**Sixty Bricks Limited Board Minutes**

Meeting Date and Time: **30 November 2021**

Meeting Location: **Via MS Teams & Melsetter Suite, Town Hall, Fellowship square**

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| **Attendees - Directors** | | |
| **Name** | **Initials** | **Agency/Job Title** |
| Paul Lowenberg | PL | Chair, Director, Sixty Bricks |
| Joe Garrod | JG | Director Sixty Bricks |
| John Anderson | JA | Director, Sixty Bricks |
| James Briggs | JB | Managing Director, Sixty Bricks |
| Pacey Cheales | PC | Operational Director, Sixty Bricks |
| Stewart Murray | SM | Strategic Director, Regeneration and Growth, LBWF |
| Rob Manning | RM | Director, Sixty Bricks |
| Darren Welsh | DW | Director of Housing LBWF |
| **Other Attendees** | | |
| Jahangir Mannan | JM | Company Secretary & DoF, Sixty Bricks |
| Sadia Begum | SB | Business Support Officer, LBWF |

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| **Apologies** | | |
| **Name** | **Initials** | **Agency/Job Title** |
| Sarah Wall | SW | Director, Sixty Bricks |

| **No.** | **Content** | | | | | | | |
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| **1** | **Welcome, Introductions and Apologies**  Apologies from SW.  **Minutes, Matters Arising and Action Log**   * Declaration of interest raised by DW. * Minutes of last meeting were approved by Board. * Actions from last meeting: Update   **Item 6** - Modelling of interest payment options, JM to detail cashflow in a further meeting and for addressing best timing of repayment of the loans.  **Item 9** - terms of liquidity support will be the same as the working capital loan and have been agreed at the client meeting –will be aiming for amended note to be presented for January Board meeting. | | | | | | | |
| Documented Actions Item 1. | | | **Date Due** | | | | | **Lead** |
| * Confirm terms of liquidity with client * Present repayment options to minimise interest exposure | | | **Jan 22** | | | | | **JM/JB** |
| **2** | **Forward Planning and Action Log**   * **Use of Sixty Bricks to sell council homes**: the programme will be looked at and cost to presented in new year 2022. | | | | | | | |
| Documented Actions Item 2 | | | Date Due | | | | | **Lead** |
| * To confirm sign-off that contractors are following public ethic principles. | | | March 2022 | | | | | **JM** |
| **3** | **Chair and Shareholder Feedback**  *Shareholder*  Currently building pipeline of new sites for the company, ph3 and beyond. Assessing business model including funding gap to contribute further towards GLA funding bid.  Ongoing review for future bids for sites with no grant allocation which will include Hylands Road ph3. Potential bid during quarter 1 2022.  *Chair Feedback*   * PL and JB completed presentation to budget scrutiny committee October 2022. Positive feedback received from the committee. Interest from members around ESG scores, number of apprentices at Centenary House. number of larger accommodations within the programme. * JB: The team have now responded to these queries raised by the committee confirming a large proportion of affordable housing within the SB pipeline, strong provision of larger homes for rent and apprentices. * There is a new Development Director – Jennifer Courier would be joining us the end of February 2022. * A meeting with Council Director of Finance discussed potential for sixty bricks to provide homelessness support and how this model may work in practice. Options to be considered in collaboration with DW Housing team. * All Board members to return self-assessment forms prior to 1-2-1 discussions with Chair. | | | | | | | |
| Documented Actions Item 3 | | | Date Due | | | | | **Lead** |
| * JM to continue to work up viable options for SB providing homelessness support. Work alongside DW Housing department and review the Housing need levels, priority unit types and potential options SB may be able to assist. | | | March 2022 | | | | | **JM** |
| **4** | **Feedback from audit committee - JM**  Minutes and briefing paper agreed by Board.  Note: Data protection policy to be reviewed and implemented this arising from previous internal audit. Policy should clearly describe what to do in event of breach.  JM approved to be Data Protection Officer.  Risk register key updates:  1. capacity of HRA to take affordable units.  2. shared ownership risk Marlow and Centenary House.  3. The delays around Priory court and the impact on GLA grant and added the item to the register.  4. The chief executive’s recruitment process  Risk of reliance on single major supplier for phase 1 contracts discussed. A further presentation to R+AC in November reviewed how that would impact the financial side of business. Adequate risk mitigation in place however further detailed cashflow to go back to committee in March. | | | | | | | |
| Documented Actions Item 4 | | | **Date Due** | | | | | **Lead** |
| * Data protection policy to be reviewed and agreed by R+AC | | | **March 22** | | | | | **JM** |
| **5** | **Annual Corporate Plan – Approved subject to final changes requested at board 30/11/21**  Annual corporate plan drafted and circulated. Ten-year business to build 4,000 homes on the plan.    For internal use at company and LBWF | | | | | | | |
| Documented Actions Item 5. | | | **Date Due** | | | | | **Lead** |
| * Page 6 – aim to recruit all permanent staff by end of 2022 * Page 7 – include sales target by calendar year * Page 8 – add social value by year * Page 11 – add timescale of PRS and homelessness business cases * Include resident services KPIs | | | Jan22 | | | | | **JB** |
| **6** | **SLAs Update – Noted and Agreed**  Briefing paper discussed. Further detailed analysis to be completed pending a further strategic review in 2022.  Director Finance and Resources will populate KPIs and benchmarking on current costs to ensure competitiveness/VFM.  A clear breakdown of costs for the client team c300k. JB advised this relates to a substantial growth in programme and may change to align with BP.  The paper recommends we take feedback from new executive team which are receiving this service. | | | | | | | |
| Documented Actions Item 8. | | | **Date Due** | | | | | **Lead** |
| * Provide breakdown of housing delivery charge of £300k * Show annual charge for business support and comms teams | | | **March 2022** | | | | | **JM** |
| **7** | **RP Report**   * Two reports commissioned as part of the exercise (Altair and PWC), both circulated. Advice from Altair looking at advantages and route to set up of RP as well as tax advice from PwC. * View that setting up an RP would be one part of a wider solution if the council were unable to afford the affordable homes within the current business plan. Some further research is needed of RP option analysis, long term viability, advantages and risks to reputation. Strategic piece of work to be established as and If required, longer term piece of work within BP. * Tax benefits – Feedback by JM that potential tax benefits around SDLT and corporation tax. Further work to be competed to establish true benefit across the programme. * JB advised this is the first part of a larger strategic piece of work, the report outlines key next steps and key decision making. We look to progress this now as in the future we may need and require changing the group structure. Longer term solution planning with key dates for 2024. | | | | | | | |
| Documented Actions Item 9. | | | **Date Due** | | | | | **Lead** |
| * Tax review to be modelled by JM against actual schemes | | | **May 22** | | | | | **JM** |
| **8** | **Feasibility Sites (Cedarwood, Rowan and Jubilee)**   * Three sites presented back to investment committee during November 21 (Jubilee, CWH and Rowan House. Several comments captured on viability, land values, mechanism to obtain land value and design approach. * Comments include: * The viability and profitability before tax should be circa 12%. * All options from the client brief including preferred option with ‘Upside’ and ‘downside’; must be presented as part of company response. * Inclusion of schedule accommodation and planning policy mixing. Sales values to be reviewed and presented with comparables. * Cedarwood House. Not approved with further work to establish competitive land value. * Rowan House – Some further viability modelling to be done. Likely good site for Sixty Bricks * Jubilee Centre – positive feedback on current site feasibility. Further work to be done by client and company between now and election. Site to be formally released after elections to company. * Next steps: feasibility; would work through some of it and would consider feedback and update. * Update on progress will be available in March 2022 | | | | | | | |
| Documented Actions Item 10. | | | **Date Due** | | | | | **Lead** |
| * Client/Company with several actions to progress sites. SB Exec to update in future as part of programme briefing | | | **ongoing** | | | | | **JB** |
| **9** | **Report on HRA Capacity**   * JM Presented an update to the board on ability/affordability for HRA to take on future schemes within the SB programme. * Previous council report fed into this process which outlines the capital cost LBWF may pay for affordable unit types. * These costs have been compared against phase 1 and 2 scheme cost showing a potential gap between actual cost to the company and the amount the client would be able to pay. JB/JM advised this gap would normally be funded by Grant Subsidy in the form of RTBs or GLA grant. * Appendix 1-3 of the report confirm clusters A-C are approved in HRA budget so these new guideline costs may not apply however it is important to note affordability for future sites. * Group discussion around affordability of SB current sites. Discussion between board and exec team around current costs, specifications and how this may differ from the current market. * Action: Benchmarking to be completed on SB build costs and costs to HRA for different forms of affordable housing presented back to board. | | | | | | | |
| Documented Actions for Item 9. | | | **Date Due** | | | **Lead** | | |
| * Update on board meeting March to show some cost vs quality relationship with HRA. * Benchmarking of unit costs to be completed by company and council | | | **March 22** | | | **JM** | | |
| **10** | **SB Programme Dashboard**   * There are c20 firm sites in total. * **Phase 1 –**on programme to deliver 4 other sites in 2022. In 2022 first schemes are Essex Close and Sansom Road completing in spring. Followed by Hylands Road in autumn 2022 and South Grove prior to Christmas 2022.   Key risk around shared ownership rents at Centenary House, Council/Company reviewing solutions with lease holders. Letters were sent to leaseholders including incorrect rents and we are now receiving legal advice on the position to complete deed of rectifications and resolve this issue. Plan B options around RL current appointment and risk will be presented to January board. | | | | | | | |
|  | Documented Actions for agenda 10 | **Date Due** | | | **Lead** | | | |
| * Briefing paper required from Exec team. Review termination with Red Loft, procurement with another sales agent, costs and time frames. Cost of liability of the 10 properties to be confirmed. | | **Jan22** | | | **JB/PC** | | | |
| **11** | **Finance Dashboard - JM**   * The profit forecast is on target to achieve 10 percent and forecasts a profit of 6.1 million. Priority court another £2.3 million and blended rate below 10% around 8.4 million in gross. * We are projecting to spend this year on target to spend £40 million. Year to date spend noted. * Scheme dashboard – individual profit level incontinency on Essex Close where the profit level has dropped, this needs to be double checked. * We have some cash form sales receipts and working capital repayment from now makes sense from the council’s side as they can see the risk is mitigating as money is coming in. | | | | | | | |
| Action Agenda 11 | | | | **Date Due** | | | **Lead** | |
| * There should be an explanation of any overspend forecast. * JM to check profit level on Essex close and confirm within next dashboard | | | | Jan 22 | | | JM | |
| **12** | **Risk Register - JM**  Three key changes to risk register for next R+AC Meeting:   1. HRA paper on agenda and what the existing programme can afford and criteria for future schemes. 2. Staffing recruitment delays 3. Shared ownership agreement at centenary house   Change to Amber Risks - Shared ownership, Priory Court and Electoral cycle impact  Add an issues log for all risks that have materialised. | | | | | | | |
| **13** | **AOB**  N/A | | | | | | | |