

---

**Date/Time**

Friday 6<sup>th</sup> December 2019  
13:00 – 16:40

**Venue:**

Advance Northumberland, Wansbeck  
Workspace, Rotary Parkway, Ashington,  
Northumberland, NE63 8QZ

---

**In attendance:**

Richard Wearmouth  
Jeff Reid  
Malcolm Robinson  
Chris Sayers

Advance Northumberland Chairman  
Leader of Liberal Democrat Group

Chair of Board of Governors, Northumbria  
University

John Woodman

**Present:**

Ken Dunbar  
Robin Earl

Advance Northumberland Managing Director  
Advance Northumberland Chief Operating  
Officer

Colin Dickson

Advance Northumberland Chief Finance  
Officer

Pat Walker  
Kelly Angus  
Andy Stewart  
Kim Grant (Minutes)

Advance Northumberland Governance &  
Performance Manager NCC  
NCC Finance Manager Corporate Resources  
Advance Northumberland Personal Assistant

**Part:**

Daljit Lally  
Kelly Angus  
Pam Robertson  
Andrew Brooks  
John Moran  
Duncan Bowman

NCC Chief Executive  
NCC Deputy Chief Executive  
Advance Northumberland HR Manager  
Health & Safety Advisor  
Advance Northumberland Homes Manager  
Advance Northumberland Development  
Director

Michael Black

Advance Northumberland Director of  
Economic Growth & Investments

**Apologies:**

Peter Jackson  
Susan Dungworth  
Christine Dunbar  
Alison Elsdon

Leader NCC

NCC Service Director Finance

---

**1.0 Welcome and Introductions**

1.1 The Chairman welcomed the attendees and declared the meeting quorate.

**2.0 Apologies for Absence**

2.1 The Chairman reported that there had been apologies for absence from Peter Jackson, Susan Dungworth, Christine Dunbar and Allison Elsdon.

**3.0 Declarations of Interest**

3.1 The NCC Chief Executive and the NCC Deputy Chief Executive declared their interests as senior officers responsible for the Council's decision making.

3.2 Acknowledging this declaration, the Chairman agreed with the NCC Chief Executive and the NCC Deputy Chief Executive that they would leave the meeting before the Board discussed matters which may give rise to a conflict with their responsibilities to the Council.

3.3 There were no other declarations of interest.

**4.0 Minutes of Previous Meetings**

4.1 The minutes of the previous meeting held on the 25<sup>th</sup> October 2019 were **REVIEWED** and **AGREED** as an accurate record of proceedings with the principle point that the minutes of 27<sup>th</sup> September Board meeting would be amended as previously confirmed and re-issued.

**5.0 Matters Arising**

5.1 The Board agreed a proposal from the Managing Director to postpone publishing the proposed corporate strategy changes until the Corporate Strategy is formally put forward in March 2020.

**6.0 Ratification of Board Decisions Made Electronically**

6.1 The following electronic decision was ratified by Board;

- Farrans Invoice No. 9 for the remediation works on Northumberland Energy Park.
- Ellington Phase II Purchase Order.

**7.0 Appointment of new Board Directors & Independent Audit Committee Member**



## **Advance Northumberland**

7.1 The Chairman agreed to withdraw this item from the agenda pending additional discussions between NCC and the Chairman.

7.2 J Woodman asked whether it would be possible to discuss the appointment of the Independent Audit Committee member as the next Audit Committee meeting was taking place in January 2020. The Chairman agreed to present to Board the recommendation to appoint Martin Knowles, from Northumbria Healthcare NHS Trust, as both a Board Member and an Independent Audit Committee Member.

The Board:

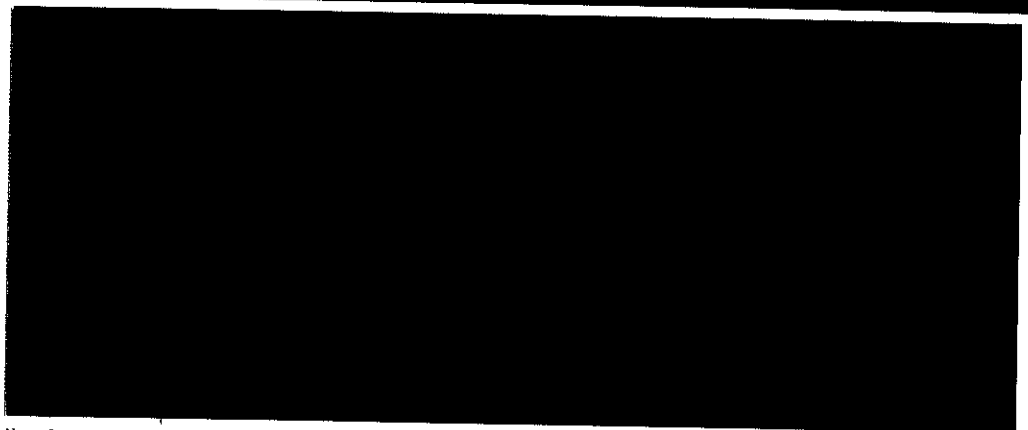
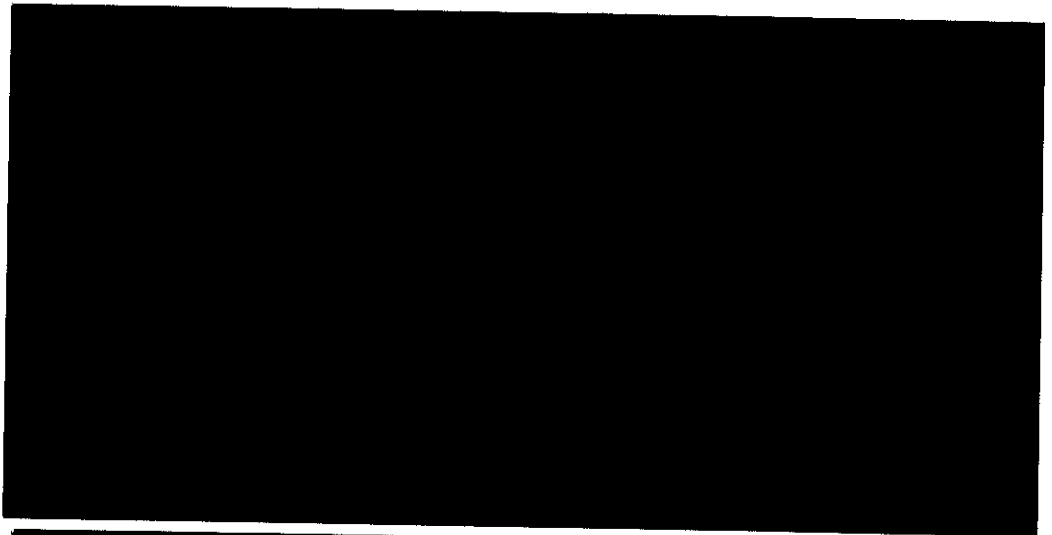
- 7.3
- Agreed the appointment of Martin Knowles as a Board Member and an Independent Audit Committee Member.

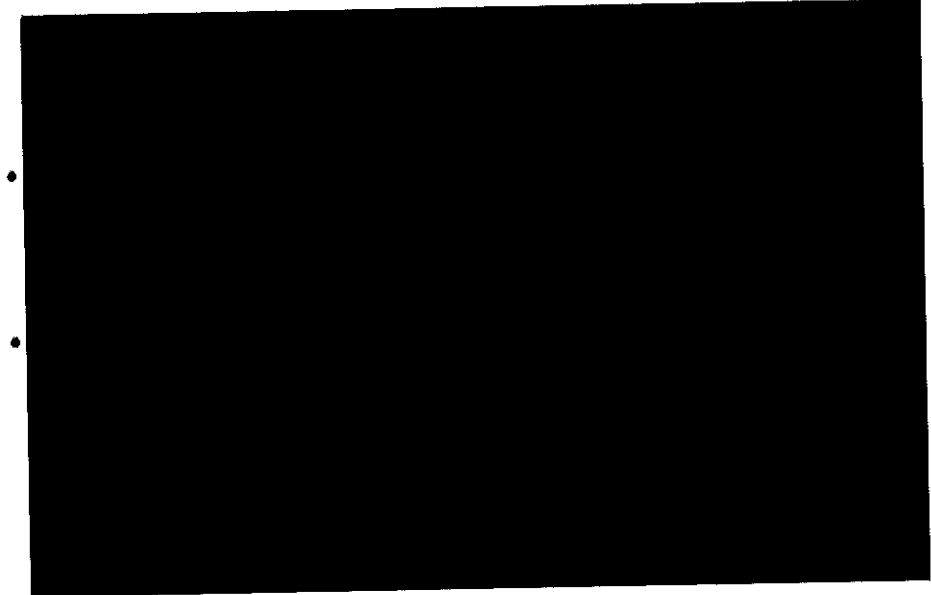
Giving apologies to the Chairman, the NCC Chief Executive left the meeting.

### **8.0 Performance Updates**

#### **8.1 Finance Update**

8.1.1 The Chief Finance Officer presented the report and gave the Board an update of the current position and key risks.

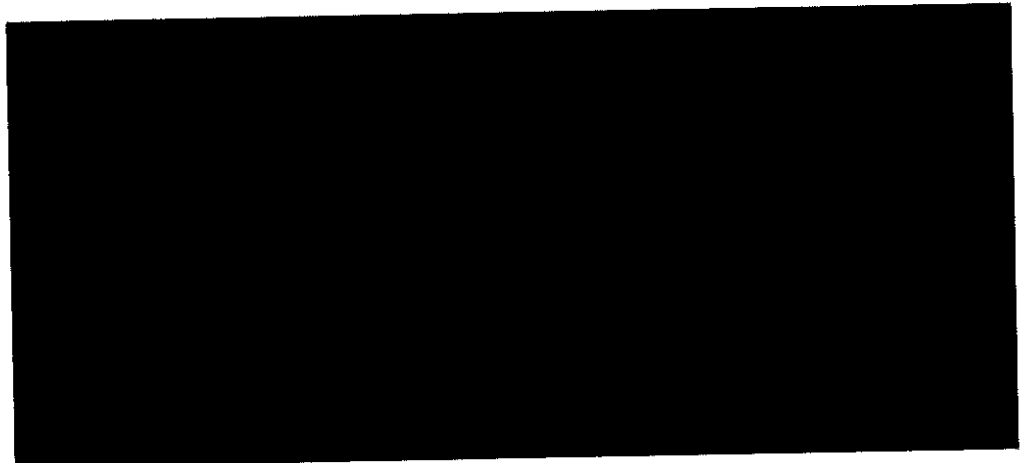




8.1.2

8.1.3

8.1.4



**The Board:**

- 8.1.5 • **NOTED** the contents of the report.

**8.2 Human Resources**

8.2.1 The HR Manager presented the report to update the Board on current HR activities.

8.2.2 The HR Manager stated that the current headcount within Advance Northumberland at 31<sup>st</sup> October 2019 was 120 and labour turnover for the period 2019/20 was 15.48% (19 voluntary leavers – annualised data).

8.2.3 The HR Manager confirmed that the sickness absence rate for the period ending 31<sup>st</sup> October 2019 was; short term 15 days, long term 21 days which equated to an average of 2.6% of working time and the sickness absence rate for the period ending 30<sup>th</sup> November 2019 was; short term 67 days, long term 39 days.. The mean number of day's absence was 0.6 per person

- for October and 0.88 per person for November. There were 2 people who were classed as being on long term sickness. All of were being managed with occupational health support.
- 8.2.4 The HR Manager stated that recruitment was ongoing with 7 live vacancies and 8 posts currently under offer.
- 8.2.5 The HR Manager confirmed that completion rates for mandatory training on the NCC portal were being monitored and at the end of November 2019 were 89.1%. This figure had improved on previous months, however there would be fluctuations as the anniversary date has been reached and there are two areas which require annual renewal – GDPR and Fire Safety. Response rates were being monitored and progress chased.
- 8.2.6 The HR Manager confirmed that Advance Northumberland was progressing with plans for Continuing Excellence as part of the Company's on-going commitment to the Better Health at Work award. Advance Northumberland had now received formal accreditation of "Continuing Best Practice" status.
- 8.2.7 The HR Manager stated that delays were still being experienced with occupational health pre-employment clearance and receipt of reports, with one report arriving three weeks after the appointment. All health surveillance forms had been forwarded to the occupational health department and were awaiting appointments for health surveillance appointments.
- 8.2.8 The HR Manager confirmed that random drug and alcohol testing was continuing with 35 people currently tested. Just Cause testing is continuing where appropriate. Three people have completed tests since this was introduced, all were requested following accidents on site and were negative. Both alcohol and drug awareness were continuing to be promoted through the Better Health at Work Campaign.
- 8.2.9 The HR Manager confirmed that the Drugs & Alcohol screening information was now presented within the HR Report in the Board pack at the request of Board.
- 8.2.10 The HR Manager informed Board that Advance Northumberland's programme of management training sessions had been completed for this year. Ward Hadaway had been engaged to deliver specific management training on the following areas;

- Managing Investigations
- Managing Hearings

This training would be completed in two half day sessions on the 18<sup>th</sup> December 2019 and the 8<sup>th</sup> January 2020.

Five managers successfully completed Health & Safety training delivered by Carney's.

Advance Northumberland have met with their preferred supplier for customer care training to deliver this in the new year. This would be linked to the customer complaints process and a review/refresh of the company values.

A leadership development programme is planned as part of the business planning process.

Advance Northumberland are currently investigating the potential of the IIP standard being introduced across the business.

8.2.11

The HR Manager stated that, in relation to other training activities, the focus had been on health and safety training, particularly within Ascent Homes and Estates, to ensure there was reduced risk to the business. Each person had a health and safety training needs analysis, which was role specific. Significant elements of this training had been delivered by the health and safety manager, however it was expected that the training would now need to be outsourced. A programme would be drawn up with the relevant manager on a priority basis. These areas would include;

- Asbestos Awareness refresher training
- Working at Heights
- Spill containment
- Pasma Mobile Tower usage
- Scaffold Awareness
- CSCS Cards

Ten people were currently undertaking career pathways with four more awaiting approval.

There were currently 3 apprentices within the group studying AAT, Team Leading and IT Practitioner. The HR Advisor is undertaking her CIPD Level 5.

8.2.12

The HR Manager confirmed that pension benefits had been revised to include mandatory employee pension contributions for new staff. The COO and HR Manager were meeting with the pension's consultant to review the scheme performance, pension surgeries and promotion.

8.2.13

The HR Manager stated that all other benefits were under review to ensure effective usage and value for money, with consideration given to a more flexible benefits platform.

- 8.2.14 The HR Manager confirmed that the performance management cycle was April to March. Mid year reviews were due to be completed in October. Training had been delivered to managers to ensure effective use of the system.

Mid-year reviews completion rates:

- Number due – 89
- Number completed – 46
- This equated to 51.68%

**The Board:**

- 8.2.15
- **NOTED** the contents of the report.

8.3 **H&S Update & Data Report**

- 8.3.1 The Health & Safety Advisor presented the Health & Safety update report and the dashboard which gave an update on current Health & Safety (H&S) issues confirming that there had been no Riddor reportable accidents within the period.
- 8.3.2 The Health & Safety Advisor confirmed that he continued to promote a positive safety culture throughout the business through direct support and advice, as well as a programme of site visits and investigations. Site audits and inspections were well established within Ascent Homes and Developments and were now programmed within the residential and commercial Estate. These visits and audits continued to show evidence of high standards and best practice. Any issues of areas of weakness were rectified immediately or were escalated to a Director. Additional support on health & safety queries were also delivered when requested.
- 8.3.3 The Health & Safety Advisor confirmed that the Staff Health & Safety Consultative Group was successfully re-launched in October, chaired by the Head of Business Operations. The committee represented a cross section of the business and would continue to meet quarterly.
- 8.3.4 The Health & Safety Advisor went on to confirm that in November he had commenced delivery of a programme of staff workshops on Accident, Incident and Dangerous Occurrences. These would be complete by the end of December. The programme of Lone Working workshops would start in January 2020 and would be completed by the end of March 2020.
- 8.3.5 The Health & Safety Advisor stated that a total of six incidents had occurred over the October time period and all related to Ascent Homes construction sites.
- 8.3.6 The Health & Safety Advisor confirmed that hand arm vibration monitoring was well underway with, live measurements undertaken via a wrist worn device using a traffic light system, with joiners working for Ascent Homes. Thirty two sample days were taken with almost all results in green. One set

of results reached amber during the installation of staircases over a day using prolonged use of a battery operated drill.

- 8.3.7 Following a question from the NCC Deputy Chief Executive the Health & Safety Advisor confirmed that Reactec was the vibration monitoring system used which was the same as NCC and that his focus going forward would be looking at trends to then tie in with occupational health.

The NCC Deputy Chief Executive commented that it would be helpful for the Board to see the trend analysis.

- 8.3.8 The Health & Safety Advisor confirmed that two health & safety audits were undertaken on the construction sites at Ellington and St Pauls.

- 8.3.9 The Health & Safety Advisor went on to confirm that no policies had been submitted this month. The one remaining policy, Legionella, required some further work and would be submitted in the New Year.

**The Board:**

- 8.3.10 • **NOTED** the contents of the report.

**8.4 Corporate Scorecard**

- 8.4.1 The Managing Director introduced the report which reviewed the overall performance against targets set for the 2019/20 financial year. The Scorecard presented detailed performance from 1<sup>st</sup> July 2019 up to 30<sup>th</sup> September 2019 and covered Quarter 2 activity.
- 8.4.2 The Managing Director stated that the Corporate Scorecard supported the delivery of the annual business plan and ensured that a focus on the targets agreed would provide the best opportunity for the company to meet its strategic objectives. The targets set align with the 2019/20 medium term financial plan and the 2019/20 Business Plan.
- 8.4.3 The Managing Director confirmed that performance for the 2019/20 financial year was broadly on target or had exceeded expectations in most areas. However, there were some activities where performance had not been as expected. For those activities where the performance indicator was amber or red a response was provided to explain the reasons for under performance and to outline measures to remedy the issues for stronger performance later in the current financial year.

The areas of activity where performance had not been as expected were:

- **Sickness/Absence** - % of lost time due to sickness absence (YTD)
- **Performance Reviews** - % of employees with agreed performance objectives for 2019/20 (Red)
- **Performance Reviews** - % of performance reviews complete within the agreed timeframe (Red)
- **Property Occupancy Levels** - Manor Walks Office Space (Red)



- Property Occupancy Levels – Workspace (Amber)
- Facilities Management (Red)
- Estates Homes – Property Occupancy Levels (units) – non Hirst (Amber)
- Estates Homes Facilities Management (Red)
- H&S Homes & Commercial - % of properties with up to date electrical safety certificates (Amber)
- H&S Homes & Commercial - % of properties with up to date Asbestos Surveys (Amber)
- Ascent Homes – Maintaining profit from house sales in line with MTFP (Amber)
- Economic Growth – Amount of private sector investment levered (Amber)
- Economic Growth – Amount of public sector investment levered (Amber)
- Economic Growth – Number of jobs created (Amber)

8.4.4 The Managing Director confirmed that the Facilities Management red status was due to a reporting issue within the QL software system. There was currently an ongoing review of the QL system to check that it was fit for purpose as it was clearly presenting some significant performance issues across the board and it was felt that a more modern and efficient software was required.

C Sayers felt that a commentary was needed within the Board paper to explain that there was a problem with the reporting system as the information provided at the moment was misleading.

8.4.5 The Managing Director confirmed that all the schemes current treated as top priority were progressing well.

8.4.6 The Chairman asked that close out reports be made available for all fully completed schemes.

8.4.7



**The Board:**

8.4.8

- **NOTED** the performance against the targets set for the 2019/20 financial year and comments where performance had not been as planned.

8.5 **Corporate Risk Register**

8.5.1 The Managing Director presented the report to provide the Board with an update on the Company's corporate risk register.



- 8.5.2 The Managing Director stated that, as part of the company's continuing efforts to improve governance and ensure that there was an effective system of internal control, the Advance Northumberland corporate risk register had been updated to reflect the changing risk landscape.
- 8.5.3 The Managing Director went on to state that it was important that the company operated within an appropriate risk management framework enabling it to achieve its objectives, whilst identifying risk and mitigating actions which could negate or reduce any negative impacts where these are in the control of the company and NCC as sole shareholder.
- 8.5.4 The Managing Director confirmed that there were currently 14 Red Risks on the Register. All risks would continue to be managed by the risk owners, reviewed on a quarterly basis and reported to the SLT and Board using the following risk framework.
- 8.5.5 The Managing Director stated that the key issues around governance weaknesses related back to the Operating Agreement. The Operating Agreement and the loan/financing arrangements were key to Advance Northumberland being able to function going forward.

The NCC Deputy Chief Executive commented that, in terms of NCC's perspective with regards to the risk register, there were some things that she would have expected to see on the register and some of the mitigation that NCC were doing which needed to be factored in.

The Chairman requested that a follow up meeting be held between the Advance Northumberland Chief Operating Officer and the NCC Deputy Chief Executive to look at any remaining issues around alignment of the Corporate Risk Register with NCC's Corporate Risk Register.

- 8.5.6 The Chairman commented that he liked to see this level of detail within the register with the Board report focussing on what has changed month to month and to include trend information.

**The Board:**

- 8.5.7
- **NOTED** the contents of the report.
  - **APPROVED** the corporate risk register and proposed control measures.
  - **AGREED** that the corporate risk register be reviewed by Board annually by exception and quarterly by Audit Committee.

**9.0 Policies for Approval**

**9.1 Corporate Policies – Business Continuity**

- 9.1.1 The Governance & Performance Manager introduced the Business Continuity Plan which was designed to ensure that potential threats to an organisation and its business operations were identified and controlled as far as was practicable and that core business functions were not severely

- impacted by a disaster or unplanned Incident. Business Continuity Planning was a whole Company process.
- 9.1.2 The Governance & Performance Manager stated that Business Continuity enabled businesses to;
- Identify the impacts of operational disruption
  - Put arrangements and procedures in place to ensure services continue to be delivered as far as possible
- 9.1.3 The Governance & Performance Manager went on to state that the Business Continuity Plan identified the assets, including people and processes that were critical to delivering services. Roles and responsibilities of individual members of staff were identified as minimum resources required.
- 9.1.4 The Governance & Performance Manager confirmed that it was proposed that the Business Continuity Plan was incorporated into the Corporate Risk Register and managed in line with that document including quarterly reports to Board and SLT.
- 9.1.5 C Sayers commented that, whilst he appreciated that some of the systems were supported by NCC, not all of them were. It would be good practice to test the systems to check resilience and have something recorded within the policy to record how often the systems were actively tested. The NCC Deputy Chief Executive suggested that a desk top exercise be undertaken to see what needed to be tested and when.
- 9.1.6 The NCC Deputy Chief Executive commented that from NCC's business continuity point of view if Advance Northumberland had statutory duties to undertake and NCC had to commandeer facilities what was the procedure? The Managing Director confirmed that Advance Northumberland had any statutory role to play in the larger civil contingency.
- 9.1.7 Following a query from C Sayers the Managing Director stated that testing and resilience of the IT systems would be investigated and Advance Northumberland would liaise with the civil contingencies team from NCC to understand NCC's approach.

**The Board:**

- 9.1.5
- **APPROVED** the Business Continuity Plan.

9.2 **Annual Statutory Accounts**

- 9.2.1 The Chief Finance Officer presented the report and confirmed that there were no material changes to the numbers from the initial draft presented to the Audit Committee [REDACTED] All other changes had been to the wording and notes to the accounts, which will likely continue until the date of

signing.

9.2.2

[REDACTED]

9.2.3

The Chief Finance Officer confirmed that there were two letters of support from two of the groups subsidiaries, Advance Northumberland (Developments) Limited and Advance Northumberland (Housing) Limited. These were standard letters to ensure the Group would provide support to its subsidiaries in the event they could not repay its ongoing liabilities.

[REDACTED]

9.2.4

The Chief Finance Officer confirmed that the deadline for filing the Statutory Accounts was 31 December and final wording tweaks were awaited from the partner at EY.

9.2.5

[REDACTED]

**The Board:**

9.2.6

- **APPROVED** the statutory accounts for all entities within the Advance Group for the year ended 31<sup>st</sup> March 2019.
- **APPROVED** that the Chairman sign the Statutory Accounts letters on behalf of the Board.

The NCC Deputy Chief Executive and the NCC Finance Manager Corporate Resources left the meeting.

10.0

**Project Approvals**

10.1

10.1.1

10.1.2

[REDACTED]

10.1.3

10.1.4

10.1.5

10.1.6

10.1.7

10.1.8

10.1.7

10.2

10.2.1

10.2.2

10.2.3

10.2.4

10.2.5

10.2.6

10.2.7

10.2.8

10.2.9

C Sayers left the meeting.

10.3

10.3.1

10.3.2

10.3.3

10.3.4

10.3.5

10.3.6

10.3.7

10.3.8

10.3.9

10.4

10.4.1



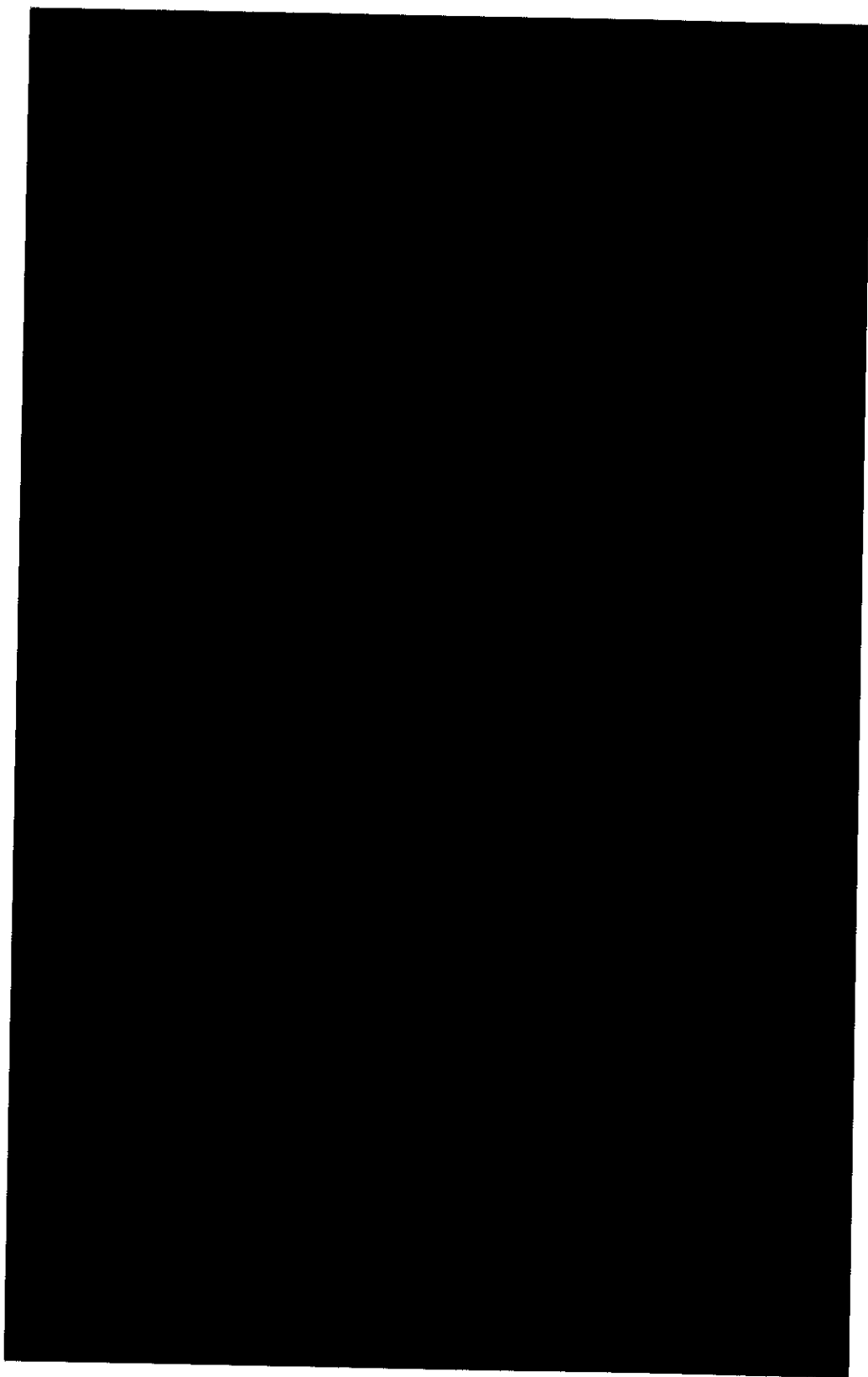
10.4.2

10.4.3

10.4.4

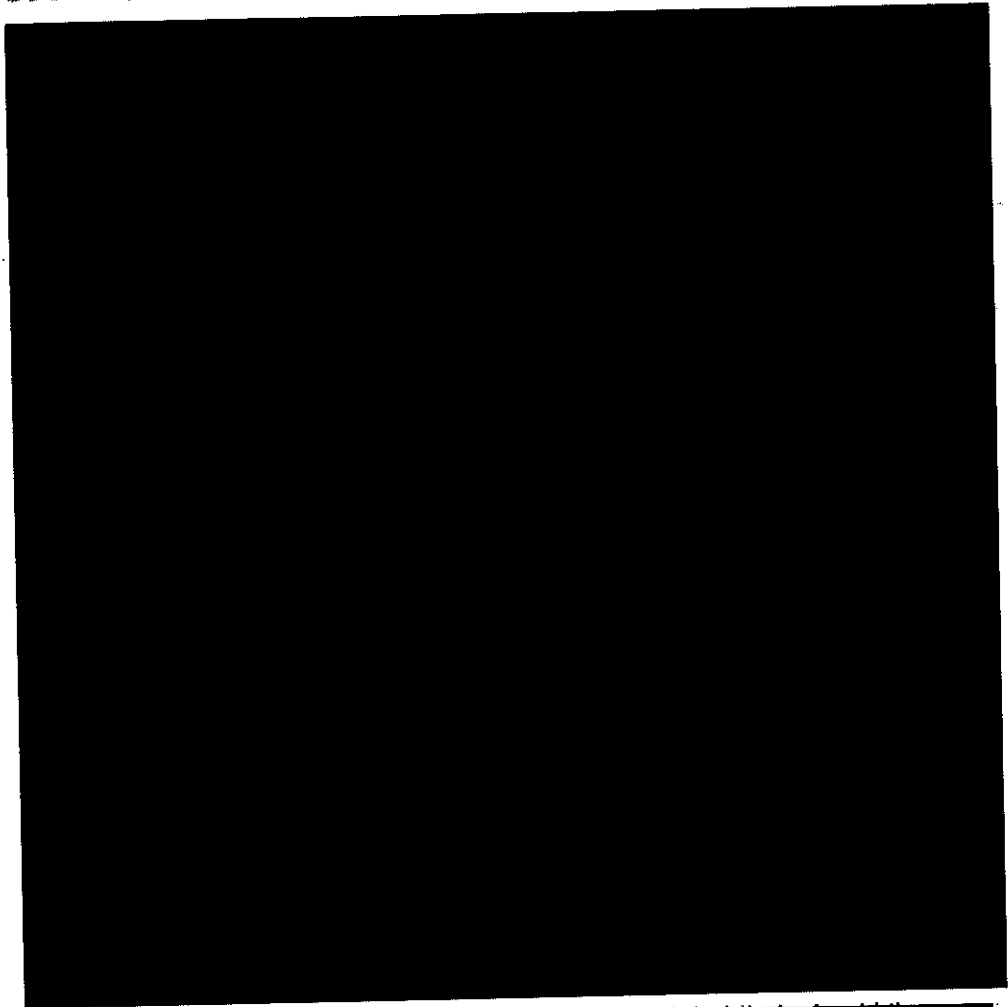
10.4.5

10.4.6



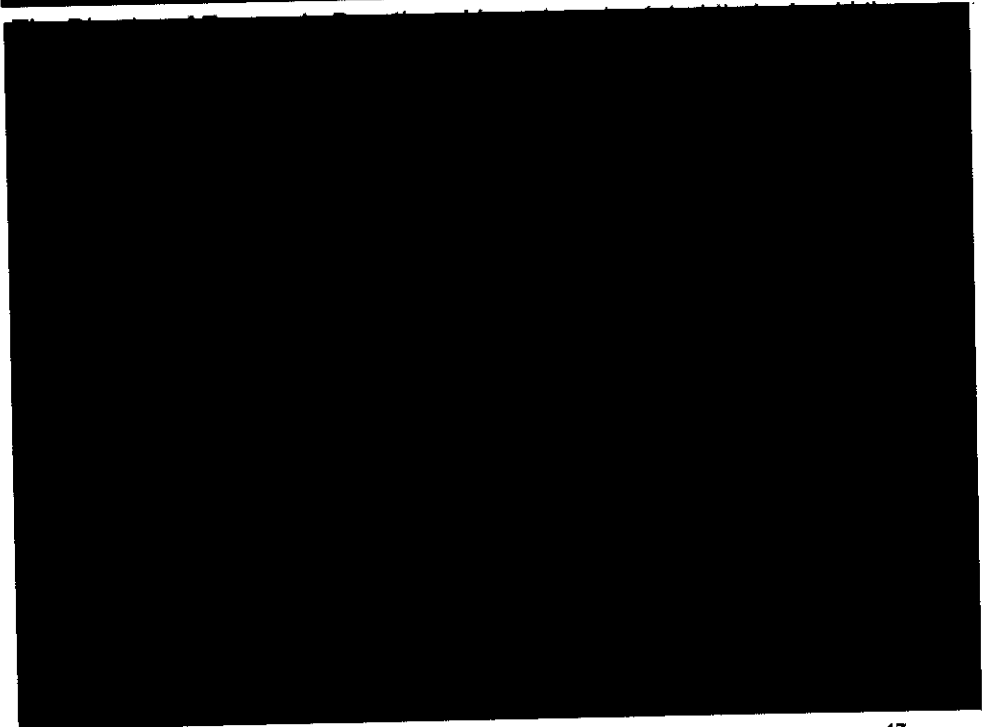


10.4.7



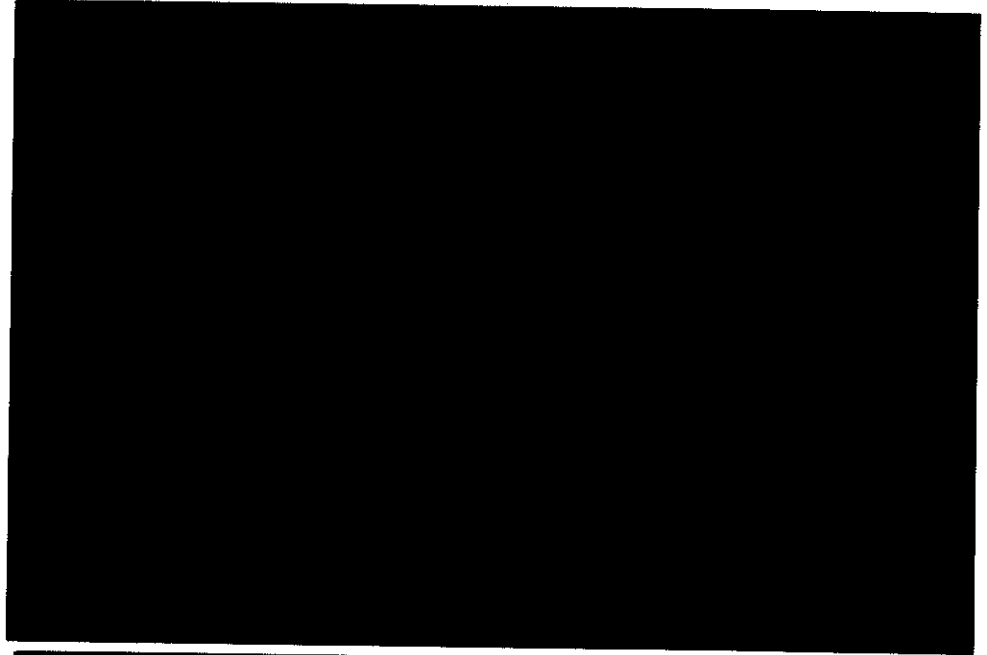
10.4.8

10.4.9

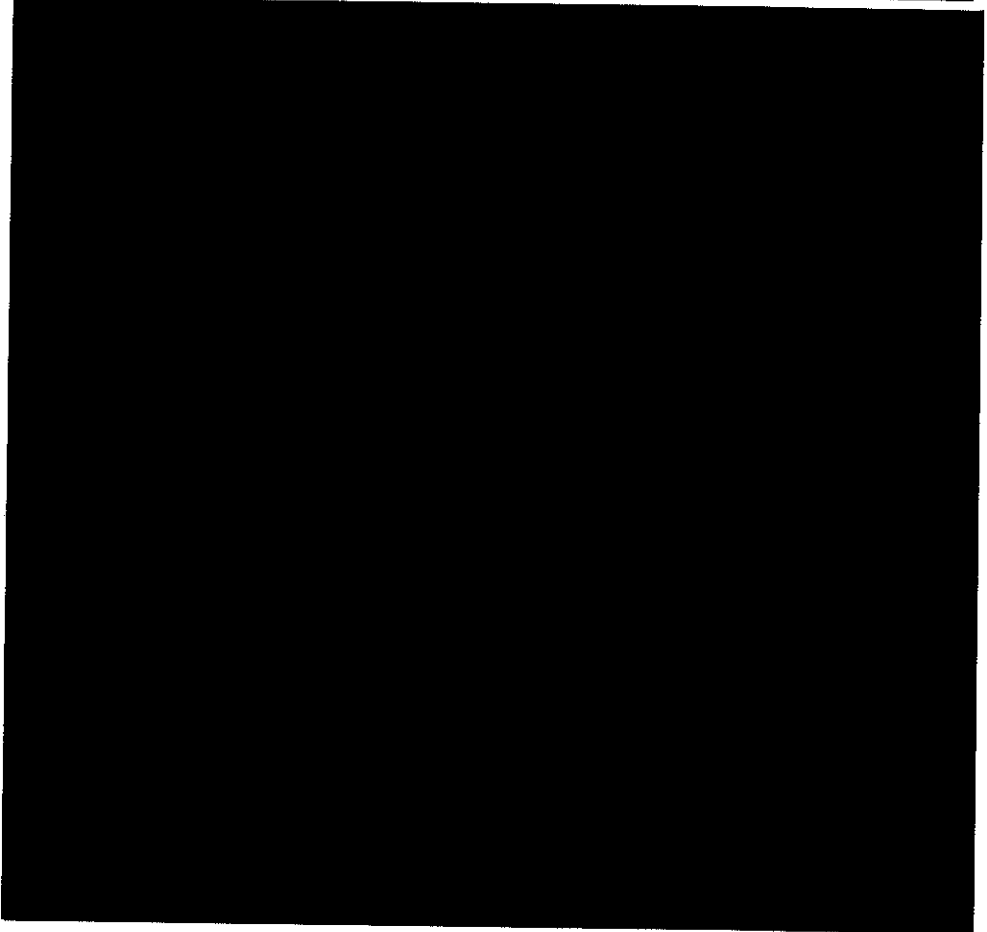


10.4.10

10.4.11



10.4.12



**11.0 Other Approvals**

**11.1 Power of Attorney**

- 11.1.1 The Chief Operating Officer introduced the report which requested that the Board empower the Managing Director and the Chief Operating Officer to sign documents on behalf of all of the Advance Northumberland Group operating companies.
- 11.1.2 The Chief Operating Officer confirmed that each of the companies within the Advance Northumberland group was incorporated as a company limited by shares. As a matter of company law, any company limited by shares enacts its activities through its legally appointed Directors. In the case of Advance Northumberland (in common with other public owned and not-for-profit organisations) the Directors of the Company sit in a 'non-executive' capacity; although they were the primary decision makers in the Company they were not generally involved in the Company's activities on a day to day basis. This can give rise to logistical problems when Directors are typically not available 'on site' to sign documents on behalf of companies in the Group.
- 11.1.3 The Chief Operating Officer stated that the solution to this was for the Directors to empower selected executive staff to sign on behalf of the Company. This could be formally achieved via a Power of Attorney.
- 11.1.4 The Chief Operating Officer confirmed that the key principles adopted in the draft Power of Attorney included;
- The appointed attorneys do not have the power to sub-delegate their duties as attorneys.
  - The appointment will continue until revoked by the Company or until the attorney is no longer an employee.
  - The attorneys are authorized to act fully as need on behalf of the Company.
  - The attorneys can only act where there has been appropriate approval in accordance with the Company's financial regulations and delegated authorities; the power of attorney does not change or extend the existing approved delegated approval limits.
- 11.1.5 The Chief Operating Officer confirmed that in order to enact the Power of Attorney a resolution of the Board was required. As well as creating the authority for the proposed Power of Attorney, the draft resolution revoked existing powers of attorney which the Company had entered. In a similar manner to the Power of Attorney itself, a resolution in the same form would be required from each Group operating company.
- The Board:**
- 11.1.6
- **APPROVED** the Resolution for Advance Northumberland Limited and all the Advance Group companies.
  - **APPROVED** the Power of Attorney documents for all the Advance Group companies.
  - **AUTHORISED** the Chairman to sign the Resolutions and Power of Attorneys on behalf of the Board of each Advance Group Company.

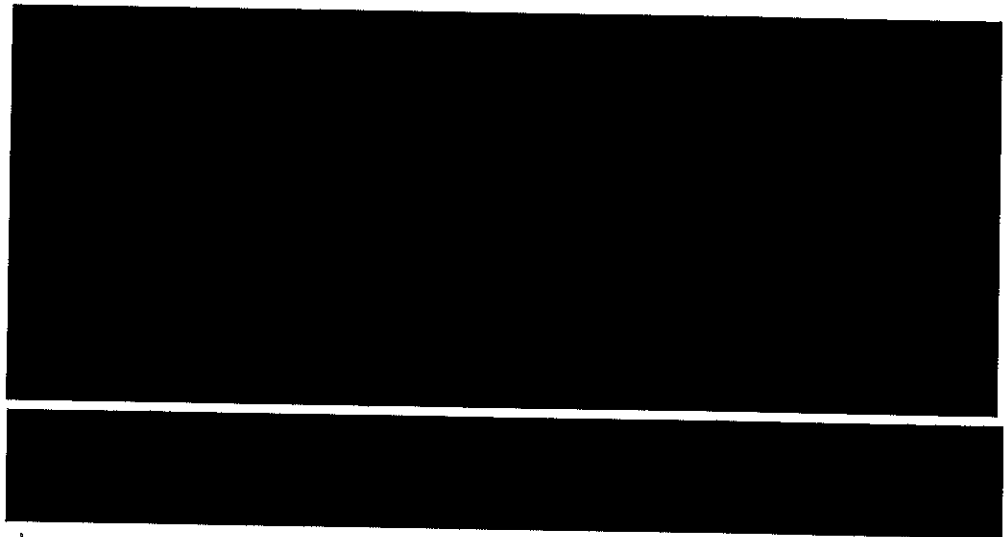
- **AGREED** that a short summary document be presented to each Board meeting to show the use of the Power of Attorney in the subsequent month.

11.2            **Operating Agreement**

11.2.1        The Managing Director introduced the report to present Northumberland County Council's Operating Agreement with Advance Northumberland for approval by the Board.

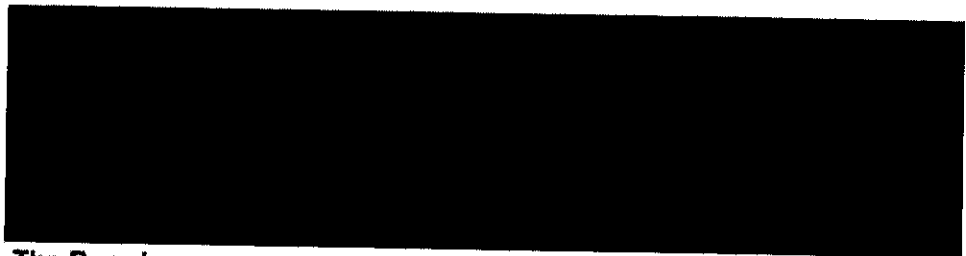
11.2.2        The Managing Director confirmed that, further to the August 2019 report to the Advance Northumberland Board, a comprehensive review of the Operating Agreement had been undertaken by the Company's lawyers, Ward Hadaway and further discussion had been held with NCC.

11.2.3



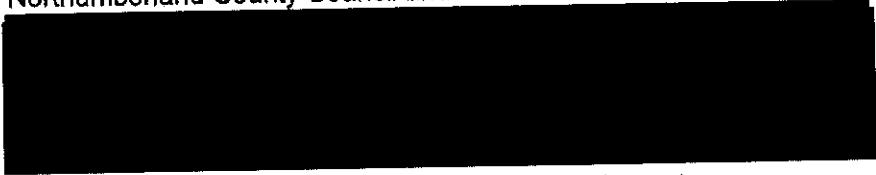
11.2.4        The Managing Director stated that the completion of the Operating Agreement, which formalised the relationship between NCC and Advance Northumberland; and distinguished between the Council's role as Shareholder and Commissioner, was an important step forward for both the Council and the company and would help to secure improved standards of governance.

11.2.5



**The Board:**

11.2.6        • **NOTED** the report.

- **APPROVED** that the Operating Agreement be signed by the Chairman as a means of formalizing business between Northumberland County Council and Advance Northumberland.
- 
- **REQUESTED** to see a rolling review of how the Operating Agreement is working over the next 12 months.

11.3 **Forward Plan of Board Business**

11.3.1 The Managing Director introduced the report to present a draft forward plan of business to be considered by the Board for the final quarter of 2019/20.

11.3.2 The Managing Director stated that the report provided an outline of key business to be considered by the Board over the next quarter. Though the business could well change as a result of unmet dependencies, amended priorities or factors outside the company's control, the programme of business will give the Board a reasonable understanding of key items to be considered.

11.3.3 The Managing Director confirmed that, in addition to normal Board business, provision had been made for special meetings to deal with Board training and induction and a tour of key development sites. Every effort would be made to include those sessions on the same day as the Board meeting.

11.3.4 The Managing Director confirmed that the Forward Plan of Business would be a standing item on the Board agenda.

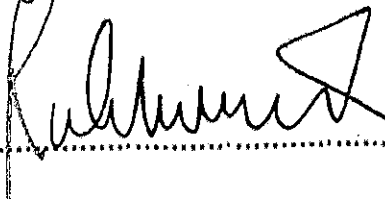
**The Board:**

- 11.3.5
- **NOTED** the report.
  - **APPROVED** the Forward Plan of Board Business for the next quarter.

12.0 **AOB**

12.1 There were no matters brought to the Board under Any Other Business.

13.0 The Chairman thanked the Board for their attendance and closed the meeting at 16:40.

  
.....CHAIRMAN