th</sup> March 2025 for approval in line with the company's Business Plan.</p>

	<p>There was still some detail remaining in terms of interest rates with the company hoping for a slight rate reduction from the 31st of March. This is one of the 6-monthly dates that NCC formally reviews the rates it will use for new loans we will seek from them.</p> <p>Following a question from I Slater regarding interest rates, S Harrison stated that Advance would be coming forward with loan applications on a project by project basis. The budgetary requirement to allow this to proceed had been approved last week.</p> <p>D Warburton commented that it was more important that proposals have wider support, because otherwise they are potentially immediately at risk in a new administration. NCC borrowed at the Public Works loan board rate, but the rates which were available to Advance were set by a framework and only reviewed twice a year. Although there had been an interest rate cut by the Bank of England last October and one recently, these were not yet reflected in the rates that were available to Advance. Furthermore, NCC treasury management costs also needed to be factored in.</p>
6.1.5	<p>H Florek asked what the areas of concern from an NCC view point were.</p> <p>S Harrison stated that it was still the history the company had.</p> <p>H Florek commented that good communication was required as there was still a story to tell.</p> <p><b>Action: Draft communication plan to be produced. SH</b></p>
6.1.6	<p>A Moffat commented that NCC's leader had talked about Advance's plans and measurements and questioned whether that work had begun.</p> <p>S Harrison confirmed that the work was ongoing. The Board had agreed the Company's targets and we would be held to account on those targets.</p>
6.1.7	<p>A Mowbray informed the Board that progress had been generally good at Bedlington but there had been a small delay due to an issue with the glazing contractor which had now been resolved.</p>
6.1.8	<p>A Mowbray confirmed that the dock completion programme at NEP was now starting to get back some of the delays that had occurred as a result of the recent poor weather. All of the quayside concreting work was due to be completed by the 11th March but some of the peripheral works may slip slightly into April. Marine works had taken longer and would continue into May. The project was currently in an overspend position but was within the contingency sum.</p>

6.1.9	<p>I Slater asked whether, with regard to the Culture Hub, allowing the fitout to be done early whilst completion happened was wise.</p> <p>A Mowbray commented that it was not an ideal scenario, however the works that were expected to be done at that stage were light touch such as furniture, kitchen finishing touches etc. NCC had a detailed programme of events planned in August which was the deadline to work to.</p>
6.1.10	<p>P Errington gave a summary of Ascent Homes current sales position and land purchases.</p> <p>D Warburton asked who the agent was for Ascent Homes, whether we knew where our customer base came from and were there any opportunities for part exchanges etc.</p> <p>P Errington confirmed that sales were managed through our own in house sales team rather than external agents. It had previously been explored whether to partner with the Part Exchange Hub however they tended to down value considerably which led to the deals generally not going ahead.</p> <p>D Warburton commented whether NCC could be an outlet for Advance as well as our own internal route.</p> <p><b>Action: PE to explore whether NCC could be an outlet for Ascent Homes.</b></p>
6.1.11	<p>S Harrison informed the Board that Advance were making good progress with the asset disposal strategy.</p> <p>A Moffat commented that the disposals had brought in £3.2m to support P&amp;L and asked whether that was the end of those type of sales or was there more to come.</p> <p>S Harrison confirmed that there were certain targeted ones to come with some disposals currently identified in 26/27 mostly consisting of parcels of land.</p> <p>Following a question by A Moffat, S Harrison stated that it had been previously recognised that the disposal programme would lead to a reduction in revenue.</p>
6.1.12	<p>S Harrison stated that the land to the west of NEP1 was JDR option land and there were ongoing discussions with [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>
6.1.13	<p>S Harrison informed the Board that Northumberland Estates were looking to withdraw from the Prudhoe JV and sell the asset. A site valuation was currently underway and a proposal would be brought back to Board with recommendations of how Advance wish to proceed.</p> <p>S Harrison stated that there was no P&amp;L benefit of being in that JV - it was about the wider relationship. Quarterly formal relationship meetings were being arranged with Northumberland Estates to ensure the partnership could continue in some form.</p>
	<p><b>The Board</b></p>
6.1.14	<ul style="list-style-type: none"> <li>• <b>NOTED</b> the contents of the report.</li> </ul>
<b>7.0</b>	<p><b>Finance Directors Report</b></p>
7.1	<p>The Interim Finance Director, M Choudhary, presented the January financial performance data, confirming that February's month end was currently being worked through.</p>
7.2	<p>The Board discussed the report, and the following questions/points were raised.</p>
7.3	<p>M Choudhary confirmed that the P&amp;L was slightly ahead of budget. The overall position showed some loss within Developments and Projects. The Group was still forecasting to meet budget at the end of March, premised on house sales and the [REDACTED] deal to the end of that month.</p> <p>Principal contractor income was slightly behind and overall house sales behind budget.</p> <p>The cash position at the end of January was an increase from December 2024.</p>

	The [REDACTED] sale of Phases 5 & 6 would now, very likely, fall into this financial year.
7.4	<p>D Warburton asked whether any of the house sales had not exchanged.</p> <p>P Errington confirmed that house sales were reliant on chains not breaking down and were being closely monitored. More than half the predicted house sales were not exchanged so this was a concern and a risk for the business.</p>
	<b>The Board:</b>
7.5	<ul style="list-style-type: none"> <li>• <b>NOTED</b> the contents of the report.</li> </ul>
<b>8.0</b>	<b>Confidential Report for Approval</b>
<b>8.1</b>	<b>Moorside Old School</b>
	D Warburton left the meeting.
8.1.1	P Errington presented the report the purpose of which was to set out the current position of a land offer submitted to Northumberland County Council for the purchase of the former Moorside Primary School, Newbiggin-by-the-Sea. Board approval was sought for the proposed forward strategy for the project.
8.1.2	The Board discussed the report, and the following questions/points were raised.
8.1.3	S Harrison stated that this was the sort of project the company should be doing. The former school had been derelict for a number of years and Advance had been looking at the land since 2017. This was a key project within the Business Plan and was a true regeneration scheme providing some significant benefit for the community.
8.1.4	P Errington confirmed that there was a requirement within the proposal of 8 affordable homes [REDACTED] and they have expressed interest to take an additional 12 homes.
8.1.5	P Errington confirmed that the sale had been undertaken via an open competition tender process and the company was not given details of the other valuations. Advance had been made preferred bidder on the basis that there were fewer conditions than other bids.
8.1.6	<p>A Moffat asked how [REDACTED] was being funded.</p> <p>P Errington stated that the loan would be fully drawn down relatively quickly with the loan then being repaid and project funded through sales to cash flow the project.</p> <p>A Moffat asked what the risk was associated with this.</p>

	<p>S Harrison stated that this was a less risky project as a guarantee was in place covering some of it.</p> <p>A Moffat stated that whilst he got the principle it felt tight. The wrong timing could lead to more interest being paid therefore was there some sensitivity analysis needed.</p> <p>M Choudhary confirmed that a proposed schedule of repayments would be in place with NCC with some sensitivities around that. The proposed repayments had not been front loaded.</p> <p>S Harrison stated that some advance sales had been achieved and there was the ability to flex the programme if required. This was a statement project for the company, the costs would need to be controlled carefully but at a level where we should be operating. Whilst this was a prime example of the purpose of Advance being to deliver projects the comments on risk were accepted.</p>
8.1.7	<p>W Thompson stated that if the project and loan application were approved, the proposed security would most likely be the NEP2 / Interconnector Site that is owned by Advance Northumberland (Commercial) Ltd as has been the company's security for other recent Ascent developments.</p> <p>As that was an asset of Advance Northumberland (Commercial) Limited, and the loan would be applied for in the name of and for the benefit of Advance Northumberland (Developments) Limited, it will be the case that, if approved, the NCC Loan Panel would need to see that specific evidence that the Board of Advance Northumberland (Commercial) Ltd was happy to put forward a Commercial asset as the security for a Developments project.</p> <p>W Thompson advised that Directors would each need to consider if it was in the best interests of Avance Northumberland (Commercial) Ltd to support the activities of its sister company Advance Northumberland (Developments) Ltd by granting a legal charge to be secured against the residual land and Interconnector site at NEP2, registered with Title Number ND113699 in the ownership of Advance Northumberland (Commercial) Ltd to provide security for the Ascent Homes' Moorside scheme.</p>
	<p><b>The Board of Advance Northumberland (Developments) Ltd:</b></p>
8.1.8	<ul style="list-style-type: none"> <li>• <b>NOTED</b> the contents of the report.</li> <li>• <b>APPROVED</b> the request for Advance Northumberland (Developments) Ltd to submit a loan application for £3,985,000 to Northumberland County Council to cover land purchase and development finance for the scheme.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>APPROVED</b> the purchase of the Moorside site from NCC by Advance Northumberland (Developments) Ltd for £750,000 with a deduction for Biodiversity Net Gain costs to be made.</li> <li>• <b>APPROVED and DELEGATED</b> authority to Advance Northumberland (Developments) Ltd to enter into the North East Combined Authority Brown Field Housing Fund Grant Funding Agreement for £916,000 to support delivery of the Moorside development.</li> <li>• <b>AUTHORISED</b> Advance Northumberland (Developments) to enter into all necessary contracts and agreements to deliver the project provided costs are within the stated budget and procurement is in accordance with the Company's approved procurement policy.</li> </ul>
	<b>The Board of Advance Northumberland (Commercial) Ltd:</b>
8.1.8	<ul style="list-style-type: none"> <li>• <b>AGREED</b> that it was in the best interests of Avance Northumberland (Commercial) Ltd to support the activities of its sister company Advance Northumberland (Developments) Ltd at the Moorside development.</li> <li>• <b>APPROVED</b> the entry into a legal charge to be secured against Title ND113699 in the ownership of Advance Northumberland (Commercial) Ltd to provide security for the Ascent Homes Moorside development.</li> <li>• <b>AUTHORISED</b> any Board Director to sign the Legal Charge.</li> </ul>
8.1.9	D Warburton rejoined the meeting.
<b>8.2</b>	<b>2025-26 Budget</b>
8.2.1	<p>M Choudhary and A Farrier presented the report the purpose of which was to set out the detailed budget for 2025-26, within the Profit Before Tax parameter previously agreed by the Board.</p> <p>The Advance Northumberland Business Plan 2025-30 was the company's strategic financial planning document. The 5-year business plan was approved by the Board in its meeting in January 2025.</p>
8.2.2	The Board discussed the report, and the following questions/points were raised.
8.2.3	<p>M Choudhary reminded the Board of our new company, Advance Green Futures. This was a BNG company which would come into operation next year.</p> <p>M Choudhary stated that we had been prudent in terms of how revenues had been forecasted in this company. Further advice would still be taken, but we were confident that the markets were there and it would start delivering relatively quickly. This was also represented in the five year business plan. The first year was going to be about setting up and staffing the company to ensure that we start off on a firm footing.</p>

A Moffat commented that he felt some of the financials were missing with some capital needing to be kept but there weren't any rules on this yet.

I Slater questioned whether there was some sort of insurance backing and commented that it was reassuring that it was part of a Section 106 Agreement.

To give the Board some reassurance S Harrison stated that a large portion of the revenue for the company would be locked in and would be front end loaded. Advance were discussing how it would account for that, but approximately 50% would be received from [REDACTED] which would be guaranteed income. Advance would decide how it accounted for that but it de-risked a large chunk of the new business. There was a real opportunity both in Potland Burn and acquiring more land for more sites.

W Thompson commented that the business plan modelled acquiring 20 hectares of new land for Habitat Bank development per year from year two.

I Slater asked how the company engineered itself to be the go-to point by way of the planning condition that comes through. While they can't say it has to be us it could be engineered in such a way that we were the only provider.

S Harrison stated that it would be covered through a commercial links in the background similar to [REDACTED]. NCC's planners and ecologists were also extremely important as they could signpost developers requiring BNG credits to Advance.

8.2.4

A Moffat stated that it was worth considering, with regards to the debt for equity facility, whether to agree and keep with the budget and if events meant that it slipped a few months and there was variance, then that could be reported and described every month for 12 months, or whether the budget should be amended now to reflect that potential or likelihood.

S Harrison commented that we were a week or two away from knowing what that potential delay timescale would look like.

D Warburton commented that it was likely to slip but it would be interesting to see if it could be modelled against potentially lower interest rates.

M Choudhary commented that, from discussions, the figure would not be large at up to [REDACTED] but there would be some upside. NCC charged an administration fee to Advance on each loan of [REDACTED] which the company were currently trying to renegotiate.

	After discussion, it was agreed not to create a new Budget at this point, and to proceed with the one before Board.
	<b>The Board:</b>
8.2.5	<ul style="list-style-type: none"> <li>• <b>NOTED</b> the contents of the report.</li> <li>• <b>APPROVED</b> the detailed Group and individual company budgets for FY 2025-26</li> </ul>
<b>8.3</b>	<b>Proposed Intercompany Dividend</b>
8.3.1	A Farrier presented the report the purpose of which was to finalise and seek approval of the intercompany dividend for financial year 2024-25.
8.3.2	The Board discussed the report, and no questions/points were raised.
	<b>The Board:</b>
8.3.5	<ul style="list-style-type: none"> <li>• <b>NOTED</b> the contents of the report.</li> <li>• <b>APPROVED</b> an intercompany dividend of £200,000 from Advance Northumberland (Housing) Limited to Advance Northumberland Limited.</li> </ul>
<b>8.4</b>	<b>Residential Rent Increases</b>
8.4.1	J Moran presented the report the purpose of which was to present Advance Northumberland Homes' annual residential increase proposal to Board for review and approval.
8.4.2	The Board discussed the report, and the following questions/points were raised.
8.4.3	<p>A Moffat asked whether the Company were expecting any adverse PR on the back of this.</p> <p>J Moran confirmed that this was something that the Company had had to deal with every year and fortunately there was not usually a significant amount of backlash as there was a strong logic to the increases. Rent increases had been withheld in the past so there was a balanced message to put out into the public domain.</p> <p><b>Action: Prepare pre-emptive statement in the event of any negative PR in respect of residential rent increases.</b></p>
8.4.5	Following a question from I Slater, J Moran confirmed that the Company were not expecting any resistance from NCC to the proposed rent increases.
8.4.6	Following a question from D Warburton, J Moran confirmed that the current collection rate stood at 98% and D Warburton commented that this would be useful in terms of the messaging.

	<b>The Board:</b>
8.4.6	<ul style="list-style-type: none"> <li>• <b>NOTED</b> the contents of the report.</li> <li>• <b>APPROVED</b> the rent increase proposal contained within the report to be implemented from 1<sup>st</sup> April 2025.</li> </ul>
<b>8.5</b>	<b>Affordable Housing Valuations</b>
8.5.1	J Moran presented the report, the purpose of which was to present Board with a strategy proposal for consideration, regarding the annual Asset Valuations of Advance Northumberland Homes' (ANH) Affordable Housing stock, and if deemed procedable, to secure approval to implement.
8.5.2	The Board discussed the report, and the following questions/points were raised.
8.5.3	<p>J Moran informed the Board that affordable housing historically had a methodology where all properties that were rented as “affordable” were valued at 80% of market value based on a recommendation from our external auditor several years ago. There was no hard and fast regulatory reason for doing so for all the properties, rather it was a convention based on the fact that some categories of property had that requirement.</p> <p>There were 3 different categories of affordable models in existence among the 185 “affordable” homes for rent. Essentially 71 of the 185 units owned by Advance were subject to a Section 106 agreement legally restricting them to be “affordable” and which had to remain valued at a discount of 80% of market value accordingly. For the remaining 114 properties rented as “affordable” there was the potential to increase the valuations from 80% to 100% which would give a £3.25m uplift on the balance sheet.</p> <p>Breaking that down further, 54 of those 114 were completely private, without legal restriction with the company having chosen to impose a restriction. If it was agreed to change the valuation methodology to 100% of market value, the impact would be an approximate £1.475m increase on the balance sheet.</p> <p>For the remaining 60 properties, Advance had received a developer’s grant from NCC at the time of acquisition. However, other than the obligation to repay the grant if they were sold, there were no terms under the grant that restricted our valuation methodology. If these were increased it would add c£1.75m to the balance sheet. As there was no defined methodology on how we should do this, J Moran proposed that it was justifiable to increase valuation for all 185 to 100% of market value.</p> <p>D Warburton asked whether the increase in value was offset by the grant repayment that could be required.</p>

	<p>J Moran stated that £2.1m was currently being held on the balance sheet to account for the offset.</p> <p>W Thompson commented that that meant that 100% of the potential liability was reflected on the balance sheet but only 80% of the potential value.</p>
8.5.4	<p>A Moffat queried whether this was part of the investment portfolio evaluation that was undertaken annually and if so, why was it not part of that exercise.</p> <p>S Harrison stated that it could have been picked up during the portfolio evaluation but it was an issue that the company had identified and therefore felt it was prudent to bring it to Board separately.</p>
	<p><b>The Board:</b></p>
8.5.5	<ul style="list-style-type: none"> <li>• <b>NOTED</b> the contents of the report.</li> <li>• <b>APPROVED</b> an amendment of the asset valuation methodology of 54 units within Advance’s Affordable Housing portfolio, which were acquired as private general use units, to be valued at 100% of market valuation.</li> <li>• <b>APPROVED</b> an amendment of the asset valuation methodology of 60 units within Advance’s Affordable Housing portfolio, which were acquired as private general use units, but subject to clawback of s106 Housing Developer fund grant funding, to be valued at 100% of market valuation.</li> </ul>
<b>8.6</b>	<p><b>Disposal of Plot at Coquet Business Park</b></p>
8.6.1	<p>S Harrison presented the report the purpose of which was to inform Board that Advance Northumberland (Commercial) Ltd were currently undertaking an exercise to review land and property assets across its portfolio.</p> <p>This had resulted in disposal of older, ‘cash-hungry’ properties as part of this process.</p> <p>As part of the exercise, land at Coquet Industrial Estate Amble had been identified for residential development by Ascent Homes and was identified for development within the Advance Northumberland Group 5-year Business plan.</p> <p>The proposed internal sale of the land within the Advance Northumberland Group would assist with ensuring the land was held in the correct Company structure prior to 1<sup>st</sup> April 2025 in line with the aspiration of the business plan.</p>
8.6.2	<p>The Board discussed the report, and no questions/points were raised.</p>
8.6.3	<p><b>Action: Review the potential for collaboration on affordable units with other housebuilders in and around Amble.</b></p>

	<b>The Board:</b>
8.6.4	<ul style="list-style-type: none"> <li>• <b>NOTED</b> the contents of the report.</li> <li>• <b>APPROVED</b> the disposal of land at Coquet Industrial Estate, Amble owned by Advance Northumberland (Commercial) Ltd to Advance Northumberland (Developments) Ltd for the sum of £400k.</li> </ul>
<b>8.7</b>	<b>Remuneration Committee Recommendations</b>
8.7.1	<p>H Florek gave a verbal update from the Remuneration Committee and provided a Committee Escalation and Assurance Report which covered the following.</p> <ul style="list-style-type: none"> <li>• Revised Terms of Reference of RemCom Board</li> <li>• Proposal to Withdraw from CRA (Construction Rule Agreement) Board</li> <li>• Cost of Living Proposal February 2025</li> <li>• Pay, Rewards &amp; Benefits Policy</li> <li>• Proposal to Introduce Private Healthcare</li> </ul>
8.7.2	The Board discussed the Remuneration Committee Recommendations, and the following questions/points were raised.
8.7.3	<p><i>Cost of Living Proposal</i></p> <p>P Robertson informed the Board that the proposal was for a cost of living pay increase of 3%, to be effective from the 1st of April. For background information, P Robertson stated that the current RPI was 3.5 and CPI was 3.9. The cost to the business would be £73 K based on the number of colleagues who were employed on the 31st of December 2024 which would be the cut off for the increase.</p> <p>A Moffat asked whether there had been any feedback from the Shareholder to the proposed increase.</p> <p>D Warburton commented that the government recommendation was awaited.</p> <p>S Harrison stated that 2.5% was on NCC's budget line as their headline number but recognising that it was more complicated as there were a number of people getting a flat rate increase with an average of around 4% with lower rate employees potentially receiving 10%.</p>
8.7.4	<p><i>Pay, Rewards &amp; Benefits Policy</i></p> <p>Following a question from H Florek, P Robertson confirmed that the Pay, Rewards and Benefits Policy applied to everyone within the business.</p>

	<p>P Robertson went on to state that the principle of the scheme had been approved previously, this new policy gave more definition on how the company envisaged the scheme working with the main criteria being that payments would only be made once the company had achieved profit.</p> <p>S Harrison confirmed that the Shareholder commented that this should be only paid out upon the Company being in profit.</p>
8.7.5	<p><i>Proposal to Introduce Private Healthcare</i></p> <p>H Florek commented that the Remuneration Committee felt all employees should be able to benefit from Private Healthcare.</p>
8.7.6	<p>S Harrison informed the Board that the Shareholder had questioned whether the Performance Related Pay and the Private Healthcare should apply to Non-Executive Directors.</p> <p>H Florek commented that it was important to clearly understand where Shareholder approval was required.</p>
8.7.7	<p>S Harrison confirmed that the purpose behind the proposals was to ensure that the Company had the right level and quality of employee for the organisation.</p>
8.7.8	<p>A Moffat queries the cost to the company of the proposals.</p> <p>M Choudhary confirmed that Private Healthcare would cost c£60k over the Group and the Incentive Scheme c£250k both of which were included in the budget.</p>
8.7.9	<p><b>Action: SH to formally write to the Shareholder with the Board’s recommendations to the effect that the Non-Executive Directors were not to receive Private Health or Performance Related Pay.</b></p>
	<p><b>The Board:</b></p>
8.7.10	<ul style="list-style-type: none"> <li>• <b>NOTED</b> the contents of the report.</li> <li>• <b>APPROVED</b> the Terms of Reference of the Remuneration Committee.</li> <li>• <b>APPROVED</b> that the business moves away from the Construction Rule Agreement rates and include all affected posts in the job evaluation scheme with effect from April 2025.</li> <li>• <b>APPROVED</b> a 3% Cost of Living pay increase to eligible colleagues, <b>subject to Shareholder Reserved Matters Consent.</b></li> <li>• <b>APPROVED</b> the revised Pay Grades as set out in the Appendix of the Cost of Living report.</li> <li>• <b>APPROVED</b> the Pay, Rewards &amp; Benefits Policy, <b>subject to Shareholder Reserved Matters Consent.</b></li> <li>• <b>APPROVED</b> the “Medical History Disregarded” cover for Private Healthcare benefit, to all colleagues.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>APPROVED</b> to offer the inclusion of family &amp; partners cover by way of salary sacrifice benefit.</li> <li>• <b>AGREED</b> that Non-Executive Directors were not to receive Private Health Benefit nor Performance Related Pay.</li> </ul>
<b>8.8</b>	<b>Policies &amp; Statements</b>
8.8.1	<p>W Thompson introduced the report the purpose of which was to provide an update on a range of Policies that required Board approval.</p> <p>These policies had been approved by the Executive Leadership Team (ELT) and, where appropriate, recommended for approval by the Nomination and Remuneration Committee.</p>
8.8.2	<p>W Thompson gave a summary of amendments to the following policies.</p> <ul style="list-style-type: none"> <li>• Overtime Policy</li> <li>• Modern Slavery Statement</li> <li>• H&amp;S Policy Statement</li> <li>• PPE Policy</li> <li>• Risk Management Policy</li> <li>• ICT Policy</li> </ul> <p>and for completeness covered a new:</p> <ul style="list-style-type: none"> <li>• Pay, Rewards &amp; Benefits Policy that had been approved, subject to Reserved matters Consent, under the previous report.</li> </ul>
8.8.2	The Board discussed the report, and no questions/points were raised.
	<b>The Board:</b>
8.8.3	<ul style="list-style-type: none"> <li>• <b>NOTED</b> the contents of the report.</li> <li>• <b>NOTED</b> the prior approval of ELT to the policies.</li> <li>• <b>APPROVED</b> the following policies / statements <ul style="list-style-type: none"> <li>○ Pay, Rewards and Benefits Policy</li> <li>○ Overtime Policy</li> <li>○ Modern Slavery Statement</li> <li>○ Health &amp; Safety Policy Statement</li> <li>○ PPE Policy</li> <li>○ Risk Management Policy</li> <li>○ ICT Policy</li> </ul> </li> </ul>

9.0	<b>Reports for Information</b>
9.1	<b>Staff Survey Action Plan</b>
9.1.1	P Robertson presented the Staff Survey Action Plan which was to address the results of the staff survey which was held in November 2024. The action plan had been drawn up in order to get the detail behind the answers within the survey.
9.1.2	The Board discussed the report, and the following questions/points were raised.
9.1.3	H Florek commented that it was a good action plan and felt that the effort to reduce email traffic was positive.
9.1.4	P Robertson confirmed that the actions would go into individuals' objectives.
	<b>The Board</b>
9.1.5	<ul style="list-style-type: none"> <li>• <b>NOTED</b> the contents of this report.</li> </ul>
10.0	<b>Any Other Business</b>
10.1	There were no items brought to the meeting.
10.2	The date of the next Boad Meeting was confirmed as Friday 25 <sup>th</sup> April 2025
10.3	<p>The Chair thanked the Board for their attendance and closed the meeting at 15:50</p> <p>... [REDACTED] ...</p> <p>... [REDACTED] ..... CHAIR</p>

Summary of Live Actions from Previous Board Meetings				
Action Ref.	Action Detail How Action Closed By Whom	Target Date	Status/Activity	Date Closed
16.08.24 – 06 PE	Allerburn project close out report required, including full reconciliation.	<del>31.12.24</del> 25.04.25 30.6.25	Not yet due. Ongoing. Will follow final sale (now anticipated in June). <b>Carry forward</b>	
08.11.24 – 03 KG	Project site visits to be arranged for Board.	<del>31.01.25</del> 25.04.25	<del>Not yet due.</del> KG to action	
08.11.24 – 04 MC	Project decision methodology to be presented to Audit Committee.	<del>28.02.25</del> 25.04.25	<del>Not yet due.</del> To be presented to audit Committee. <b>Propose to Close</b>	
08.11.24 – 06 WT	More detail on the Customer Complaints to be brought to the next Board meeting.	<del>28.02.25</del> 25.04.25 20.06.25	Review of methodology currently being undertaken. To be brought to February Board. Not achieved. Take to April Board. 17.04.25 – Structural changes have been made to Customer Complaints process/reporting lines and as such wider changes are currently being made. New Business Transformation	

			Programme to focus on Customers & Stakeholders to be new "Project" in Q1. <b>Carry forward</b>	
08.11.24 – 10 PE	██████████ to be approached as a potential JV partner.	31.01.25 <del>25.04.25</del> 20.06.26	<del>Not yet due</del> Meeting postponed now scheduled for 12 May. <b>Carry forward</b>	
Action Ref.	Action Detail How Action Closed By Whom	Target Date	Status/Activity	Date Closed
06.12.24 – 04 WT	Future virtual Board meeting to be arranged to discuss the numbers (for Green Futures).	25.04.25	17.04.25 - Propose to update once BP approved. 17.04.25 – BP not yet approved. Await Cabinet post election. <b>Carry forward</b>	
06.12.24 – 06 MC	Cash balance to be included within the group cashflow chart.	<del>28.02.25</del> 25.04.25	Included in Finance Directors Report. <b>Propose to Close</b>	
06.12.24 – 07 MC	Detail on Developments financial position and how that worked in isolation to be provided to next Board.	<del>28.02.25</del> 25.04.25	Significant work undertaken and ongoing. Propose to bring to next Audit Committee. Included in Finance Directors Report. <b>Propose to Close</b>	

### Summary of New Actions from 27<sup>th</sup> February 2025 Board Meeting

Action Ref.	Action Detail How Action Closed By Whom	Target Date	Status/Activity	Date Closed
SH 27.02.25 01	Draft communication plan to be produced when BP approved.	25.04.25	17.04.25 – BP not yet approved <b>Carry forward</b>	
PE 27.02.25 02	Explore whether NCC could be an outlet for Ascent Homes.	25.04.25	Not considered necessary at present. <b>Propose to Close</b>	
SH/JM 27.02.25 03	Prepare pre-emptive statement in the event of any negative PR in respect of residential rent increases.	25.04.25	Concluded. Was prepared. So far no discernible impact on PR. <b>Propose to Close</b>	
PE 27.02.25 04	Review the potential for collaboration on affordable units in and around Amble.	25.04.25	Discussions held with providers. <b>Propose to Close</b>	
SH 27.02.25 05	Formally write to the Shareholder with the Board's recommendations to the effect that the Non-Executive Directors were not to receive Private Health or Performance Related Pay.	25.04.25	Concluded. Shareholder approval was given. <b>Propose to Close</b>	

Summary of Actions Closed at Previous Board Meeting				
08.11.24 – 11 WT	AN Communications Plan to be revisited.	28.02.25	Not yet due. Propose new action for SH once BP approved.	27.02.25
06.12.24 – 01 WT	Communication to go out to all staff to remind them of the current Alcohol & Drugs Policy.	16.12.24	Email was circulated to All Advance Users by AW on 16.12.24 at 10.16.	27.02.25
06.12.24 – 02 SH	Discussion to be held with [REDACTED] on the principles of the agreement to revisit certain aspects including the extent of the exclusion zone, the use classes and the timescale for responses.	24.12.24	SH gave update on 02.01.2025 Board. Board approved principles.	27.02.25
06.12.24 – 03 WT	Name for the new “BNG” Company to be revisited.	24.12.24	“Advance Green Futures Ltd” has been proposed and agreed by ELT & Chair.	27.02.25
06.12.24 – 05 SH	Details of Group’s action plan for staff engagement to be brought to February Board.	28.02.25	Work ongoing. Action Plan for each business unit has begun.	27.02.25