**Sixty Bricks Limited Board Minutes**

Meeting Date and Time: **20th July 2022**

Meeting Location: **Lodden Suite, First Floor Town Hall, Fellowship Square, Forest Road, E17 4JF and** **Via MS Teams**

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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 |
| Rob Manning | RM | Director, Sixty Bricks |
| Darren Welsh | DW | Director, Sixty Bricks & Director of Housing, LBWF (Via TEAMs) |
| Sarah Wall | SW | Director, Sixty Bricks (Via TEAMs) |
| **Other Officers** |
| Stewart Murray | SM | Strategic Director, Regeneration and Growth, LBWF (Via TEAMs) |
| Jennifer Currier | JC | Development Director, Sixty Bricks |
| James Briggs | JB | Managing Director, Sixty Bricks (Via TEAMs) |
| Pacey Cheales | PC | Operational Director, Sixty Bricks |
| Jahangir Mannan | JM | Company Secretary & DoF, Sixty Bricks |
| Natasha Sigauke | NS | Graduate Trainee Accountant, Sixty Bricks, Minute Taker |
| Meera Kumar | MK | Director of Housing Regeneration, LBWF |

| **No.** | **Content**  |
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| **Notes from BP Presentation**  | JB and the exec team introduced the proposed structure, key messages and narrative for the refreshed Business Plan being presented to Shareholder Committee in mid- October 2022. The presentation was well received**The Board AGREED that JB would ensure the draft Business Plan was progressed as proposed, subject to the following comments from the Board:** * Interest rate/GF borrowing structure remains key focus and rest of BP is dependent on ensuring this is clarified as soon as possible. Discussions are ongoing with LBWF with resolution expected first weeks of August.
* Add “Lessons Learnt” section where needed
* Note that all aspirations may not be deliverable and that we need to prioritise sites and set realistic and deliverable objectives
* There needs to be a mechanism to determine when schemes are paused if financially, they are not viable (this will be led by Investment Committee making recommendations to Board)
* Demonstrating that benchmarking is now part of the core methodology used by Sixty Bricks is an important enhancement in developing our best practice (including explaining how any schemes materially above mean costs will be tested and justified)
* Add graphs to benchmark data and narratives should explain the profit and sample group.
* Add Risk Management Framework and achievements by ARAC committee to the finance section.

**Chair added comments/requirements re:*** Need to include the 4-year vision to correspond to the Council’s 4-year plan
* Suggestions inlclde: @1200-1400 house starts; 700-800 completions; sustainable financial arrangements
* Need to include specific deliverables over next 12 months – @400 new homes
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| **No.** | **Content**  |
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| **1**  | **Welcome, Introductions and Apologies** No apologies to note.**Minutes, Matters Arising and Action Log** Minutes of last meeting were approved by Board.  |
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| Documented Actions Item 1. | **Date Due** | **Lead** |
|  none. | **n/a** | **n/a** |

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| **2** | **Forward Planning and Action Log** PL pointed out that one action log item has dropped out: framework which states how revenue spending on staff and overheads are linked to program size. This item should be reopened, and a date should be set for its completionItems relating to borrowing terms and business plan should also remain open. Board needs to approve the closure of open items on the action logIt was noted there is an issue on Vicarage Rd title which needs to be resolved before scheme can be finalised. The ‘trust’ requires the land to be used for educational purposes. Awaiting legal guidance on how to continue. |
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| Documented Actions Item 2. | **Date Due** | **Lead** |
| * Add back Organisational strategy framework and include in forward plan
* Shareholder committee and cabinet dates and planned reports need to be added to forward plan
 | **ASAP** | **JM** |

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| **3** | **Chair and Shareholder Feedback** ***Shareholder Feedback (SM)***Cabinet have reviewed the membership to Shareholder Committee. This will now be chaired by the Leader and the two deputy leaders will be the other members of the Committee.At the next shareholder’s committee meeting there should a briefing on Sixty Bricks purpose, mission, and goals as part of the presentation of the business plan.***Chairs Feedback***DW will be resigning as a board director prior to the September Board meeting because he now has an expanded role in the Council that includes the housing development function. He will therefore be an important part of our client inter-relationship in future. The Board thanked DW for the role and contribution he has made to the success of the company including his Chairing of the Board during its formative stage. We look forward to working with him in his strategic housing role in future. It was noted that Stewart Murray has the delegated authority to appointment a New Council nominated board director and he has agreed that the Chair and Senior Independent Director will hold discussions with several potential Council officers and provide feedback to him. He will ensure the appointment is made well before the September meeting so that the induction process can commence.Chair and Board also thanked PC for his valuable work as Interim Operations Director within the Exec Team and in particular the excellent work he has led over the past year on the ESG scorecard, the zero carbon strategy, the communications strategy and the development of the business plan. PC will be leaving in September.The Chair and Director of Development will be making a presentation to the Residents’ Star Panel on 27th July***Feedback form DW***Council considering putting together a housing commission to advise them on affordable housing and what the community needs. DW thinks Sixty Bricks will want to be involvedIf social rents are capped this could have a negative impact on phase 2 programmes |
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| Documented Actions Item 3. | **Date Due** | **Lead** |
|  Commence induction of new Board memberEnsure that Sixty Bricks is fully involved in Council Affordable Housing Review | SeptemberTo be determined | CE and ChairCE |

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| **4** | **Zero Carbon Strategy**PC introduced the Strategy and Implementation Plan for approval by the Board. PC advised on the revisions and additions made since the initial draft was presented and well received by the Board in May 2022. PC advised that the Vicarage Road proof-of-concept had been finalised with the latest cost plan data in section 4, and that the Implementation Plan had been included in sections 5 to 9.* DW queried if this is a company Strategy, if so client will need to be briefed and agree sign-off
* JA noted that there is potential for the company to learn from other councils and developers attempting to implement a similar strategy

**The NZC Strategy and Implementation Plan were APPROVED, with the Chair adding that the document and energy KPIs were leading edge in the sector; and asked that the following matters are addressed as part of the implementation:**  |
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| Documented Actions Item 4. | **Date Due** | **Lead** |
| * Integration with ESG Framework and use of suitable measurement tools
* Evaluation of different metering and billing standards needs to be completed and the legal framework put in place for leaseholders
* Specific communications activities to be developed to support the Strategy (and ensure we also learn from others
* Councillors and Council officers to be briefed on the Strategy & endorsement sought as part of the delivery of the Council’s client emergency strategy
* Training programme needs to accompany implementation of the Strategy, and
* 12-month review of Implementation Plan delivery
 | Commence from July Board meeting in line with implementation plan | Dir of Operations then New Director of Strategy when in post |

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| **5** | **Communications Strategy**PC introduced the Strategy saying that its purpose is to support the delivery of Sixty Bricks (and the new Council’s) strategic objectives and business priorities. To achieve this the Strategy reiterated the company’s business priorities, its core strategic communications outcomes, key messages, priority stakeholders and main communication channels. This was supported by a practical Communication Calendar of events and activities through to spring 2023 PC advised that the Strategy was intended to be both reactive and proactive and make effective use of the Council’s existing communications channels to reach a wider audience through social media and e-newsletters etc; and that a 3 day-a-week interim Communications Manager was in place and taking forward the Communication Calendar * RM indicated that NHS and University of Portsmouth should be added as potential stakeholders in the report presented to board
* DW suggested that performance metrics and outcomes should be added and there should be a summarised/focused version of the communications calendar to be used strategically.

**The Communication Strategy was APPROVED subject to the documented action points being progressed** |
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| Documented Actions Item 5. | **Date Due** | **Lead** |
| * More information about communications metrics being added to the Strategy and ESG Framework
* Examination of the use of site hoardings
* 12-month review on the success of the Communications Strategy
 | Commence action from July Board meeting | Director of Operations then New Director of Strategy when in post  |

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| **6** | **Employers Requirements** JC presented the report for noting.The client is in the process of updating their ER’sLessons learned piece is being done on Centenary HouseInterim ERs have 6 sections. There are 2 new additions from the previous version |
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| Documented Actions Item 6. | **Date Due** | **Lead** |
| * Needs to be kept as an active document and updated as and when necessary.
 | n/a | JC |

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| **7** | **Development Strategy** The report for noting was presented by JCIt is important to note the continuing work on establishing a future pipeline for Sixty Bricks and ongoing work to formalise a gateway procedure.Gateway procedure will be presented for approval in SeptemberMK added that client is also working with Sixty Bricks to agree the revised gateway Sixty Bricks is also exploring options outside of the council pipeline4 land opportunities have been reviewed to dateJA noted that if we keep commitment for 50% affordable on private sites, we are unlikely to win preferred status as no competitors are required by the Council to deliver this. PL and RM also added that the company will have to consider the trade-offs/levers to achieve land value. For the gateways, it was questioned if more governance is needed for gateway 6, submission for planning. Board would want to see any changes/adjustments before planning since this is when you go to a wider audience (particularly if it was a controversial proposal).  |
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| Documented Actions Item 7. | **Date Due** | **Lead** |
| * Second red line in appendix A should be earlier – i.e. Board to sign off scheme at earlier stage before going to Cabinet, especially if there are any fundamental changed from original version.
* Be clear about what are the proposed boundaries of delegated authority for investment committee in the September report and what are the points at which the Board formally gives approval.
 | September Board | JC |

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| **8** | **8a Development Programme Dashboard, and,** **8b – Sales Update** There is an issue with the land being utilised for Vicarage. The land must be used for educational purposes according to a will. This is now subject to legal review.Board want clarity about all the land that will be used for schemes to ensure there are no issuesEssex and Sansom handovers have been moved to AugustGood design progress for phase 2 schemes across the boardThe company could achieve 35/36 homes at Osbourne GroveThe risk register should include the Historic England/CABE risk at Chingford LibraryBillet road is a new long-term scheme that has been addedLow Hall Depot needs to be classified as a long-term site not a short-term site**Actions to note:**The board want clarity about all the land that will be used for schemes to ensure there are no issuesWorking commentary on repayment to be produced over the next week by JMOn the emerging sites table, there is a need to differentiate between council sites and sites that we are bidding for externallyThe board wants more clarity regarding what are short term, medium term and long-term sitesPC introduced the Sales Update at July 2022, reporting on the good progress made at Centenary House, Essex Close and South Grove. **Board noted the solid progress being made with sales and revenues and NOTED the report**  |
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| Documented Actions Item 8. | **Date Due** | **Lead** |
| * Future reports to:
	+ confirm any land title issues
	+ Separate Council owned land and private sites
	+ Review the classification of short, medium and long term sites
 | Sept Board | JC |

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| **9** | **Financial Strategy**Medium Term Financial Strategy presented by JMDocument builds on slides reviewed by Board in March Strategy Day and sets the companies financial objectives and targets over the next 5 years, as well as the governance framework to facilitate the delivery of those objectives where risk is mitigated PL stressed that Funding Structure on page 11 is most important section to enable the company to deliver its financial objectives and needs to be confirmed with Client as matter of urgency. This will inform/impact the remaining sections of the Strategy.On programme cash flow section, Low Hall Depot scheme should be moved to a year later and shown separately below the line. PL requested a proper examination of **Tax planning** section in line with potential structures which may be needed for the long-term delivery of affordable homes.DW queried next steps once Board approves Strategy. PL added this will need to be agreed with the council.SW queried when the Board would like to see another iteration of document. PL clarified that if there are fundamental changes, it will be reported back to the September Board meeting (or an emergency meeting if necessary) otherwise can deal offline as Chairs action.* Strategy has been agreed by board subject to having borrowing agreements agreed with the Council that are in line with delivering the business plan.

**Actions to note:**Need clarity from the council regarding borrowing rates by August, and HRA capacity for affordable schemes after phase 2 by next MarchDocuments need to be clear on dates where data has been referenced from HRA capacity report.  |
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| Documented Actions Item 9. | **Date Due** | **Lead** |
| * Chair given delegated authority to approve the MTFS if the terms agreed with the Council are broadly in line with the proposals in the strategy
* If there are significant changes due to the final borrowing terms offered by the Council the September Board will review.
* Borrowing and Equity terms are to be finalised with the Council by August, and HRA capacity for affordable schemes after phase 2 by next March 2023.
* Documents need to be clear on dates where data has been referenced from HRA capacity report.
 | Update to Sept Board | JM |

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| **10** | **Finance Dashboard**There is no material change to forecast compared to previous months, and headline profit forecast remains just over 10%The company is meeting its CovenantsForecast capital spend for this year is just over £15 million**Actions to note:**It should be consistent across all documentation that Priory Court is part of phase 2  |
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| Documented Actions Item 10. | **Date Due** | **Lead** |
| * Include Priory Court as part of phase 2 on all documentation
 | Sept Board | JM |

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| **11** | **Annual Audit Closing Accounts**Auditors have started on site and are reviewing accountsFeedback from the auditors has been positive so farAuditors recommending that it is best for Sixty Bricks to have a standalone financial systemThe audited accounts is planned for next ARAC Committee on the 8th of September**Actions to note:**An options paper is planned for September ARAC regarding financial systems. |
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| Documented Actions Item 11. | **Date Due** | **Lead** |
| * An options paper is planned for September ARAC regarding financial systems.
 | September 22 | JM |

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| **12** | **AOB**Recruitment of AD roles paper is approved by Board**Other:*** Confirmation of Investment committee date at Friday 16th September
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