

Working on behalf of

1.0	Notice & Quorum
1.1	The Chair welcomed the attendees, including the new Director, and declared the meeting quorate.
1.2	The Chair welcomed Mary Murphy, a Northumberland County Councillor nominated by the Labour Group to the Shareholder Representative to join the Board. The Chair informed Mary that a Board Director's responsibility was firstly to the Board itself and the sole aim of the Board was to do the right thing for the Company.
	The Board
1.3	<ul style="list-style-type: none"> NOMINATED & APPOINTED Mary Murphy to the Board of Advance Northumberland and to all subsidiaries of Advance Northumberland.
2.0	Apologies for Absence
2.1	The Chair reported that there had been apologies for absence from S Bridgett, R O'Farrell, D Lally & J Anderson.
3.0	Declarations of Interest
3.1	The Company Secretary stated that the Board's written declarations were recorded as a general notice.
3.2	Mary Murphy declared an interest with regards to Item 10b due to the fact that the Whinney Hill site was within her ward.
4.0	Minutes of the Previous Meetings
4.1	<ul style="list-style-type: none"> The minutes of the previous meetings held on the 25th of March 2022 were REVIEWED and AGREED.
4.2	Actions from the 25th of March 2022 Board Meeting
4.2.1	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.
5.0	Matters Arising
5.1	The following items were brought to the meeting under Matters Arising.
5.1.1	The Chief Operating Officer brought to the Board's attention the protracted process in trying to get the external audit complete explaining that there was no reason for the delay as the majority of the field work had been completed by the auditors in September 2021.

The Chief Operating Officer reminded Board that the Audit partner had attended a Board meeting in October 2021 and had informed Board that the audit was almost complete, but now six months later, the accounts were now officially overdue at Companies' House which meant we would incur a small fine but more importantly it was affecting our trading with suppliers.

The Chief Operating Officer stated that he was [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The Chief Operating Officer informed the Board that an email had been received this week from a junior member of the external audit team, asking that we request NCC to sign a parent company guarantee letter. This was not something that had been requested last year, and the Company [REDACTED]
[REDACTED], [REDACTED]
[REDACTED]
[REDACTED]

The External Auditors had stated that it may take another month or two to sign off the accounts. [REDACTED] is a high-ranking accountancy firm and the Chief Operating Officer felt [REDACTED]
[REDACTED]

K Gardner commented that her biggest concern, as Chair of the Audit Committee, was an email request from a junior [REDACTED] member asking for [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] K Gardner went on to express her dissatisfaction from an Audit Committee perspective and confirmed that she had asked the audit partner from [REDACTED] to attend the May Audit Committee meeting in person to enable a more detailed discussion.

The Chief Operating Officer confirmed a discussion had taken place in the Shareholder Assurance Group meeting with NCC's Executive Director of Finance about whether Advance Northumberland moved to change external auditors. The steer was that it was up to the company, but it would be a Shareholder Reserved Matter. It may be a case of jumping out of the frying pan into the fire due to the state of the accounting industry at the moment, but Board may need to consider what action it could take and whether a formal complaint was made.

The NCC Executive Director of Finance stated that what the company had experienced in terms of delivery of the external audit reflected a broad picture nationally. All Councils and their wholly owned companies were experiencing similar issues, which was something of national concern. The advice given at the Shareholder Assurance Group meeting was that the Board needed to be quite careful in considering this but [REDACTED] at the Audit Committee meeting about why the Company was in this position would be in order. But it was not a straightforward matter to change auditor, any incoming auditor would be required to verify all of the opening balances in the company's accounts and to re-perform a large part of the work already completed by [REDACTED] in previous audits which would have to be paid for and would also take a large chunk of time. Although superficially attractive, the Board may find itself in a situation where it had made matters worse. It was though a matter for the company to determine. There were some benefits to having the same company auditing Advance Northumberland and NCC which was something else to way up.

The NCC Executive Director of Finance recommended that this matter be discussed at Audit Committee and then for the Board to take a view on how it would want to proceed.

K Gardner stated that if the decision was taken to remain with [REDACTED] going forward, the relationship would need to be tightly managed from both sides, with clear timescales set for next year and monitored tightly against those timescales.






























J Reid asked whether Advance Northumberland could [REDACTED] as the situation was damaging to NCC's reputation as well as to Advance Northumberland.

The NCC Executive Director of Finance confirmed that NCC were experiencing exactly the same issues with the completion of their external audit and had similar issues last year but reiterated that it would be difficult to find any Council that wasn't in a similar position. [REDACTED] they did have different engagement partners and audit teams to Advance Northumberland which was part of the separation to ensure independence. Whilst it did help to speak as one voice, and both NCC and Advance Northumberland were raising concerns, NCC could not speak for the Advance Northumberland Board, it would need to make those representations itself.

M Murphy commented that if Advance Northumberland [REDACTED]
[REDACTED].

	<p>The Chief Operating Officer stated that he agreed with the principle but ultimately these were the Company's accounts, and it was the Company's responsibility to file them. The chain of responsibility meant that it was our responsibility, but this would form part of our discussions with the audit partner.</p> <p>J Riddle commented that it was not very satisfactory but, taking into account the comments of the NCC Executive Director of Finance, felt that the Company would need [REDACTED] as it would be [REDACTED].</p> <p>M Taylor raised the issue about the operational impact on the Finance Team.</p> <p>The Chief Operating Officer confirmed that it was a massive drain on resource at the moment with two sets of open accounts which meant that the closing down of ledgers and final processing of the March 22 year end had been delayed.</p> <p>Action: M Taylor requested that thanks on behalf of the Board be passed on to the Finance team.</p>
5.1.2	<p>Financial delegations were on the agenda for this meeting.</p> <p>NEP1 update – The Development Director (C&I) will give the Board the current position at today's meeting, but a lot of work was done following the previous Board meeting looking at [REDACTED]. This had resulted in [REDACTED].</p> <p>[REDACTED]. This had been discussed at both the Shareholder Assurance Group meeting and at a specific meeting with the NCC Executive Director of Finance.</p> <p>[REDACTED].</p> <p>Ukraine – A meeting had been held with Phil Soderquest at NCC where the background to the Board's request was discussed. This was followed up by Phil Soderquest and the current position was that there was not a lot of guidance to allow NCC to act but there could be a 'Phase 2' coming from Central Government soon which is when Advance Northumberland may be able to be involved. This would continue to be monitored and when NCC were in a position to sponsor refugees Advance Northumberland would put together a proposal and bring it back to the Board.</p> <p>M Taylor confirmed that as Phase 2 hadn't been released NCC couldn't act as a sponsor. Going forward, following the guidance, NCC may look to act as a corporate sponsor.</p>

	<p>Action: [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p>
5.1.3	<p>Action: Director of Economic Growth & Investments' presentation regarding Investments Pipeline from the March Board meeting to be added to the Board SharePoint folder.</p>
5.1.4	<p>The Chief Operating Officer informed the Board that the away day was confirmed as Monday 16th May and would be hosted at Amble Harbour Commission.</p>
5.1.5	<p>The Chief Operating Officer informed the Board of a provisional date of [REDACTED].</p>
6.0	<p>Ratification of Virtual Board Decisions</p>
6.1	<p>The following virtual approvals were ratified by the Board at this meeting.</p>
6.1.1	<ul style="list-style-type: none"> • Order Authorisations for Ascent Homes.
6.1.2	<p>Polices under Item 7.1 of the 25th March 2022 Board minutes, which were to be approved by exception, were now all agreed;</p> <ul style="list-style-type: none"> • Agile Working • Dignity at Work • Disciplinary Policy and Procedures • Grievance Policy and Procedures • Employee Performance Improvement Policy and Procedures • Recruitment and Selection Policy and Procedures • Alternative Employment Policy • Travel & Subsistence
6.1.3	<p>Action: For future Board decisions, deadlines for feedback to be highlighted to those Board members that were absent from the Board meeting.</p>
7.0	<p>Policies for Approval</p>
7.1	<p>The ICT policy was presented by the Chief Operating Officer and the following points were raised.</p>
7.1.1	<p>Following a comment from J Reid regarding the inclusion of social media within the policy it was agreed to amend the policy to include links to other relevant Advance Northumberland policies.</p>

	Action: ICT Policy to be amended to reference links to other relevant Advance Northumberland policies and to be re-presented at the next Board meeting.
	The Board:
7.2	<ul style="list-style-type: none"> • DEFERRED the ICT Policy to the next Board meeting.
8.0	Non-Confidential Approvals
8.1	There were no approvals brought to the Board under this section.
	CONFIDENTIAL ITEMS
9.0	Reports for Information
	
	  
	    
	           
	  
	The Board:

Working on behalf of

	<p>M Taylor asked whether it was possible to get a high-level cost estimate of the environmental impact and then, as a Board, offset that with other projects.</p> <p>The Chair agreed and commented that the Board needed to recognise the impact and see what could be done to offset it.</p> <p>The Chief Operating Officer commented that any options would need to reflect the requirements of the Shareholder, but the Shareholder would have to recognise that there would be a financial cost.</p>
10.1.4	<p>M Taylor asked whether there were any arrangements for communicating the removal of surplus material activity at the site with the local residents.</p> <p>Action: Once removal plans confirmed information leaflet to be prepared and distributed to local residents, parish council, and the local councillors.</p>
10.1.5	<p>The Group Company Secretary commented that, looking ahead to road access, one of the criticisms of Advance Northumberland was regularly requesting an exemption on procurement. We therefore needed to consider whether to openly procure this or not, it should be considered. Enough time should be allowed to hold compliant procurement.</p>
	<p>The Board:</p>
10.1.6	<ul style="list-style-type: none"> ○ APPROVED issuing a [REDACTED], to secure a swift mobilisation period and works commencement. ○ APPROVED [REDACTED] ○ APPROVED [REDACTED]. ○ DELEGATED final approval of the detailed contracts to one Board Director and one of either Advance Northumberland's COO or Development Director. ○ RECOMMENDED that Advance Northumberland contact local residents, the local Councillor and the Parish Council to inform them of the work that would be undertaken.
10.2	<p>[REDACTED]</p>
10.2.1	<p>The Development Director and the Head of Land Acquisition presented the report which was discussed by the Board and the following points/actions were raised.</p>

10.2.2	<p>M Taylor asked what the return on the site would be for Advance Northumberland and whether, with [REDACTED]. The Development Director confirmed that the return would be in line with the current forecast and that, in theory, [REDACTED].</p> <p>The Chair asked whether Advance Northumberland would be doing landscaping on the site. The Development Director confirmed that there was a large landscaping scheme on the site incorporating a tree-lined boulevard.</p> <p>M Taylor questioned whether, [REDACTED].</p> <p>M Murphy commented that, from a resident's point of view, [REDACTED].</p> <p>M Murphy asked whether [REDACTED]? The Development Director confirmed that [REDACTED].</p>
	<p>The Board:</p>
10.2.3	<ul style="list-style-type: none"> • APPROVED [REDACTED]
10.3	<p>Annual Governance Statement</p>
10.3.1	<p>The Chief Operating Officer presented the report which was discussed by the Board and the following points/actions were raised.</p>
10.3.2	<p>K Gardner requested that the following additions to the report be considered.</p> <ul style="list-style-type: none"> • Focus on anything that was new e.g., additional controls • Reference to the Audit Committee being re-engaged • Any additional Board reports that had been requested • Mention of the enhancement to the financial reporting

	<ul style="list-style-type: none"> • Mention of the change and enhancement to the Risk Policy.
10.3.3	<p>M Taylor commented that, with regard to strategic focus, a reference to the fact that there would be forthcoming outcomes from the Strategic Review which the Board would consider going forward in 2022-23.</p>
	<p>The Board:</p>
10.3.4	<ul style="list-style-type: none"> • APPROVED the Annual Governance Statement for submission to the Council subject to the amendments above.
10.4	<p>Approval of Revised Financial Delegation Policy & Articles of Association</p>
10.4.1	<p>The Group Company Secretary presented the reports which were discussed at length by the Board and the following points/actions were raised.</p> <p>The Group Company Secretary reminded the Board that they had approved the text of the Articles in November 2021 and delegated the final schedule to the NCC Interim Deputy Chief Executive there were some minor amendments that the Monitoring Officer required which were subsequently approved by delegation.</p> <p>The main core of the request was the Financial Delegation Policy to get better clarity of what the officers of the company can/cannot do, what the Board can do, what was/was not a Shareholder approval, getting a new mechanism for how Shareholder approval was requested and set a timetable for those approvals.</p>
10.4.2	<p>The NCC Executive Director of Finance confirmed that she now had delegated authority to exercise the functions of the Shareholder Representative during the NCC Chief Executive's absence. There had been some matters that had been held up and that did include the revised Articles of Association, but discussions were taking place to try and get those sorted as quickly as possible so hopefully there would be no further log jams and if there were any urgent items requiring approval, we have a tried and tested mechanism for getting those through. This would be kept under review if there were any issues, and it was intended that the Articles of Association would be agreed in time to be presented at the June NCC Cabinet meeting for Shareholder approval.</p>
10.4.3	<p>The Chair commented that the Articles of Association would work provided that proper discussions were held between the Board and the Shareholder as, for example, at the moment the Board had no authority to either appoint or remove a Director.</p> <p>The Group Company Secretary stated that the Board did currently have the authority to appoint and remove a director but that would be a Reserved Matter, this company is wholly owned by a body and any 100% Shareholder would want significant control over its investments.</p>

The NCC Executive Director of Finance reiterated that although this would be a Reserved Matter that didn't mean that it had to be initiated by the Shareholder. If the Board wanted to make an appointment, there was a mechanism for having that discussion. The relationship between the Advance Northumberland Board and the Shareholder was different in nature to what you would normally encounter within the commercial sphere, the company had a key role to play in delivering Council objectives, there were shared values and ethos. The revised Articles of Association should capture some of the spirit of that intended working relationship.

The Chair commented that the Board would like to have input into the appointment of independent members to the Board.

The NCC Executive Director of Finance stated that there were some wider corporate considerations around that and plenty of space and time for that discussion. That would be ancillary the Strategic Review. Once that had been completed and it had been agreed what to the strategic direction of the Company was then the composition of the Board would follow on naturally and NCC's own corporate governance review would also inform that discussion as well.

The Chief Operating Officer stated that he felt that the new draft Articles of Association were a step forward when compared to the current Articles of Association, but he did not think these were optimal and, in his view, should not be considered a final version. He did not agree with some of the additional reserved matters i.e., approval of the cost of living pay rise for staff was a Shareholder reserved matter which had never been in before as it was normally a matter for the Remuneration Committee.

The Chief Operating Officer highlighted to the Board that the reason for the resignations given [REDACTED]

[REDACTED], matters had moved even further and more decisions were now classed as 'Reserved Matters'. In his view the current constitutional arrangements would prove a barrier to attracting effective independent Directors, and this would not be improved by the draft new Articles.

The Board:

10.4.4

- **APPROVED** the final form revised Articles of Association dated June 2022, subject to Shareholder consent as a Reserved Matter.
- **APPROVED** the proposed Financial Delegation Policy dated June 2022, subject to Shareholder consent as a Reserved Matter.

	<ul style="list-style-type: none"> • APPROVED the mirroring and cascading of the Articles to the subsidiary companies by way of Written Special Resolutions, following Shareholder consent. • APPROVED the delegation of authority to the Executive Director to pass the Written Special Resolutions to mirror and cascade the Articles to the subsidiaries, following Shareholder consent. • REQUESTED a formal review of the Articles and Financial Delegation Policy at least annually, and whenever a Director or senior officer of the Company feels it would be appropriate.
10.9	Confidential Performance Reports for Information
10.9.1	The Chief Operating Officer confirmed to the Board that the usual performance reports had been circulated via the Board portal and invited questions.
	No questions were raised.
11.0	Any Other Business
11.1	<p>The Chief Operating Officer informed the Board that Advance Northumberland worked closely with the procurement team at NCC and that they were a good support for Advance Northumberland but at the moment they were overloaded with work. [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>Following a question from the Chair the Chief Operating Officer confirmed that the Company would work with NCC to redefine the operational relationship between the parties to ensure that processes were optimised with more resource and support for strategic or higher risk procurement, with a lighter touch for high volume, tactical procurements where risks were lower.</p> <p>The Chief Operating Officer confirmed that the NCC head of procurement was in favour of the proposed change.</p> <p>Following a question from M Taylor the Chief Operating Officer confirmed that the Advance Northumberland team had the capacity to manage this change and that it would reduce delays and inefficiencies currently experienced, especially in the Ascent Homes team.</p>
	The Board:
11.1.2	<ul style="list-style-type: none"> • APPROVED [REDACTED]

11.3	<p>The Chair thanked the Board for their attendance and closed the meeting at 16:00.</p> <p>[REDACTED]</p> <p>..... CHAIR</p>
------	---

Summary of Actions		Action
Matters Arising	<ul style="list-style-type: none"> • give Board thanks to the Finance team and acknowledging the pressures they were under • The Chair [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] • Director of Economic Growth & Investments' presentation regarding Investments Pipeline from the March Board meeting to be added to the Board SharePoint folder. 	<p>RE</p> <p>RE</p> <p>RE</p>
Ratification of Virtual Board Decisions	<ul style="list-style-type: none"> • Deadlines to be highlighted to those Board members that were absent from the Board meeting. 	RE
ICT Policy	<ul style="list-style-type: none"> • ICT Policy to be amended to reference links to other relevant Advance Northumberland policies and to be re-presented at the next Board meeting. 	RE/DE
Finance Update	<ul style="list-style-type: none"> • [REDACTED] [REDACTED] 	JA
[REDACTED] [REDACTED]	<ul style="list-style-type: none"> • Once removal plans confirmed information leaflet to be prepared and distributed to local residents, parish council, local councillor. 	RE/AL