

AGENDA

EAST KENT HOUSING BOARD

Meeting to be held on Monday, 11th July, 2016

6.30 pm in the Board Room, Garrity House, Miners Way, AYLESHAM CT3 3BF

Committee Membership

Helen Buller (Chair)
Sue Chandler (apologies)
Lin Fairbrass
Martin Goard
Chris Hanagan
Jane Iley
Nigel Lawes (apologies)
Dick Pascoe
Jenny Samper
Neill Tickle
Alka Umaria

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East Kent Housing Limited
Company Limited by Guarantee
FINANCIAL STATEMENTS
for the year
to 31 March 2016

East Kent Housing Limited

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East Kent Housing Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

The Board of East Kent Housing Limited comprises 12 Non-Executive Directors. They are representatives of tenants & leaseholders, nominees from the four Councils and independent members. Each group has four representatives on the Board and in the case of the nominees from the Councils and the tenant & leaseholder members there is one representative from each of the four local authority areas in which East Kent Housing operates.

At the date of the financial statements the Board comprised of the following Directors:

Chair	Helen Buller	Independent
Vice Chair	Chris Hanagan	Tenant
	Martin Goard	Tenant
	Nigel Lawes	Tenant
	Vacant	Tenant
	Jane Iley	Independent
	Neill Tickle	Independent
	Alka Umria	Independent
	Susan Chandler	Council nominee
	Richard Pascoe	Council nominee
	Lin Fairbrass	Council nominee
	Jenny Samper	Council nominee

EXECUTIVE MANAGEMENT TEAM

A Chief Executive and Senior Management Team support the Board of Directors and are responsible for the day to day running of the company.

Chief Executive Deborah Upton; the Chief Executive is not a member of the Board. The outgoing Chief Executive Brendan Ryan was in post until 3 April 2016.

Senior Management Team	Deborah Upton	Chief Executive
	Bob Granville	Interim Head of Operations
	David Willis	Head of Corporate Services
	Charlotte Spendley	Head of Finance
	Lucy Tuson	Head of Communications

David Willis (Head of Corporate Services) acts as Company Secretary.

REGISTERED OFFICE

The current registered office:

Garrity House
Miners Way
Aylesham
Kent
CT3 3BF

East Kent Housing Limited
OFFICERS AND PROFESSIONAL ADVISERS

AUDITOR

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)
Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford
CM1 1LN

BANKERS

National Westminster Bank Plc
Europa House
49 Sandgate Road
Folkestone
Kent
CT20 1RU

ACTUARY

C/o Kent County Council Investments & Treasury Team
Barnett Waddingham LLP
163 West George Street
Glasgow
G2 2JJ

REVIEW OF THE BUSINESS

2015/16 marked the fifth year of business for East Kent Housing (EKH), one that continued to show improvements in working relationships between EKH and the councils and a more collaborative approach to resolving problems, particularly demonstrated in the implementation work for the new single computer system.

Following the review of tenant promises carried out in 2014/15, EKH carried out a major review of its priorities with tenants, the councils and employees. The review resulted in a new 2020 vision that the Board adopted and is now working towards delivering.

The year was also momentous as it was the last for the Chief Executive who had led the East Kent housing project from inception to a year that saw EKH have its best year of performance including record levels of rent collection and strong void performance.

Benchmarking data presented in 2015/16 showed that EKH was overall a high performing low cost service measured against ALMOs, councils and housing associations in the south of England.

Following the successful changes to our Independent Living Service, during the course of the year, following various changes to funding arrangements, we worked with Canterbury City Council on a root and branch review of its supported housing service. This resulted in a consultation on a number of options for future service provision that the Council is to decide upon in 2016/17.

In addition to the implementation of a new single computer system, EKH undertook a LEAN review of systems and processes, including a full service review of Asset Management. The outcomes of the reviews were adopted by the Board and will be implemented through 2016/17.

The new resident involvement team continued to work to increase the breadth of residents involved in shaping EKH. This included another Engaged Tenant Conference in September that saw many new residents put themselves forward to be involved following a major tenant survey carried out in July and August. Tenant Scrutiny was also a major element of work carried out in the year focussing on Repairs Communications and Tenancy Fraud, the recommendations from both being presented to the Board. A significant amount of work was also carried out by the team to develop a new resident involvement strategy and process for improving the collection and use of customer insight.

EKH appointed three apprentices during the year who will be taking a formal housing qualification as part of their apprenticeship.

MAJOR RISKS AND UNCERTAINTIES

The implementation of our new single IT system remains EKH's top organisational priority with a number of risk implications. The project continues to progress within the overall milestones, although additional contingency time was invested to allow the councils to agree some collective process changes that will improve the effectiveness of the system. The project remains on track to be delivered by 31 January 2017.

Changes in welfare benefits have featured prominently in our Risk Register for the last couple of years. The delay in the roll out of Universal Credit continues to pose a significant challenge both in terms of resources and threat to the rental income stream. We are working closely with stakeholders to deliver the Welfare reform Action Plan adopted in the year. We have also trialled a potential new way of engaging with residents to provide assistance to help them help themselves. The Hub was a 'pop-up' service in an unused building in Thanet and its benefits are being analysed to see how this could work elsewhere in 2016/17.

Relationship breakdown with the councils continues to be a key risk. While we have worked hard to maintain good relationships with the councils, tensions inevitably will occur from time to time and if not managed could result in one or more of the councils ending their commitment to EKH. A focus on

East Kent Housing Limited

STRATEGIC REPORT

relationships was prioritised during the latter part of the year with an external review of EKH's governance arrangements and visits by the Chair of the Board to council leaders and chief executives. The results of the review will be worked on through 2016/17.

We appreciate that councils are facing severe financial pressures in the next few years and we anticipate that the councils will require EKH to deliver efficiencies and savings. 2015/16 saw the first year of a two-year agreement to freeze the management fee from the councils. This freeze also coincided with the first year of the new grade and salary structure adopted in 2014/15, which was managed within the capped management fee.

2016/17 is likely to see a change in Board membership with the Chair and Vice Chair as well as the Chair of the Finance & Audit Sub-Committee due to step down in late 2016. Recruitment will commence once the governance review has concluded, and replacement Board members will be appointed and trained ahead of the existing members formal resignation to provide continuity.

FUTURE DEVELOPMENTS

2016/17 will see the implementation of the agreed new asset management establishment, commencing with the management structure.

The new Chief Executive will also be assessing EKH's future operating model to deliver the 2020 vision and priorities.

Delivering the new single system project remains the highest priority for EKH and it is planned to complete by 1 January 2017 and, in parallel to the implementation, business units will be working to align their resources and delivery methods to gain the most impact from the flexibilities the new system will provide.

Welfare reform will continue to be an area of uncertainty and the development and delivery of EKH's action plan will continue.

FINANCIAL RESULTS

EKH's fifth financial year (1 April 2015 to 31 March 2016) recorded a loss of £1,155k (2015 : loss £625k). However prior to IAS19 entries the loss for the year amounted to £176k (2015: profit of £57k). This loss predominantly relates to the revenue costs for the implementation of the single housing management ICT project. All costs which can legitimately be capitalised have been. The residual revenue costs (£160k) contributed to a loss on the Statement of Comprehensive Income. This loss affects the retained earnings reserve, which will be replenished in future financial years through the transfer from the owner councils of the revenue budgets (through the management fee revenue to EKH) currently funding the residual housing management systems.

For reference, IAS19 is the International Accounting Standard covering the treatment, recognition and measurement of employee benefits, most significantly the measurement of the defined benefit pension entries derived from the actuaries report.

EKH recorded a net liability of £6.83 million (2015 £7.56 million) as its financial position at the end of the period. This position is primarily due to the non-current retirement benefit obligations of £7.33 million (2015 £8.21 million). The retained earnings for EKH have decreased from £620k in 2015 to £444k at the end of March 2016.

The Management Agreement allows EKH to retain surpluses in any year up to the value of 5% of the Management Fee. The owners have previously agreed the surplus defined within the Management Agreement as being the profit for the year prior to IAS19 entries. However there has been no surplus generated during 2015/16 that would add to the retained earnings. The Board agreed a Reserves Policy regarding its aims and use of retained earnings moving forward.

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PERFORMANCE REVIEW 2015/16

Performance against our key indicators is shown in the table below.

	EKH Performance 2014/15	EKH Performance 2015/16	Target 2015/16	Target met
Rent Arrears – Current tenants [£] (%of annual rent roll)				
Canterbury	£265,228 (1.06%)	0.97%	1.04%	✓
Dover	£242,571 (1.23%)	1.15%	1.40%	✓
Shepway	£143,499 (0.93%)	0.62%	1.04%	✓
Thanet	£205,028 (1.58%)	1.39%	1.50%	✓
Average re-let times – excluding properties needing major works				
Canterbury	18.42 days	17.47	20	✓
Dover	13.96 days	13.08	17.5	✓
Shepway	21.9 days	20.02	21	✓
Thanet	12.64 days	12.22	15	✓
Percentage of emergency repairs completed on time				
Canterbury	100%	99.91%	98%	✓
Dover	97.92%	99.91%	99%	✓
Shepway	99.21%	98.57%	98%	✓
Thanet	99.71%	99.71%	98%	✓
Customer satisfaction with day to day repairs				
Canterbury	99.87%	99.72%	98%	✓
Dover	100%	99.97%	98%	✓
Shepway	99.81%	99.81%	98%	✓
Thanet	99.74%	100%	98%	✓

Performance is monitored and scrutinised by the main Board and its Service Improvement and Performance Sub-Committee, as well as each local Area Board. Regular performance reviews also take place with the four Councils.

EQUAL OPPORTUNITY

East Kent Housing has made a commitment to providing excellent accessible services that meet the needs of all our residents. We also aim to be an equal opportunities employer, acting positively to ensure we recruit, train and retain a diverse workforce.

In June 2015 we re-published our equality and diversity policy and equality information gathered in support of the Public Sector Equality Duty, as set out in the Equality Act 2010; the general aims of which are to:

- eliminate discrimination, harassment and victimisation
- advance equality of opportunity between people who share a characteristic and those who do not
- foster good relations between people who share a characteristic and those who do not

East Kent Housing Limited

STRATEGIC REPORT

Our main focus for equalities in 2015/16 was to ensure our services and opportunities for involvement remain accessible; and that due consideration of equality impacts has been given to key policies and projects. These have included: the enhanced sheltered housing review, tenancy fraud, rechargeable works and mental health and well-being policies. Particular effort has also been made to ensure our resident involvement activities are as inclusive as possible, by increasing the amount of opportunities and ways people can engage with us.

Groundwork has begun on a new equality strategy to support our 2020 vision. This will look at the way members of staff are trained on equality and diversity and how equality issues are considered at every level of the organisation, but particularly at the decision making level. EKH aims to improve opportunities for the most disadvantaged in our communities; and embraces the diversity of our residents and staff. The strategy will set ambitions for greater inclusion and accountability across the organisation.

The development of the new equalities strategy is due to be concluded in 2016/17.

EMPLOYEE CONSULTATION

EKH has engaged and consulted with its staff through a number of representative groups, including the formal trade union collective bargaining group, the Joint Negotiating Forum (JNF), on a number of issues through the year, including the introduction of a new Mental Health Well Being Policy.

Consultation has also taken place on a number of changes to the establishment through the year.

In addition, EKH has engaged with staff to attain the 'Commitment' level of the Kent Healthy Business Awards, a recognition of the close working with employees to encourage a healthier workforce.

ENVIRONMENTAL POLICY

EKH has carried out an environmental aspects and impacts assessment of its operation. High environmental impacts were identified relating to energy use, travel and procurement, all of which will be reviewed in 2016/17 as part of programmed activity. The report from the assessors to accompany the award stated:

'The organisation carries out a financial report annually which includes a section on the environment. They have also completed an Impact and Aspects register which includes the use and recycling of paper, card, ink and electricity and fuel consumption and mobile working. A separate mileage policy is in place which includes a cycle to work scheme.'

Plans	How we did
Revise our travel allowance schemes to promote energy efficient travel	The new travel allowance scheme reduced mileage costs by 2.5% and accommodated over 16,000 miles in shared travel
Increase opportunities for customers to access services through our Website, to reduce the need for tenants to visit our offices and for us to print documents	Use of the website increased year on year. In 2015/16 a new housing management system was procured that will further increase electronic access for customers, including greater self-service
Implement electronic human resources 'self-service' for staff to reduce the amount of manual paper based processes	The self-service system continues to operate and is being upgraded in 2016/17 to add in additional activities to further reduce paper requirements
Review data storage requirements to reduce the size and volume of computer hardware	Our ICT provider, EK Services, continues to review hardware requirements and the implementation of a new consolidated housing

East Kent Housing Limited

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Plans	How we did
	computer system will further reduce hardware.
Review computer hardware to maximise specification and reduce electricity consumption	EKH continues to implement its strategic plan to replace desktop hardware with laptop or mobile devices and has provided all managers with tablet devices to reduce travel and paper demands. New smartphones have been provided to all frontline staff to improve their access to data

Helen Buller

Chair of the Board

East Kent Housing Limited

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

East Kent Housing (EKH) is a company limited by guarantee, owned and controlled by four local authorities, (Canterbury City Council, Dover District Council, Shepway District Council and Thanet District Council). The responsibility for the management of the council housing of the four authorities was assumed on 1 April 2011. The governance of the organisation is based on the Arms Length Management Organisation (ALMO) model, which has been successfully used by over 50 councils (38 currently) elsewhere in the country to manage their council housing. EKH is the first ALMO to be established to serve more than one local authority and while this provides opportunities for efficiencies through improved economies of scale, it also creates a number of new challenges that single authority ALMOs do not encounter.

EKH provides a housing management and maintenance service to the 17,379 homes owned by the four Councils. The Councils have retained responsibility for key financial decisions including rent setting and investment in the stock and key policy decisions relating to council tenancies.

DIRECTORS

The Directors who served the Company during the year were as follows:

Name	Representation	Area	Appointed	Resigned
Martin Goard	Tenant	Canterbury	N/A	N/A
Chris Hanagan (Vice-Chair)	Tenant	Dover	N/A	N/A
Colin Reeves	Tenant	Thanet	N/A	12 February 2016
Nigel Lawes	Tenant	Shepway	N/A	N/A
Alka Umara	Independent	N/A	N/A	N/A
Helen Buller (Chair)	Independent	N/A	N/A	N/A
Jane Iley	Independent	N/A	N/A	N/A
Neill Tickle	Independent	N/A	N/A	N/A
Jenny Samper	Council	Canterbury	N/A	N/A
Margaret (Pip) Russell	Council	Dover	N/A	8 May 2015
Susan Chandler	Council	Dover	8 June 2015	N/A
Alan Ewart-James	Council	Shepway	8 May 2015	24 February 2016
Alan Clifton-Holt	Council	Shepway	N/A	8 May 2015
Richard Pascoe	Council	Shepway	24 February 2016	N/A
Rosalind Binks	Council	Thanet	N/A	8 May 2015
Lin Fairbrass	Council	Thanet	16 June 2015	N/A

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were in office on the date of approval of these statements have confirmed, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

AUDITOR

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) were re-appointed as External Auditors at the AGM on 20 July 2015 by the Board.

A resolution to reappoint RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Chartered Accountants as auditor will be put to the company owners at the Annual General Meeting.

By order of the Board

Deborah Upton
Chief Executive

East Kent Housing Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements of the company in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position and performance of the company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether they have been prepared in accordance with IFRS as adopted by the EU;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

East Kent Housing Limited

STATEMENT OF INTERNAL CONTROLS

The Board acknowledges its ultimate responsibility for ensuring that the Company has in place a system of controls that is appropriate for the organisation and its operating environment. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information used within the Company or for publication;
- The maintenance of proper accounting records; and
- The safeguarding of such assets as the organisation owns against unauthorised use or disposal.

The systems of internal control can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control includes the following key elements:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls, maintaining proper accounts and restrict the unauthorised use of the Company's assets;
- Experienced and suitably qualified staff to take responsibility for important business functions. Annual business planning and performance development reviews with employees are in place to maintain standards of performance;
- Internal audit prepare a risk based Audit Plan which is considered by the Finance & Audit Sub-Committee. The plan includes audits of all the key financial systems and regular reviews on the effectiveness of internal controls. Internal Audit has provided reasonable assurance that the Company has adequate and effective governance and risk management processes and substantial assurance on EKH's financial, ICT and internal control processes;
- A risk management strategy & process has been adopted by the Board and the resulting register is reviewed regularly by managers and the Finance & Audit Sub-Committee. The process will be reviewed annually by the Finance & Audit sub-committee who will make recommendation to the Board on its development;
- Operational Budgets are prepared which monitor the key business risks and financial objectives and progress towards financial plans set for the year against the agreed Management Fee. Regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate. These accounts are monitored quarterly by the Finance & Audit Sub-Committee;
- A robust and comprehensive performance management framework has been developed providing timely and accurate data to the Board, Councils and customers;
- The Company standing orders, financial regulations and contract procedure rules set out clear guidelines on the approval of new commitments, initiatives and investment projects;
- The internal audit programme is in place to review, appraise and report upon the adequacy of internal controls. Any actions necessary to correct any weaknesses identified by internal audits are assigned ownership and will be reviewed by Internal Audit within six months;
- The Board receives the external auditor's report. The outcome of the audit and the review is made to the Finance & Audit Sub-Committee who will report significant risks to the main Board;
- Fraud awareness is embedded within the organisation, with an adopted whistle blowing policy. The Fraud Register is considered as a standing item on the Finance & Audit Sub-Committee;

East Kent Housing Limited
STATEMENT OF INTERNAL CONTROLS

- A full range of insurance including Fidelity Guarantee has been put in place to safeguard assets.

During the year the Management Team and the Finance & Audit Sub-Committee have received regular reports from the Internal Audit Service covering the effectiveness of the systems of operational and financial controls. On behalf of the Board, the Management Team has reviewed the effectiveness of systems of internal control in existence for the year to 31 March 2016. No weaknesses were found in the internal controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements. The Board is satisfied that this remains the case up to the signing of these documents.

East Kent Housing Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST KENT HOUSING LIMITED

We have audited the financial statements on pages 14 to 38. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the provisions of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Monteith (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly BAKER TILLY UK AUDIT LLP), Statutory Auditor
Chartered Accountants

Marlborough House
Victoria Road South
Chelmsford
CM1 1LN

Date

East Kent Housing Limited
STATEMENT OF COMPREHENSIVE INCOME
for the year to 31 March 2016

	<i>Notes</i>	Year to 31 March 2016	Year to 31 March 2015
		£'000	£'000
REVENUE	3	8,760	8,395
Operating Costs	4	(9,629)	(8,810)
		<hr/>	<hr/>
LOSS FROM OPERATIONS	4	(869)	(415)
Finance costs	5	(285)	(209)
		<hr/>	<hr/>
LOSS BEFORE TAXATION		(1,154)	(624)
Income tax expense	7	(1)	(1)
		<hr/>	<hr/>
LOSS FOR THE YEAR	14	<u>(1,155)</u>	<u>(625)</u>
OTHER COMPREHENSIVE INCOME, NET OF TAX			
Remeasurement of post-employment benefit obligations	17	1,855	(2,471)
		<hr/>	<hr/>
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		<u>700</u>	<u>(3,096)</u>

The total comprehensive income for the year arises from the Company's continuing operations.

The total comprehensive income for the year is entirely attributable to its four owner members (note 18).

East Kent Housing Limited
STATEMENT OF CHANGES IN EQUITY
for the year to 31 March 2016

	Retained earnings £'000	Capital Contribution £'000	Pensions reserve £'000	Total £'000
BALANCE AT 31 MARCH 2014	563	-	(5,053)	(4,490)
Profit/(Loss) for the period	57	-	(682)	(625)
Other comprehensive income, net of tax: Remeasurement of post- employment benefit obligations	-	-	(2,471)	(2,471)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	620	-	(8,206)	(7,586)
Capital contribution	-	28	-	28
Total transactions with owners, recognised directly in equity	-	28	-	28
BALANCE AT 31 MARCH 2015	620	28	(8,206)	(7,558)
Profit/(Loss) for the year	(176)	-	(979)	(1,155)
Other comprehensive income, net of tax: Remeasurement of post- employment benefit obligations	-	-	1,855	1,855
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(176)	-	876	700
Capital contribution	-	86	-	86
Total transactions with owners, recognised directly in equity	-	86	-	86
BALANCE AT 31 MARCH 2016	444	114	(7,330)	(6,772)

East Kent Housing Limited

STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

Company Registration No: 7489230

	Notes	2016 £'000	2015 £'000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	10	342	11
Property, plant and equipment	9	64	47
		<u>406</u>	<u>58</u>
CURRENT ASSETS			
Trade and other receivables	11	810	137
Cash and cash equivalents (excluding bank overdrafts)	8	889	1,797
		<u>1,699</u>	<u>1,934</u>
TOTAL ASSETS		<u><u>2,105</u></u>	<u><u>1,992</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	675	1,066
Short term borrowing	20	149	-
Current tax liabilities		1	2
Employee Benefit Accrual		68	81
		<u>893</u>	<u>1,149</u>
NON CURRENT LIABILITIES			
Borrowings	20	654	195
Retirement benefit obligations	17	7,330	8,206
		<u>7,984</u>	<u>8,401</u>
TOTAL LIABILITIES		<u><u>8,877</u></u>	<u><u>9,550</u></u>
NET LIABILITIES		<u><u>(6,772)</u></u>	<u><u>(7,558)</u></u>
EQUITY			
Retained Earnings (excluding pension liability)	14	444	620
Capital contribution	14	114	28
Pension reserve	14	<u>(7,330)</u>	<u>(8,206)</u>
TOTAL EQUITY	14	<u><u>(6,772)</u></u>	<u><u>(7,558)</u></u>

The financial statements on pages 14 to 38 were approved by the Board and authorised for issue on 11 July 2016 and are signed on its behalf by:

Director – Helen Buller (Chair of the Board)

Director – Jane Iley (Chair of Finance & Audit Sub-Committee)

East Kent Housing Limited

STATEMENT OF CASH FLOWS

for the year to 31 March 2016

	<i>Notes</i>	Year to 31 March 2016 £'000	Year to 31 March 2015 £'000
OPERATING ACTIVITIES			
Cash (utilised in)/generated from operations	15	(1,204)	745
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		(1,204)	745
INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(35)	(24)
Purchase of intangible assets		(338)	-
NET CASH USED IN INVESTING ACTIVITIES		(373)	(24)
FINANCING ACTIVITIES			
Increase in borrowings		669	223
NET CASH GENERATED BY FINANCING ACTIVITIES		669	223
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(908)	944
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	15	1,797	853
CASH AND CASH EQUIVALENTS AT END OF YEAR	15	889	1,797

East Kent Housing Limited
SIGNIFICANT ACCOUNTING POLICIES
for the year to 31 March 2016

BASIS OF ACCOUNTING

The financial statements have been prepared under the historic cost convention and in accordance with accounting standards.

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

The significant accounting policies that have been applied in the preparation of these financial statements are summarised below and these accounting policies have been used throughout all periods presented in the financial statements.

The financial statements have been prepared on a going concern basis. EKH has a Management Agreement for 30 years with its partner Councils and has an agreed Management Fee for the coming financial year, as well as written undertakings from the Councils and on this basis the directors have adopted the going concern basis for the preparation of the financial statements.

REVENUE RECOGNITION

Revenue is recognised when revenue and associated costs can be measured reliably and future economic benefits are probable. Revenue is measured at fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of VAT and other sales taxes.

Revenue comprises revenue from the supply of the Company's principal services which are the Management fee from the four partner Councils.

Revenue from services is recognised on a time-apportioned basis by reference to the provision of services set out in the Management Agreement.

Other income represents other sources of income to the Company that are not part of the principal activity. An example of other income would be the charge back service income. This income is recognised in the financial statements on the same basis as revenue.

PROPERTY, PLANT AND EQUIPMENT

All fixed assets are initially recorded at cost. A de minimus level for the recognition of capital items has been set at £6,000. To ensure that assets with a useful economic life of more than one year are appropriately capitalised and depreciated, and the consumption of the benefit derived is recognised through the financial statements over the life of the assets, where a scheme of smaller items are purchased as part of a programme of replacement, if the programme in aggregate amounts to the de minimus sum of £6,000 they will also be capitalised.

As a management company EKH currently only holds a small amount of ICT equipment. The useful life of these tangible fixed assets is generally deemed to be 5 years.

INTANGIBLE ASSETS

Intangible assets are recorded initially at cost and amortised over their perceived useful life, in line with current practice for ICT equipment. Whilst each purchase will be considered on its own merits, generally software is anticipated to be amortised typically over a 2 to 5 year life. The de minimus levels applied are in line with those for ICT equipment (fixed assets) at £6,000.

The new Housing Management System is a significant addition to the intangible assets held by EKH. As this asset is yet to come into use the capital costs associated with its implementation have been capitalised pending amortisation once the asset has been brought into use.

DEPRECIATION/AMORTISATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset. For ICT equipment the period generally applicable will be five years.

East Kent Housing Limited
SIGNIFICANT ACCOUNTING POLICIES
for the year to 31 March 2016

Gains or losses arising from the disposal of equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the financial statements in the year in which they occur.

LEASES

Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged against profit or loss on a straight line basis over the period of the lease.

Leases where the company (EKH) has substantially all the risks and rewards of ownership transferred to it, are deemed finance leases. Finance leases are capitalised at the commencement of the lease at the lower level of fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The corresponding rental obligations, net of finance charges are shown in other payables. The property acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

PENSION CONTRIBUTIONS

Employees of the Company are members of the Local Government Pension Scheme, administered by Kent County Council. This is a defined benefit scheme whereby the costs of providing benefits is determined using the projected unit credit method (i.e. an assessment made of the future payments to be made in relation to retirement benefits earned to date by employees, based on assumptions on mortality rates, staff turnover rates, etc and projected earnings for current employees) with actuarial valuations being carried out at each year end.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms related to the pension obligation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in income.

TAXATION

The tax expense represents the sum of the current tax expense.

The tax currently payable is based on the taxable profit for the accounting year. Taxable profits differ from accounting profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is measured using tax rates that have been enacted or substantially enacted at the reporting date.

The company's core business activities with the Councils are deemed non-trading. Accordingly any profits or losses arising from transactions with the Councils are outside of the scope of corporation tax. Corporation tax will therefore only apply to any bank interest earned during the financial year.

East Kent Housing Limited

SIGNIFICANT ACCOUNTING POLICIES

for the year to 31 March 2016

FINANCIAL INSTRUMENTS

Financial assets

Trade receivables

Trade receivables are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment. A provision for impairment is made where there is objective evidence, (including customers with financial difficulties or in default on payments), that amounts will not be recovered in accordance with original terms of the agreement. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flows discounted using the original effective interest rate. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and other short term deposits held by the Company with maturities of less than three months, or that are readily convertible to known amounts of cash with insignificant risk of change in value. Bank overdrafts are presented within current liabilities.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

Bank borrowings

Overdrafts are recorded at their fair value, net of direct transaction costs. The company only uses its overdraft for short term cash flow purposes and the Management Agreement prohibits any other form of bank borrowings being entered into by the Company.

Borrowings

All loans will be recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate.

Standards adopted early

The Company has not adopted any standards or interpretations early in the current year.

Standards in issue but not effective for the accounting period

IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

East Kent Housing Limited
SIGNIFICANT ACCOUNTING POLICIES
for the year to 31 March 2016

There are also a number of current developments to the standards which are either not yet effective or not yet adopted by the EU; these are not expected to have a material impact on the financial statements.

East Kent Housing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2016

1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- The assumptions underpinning the pension scheme valuation assumptions – see note 17 for further details on the key assumptions made
- The Company has a 30 year Management Agreement with the partner Councils, the Management Fee for the coming financial year has been confirmed and the financial statements have been prepared on a going concern basis.
- That the costs incurred to date on the single housing management system will result in an operational asset at which point the asset will be amortised in line with its useful economic life.

Critical areas of judgement

There are no critical areas of judgement included within the financial statements.

2 FINANCIAL RISK MANAGEMENT

The Company's Finance & Audit Sub-Committee is responsible for reviewing the risk register on a quarterly basis and for risk management within the Company, including financial risks. The Finance & Audit Sub-Committee report to the Board annually following a review of the Risk Register, strategy and process. This review was last reported to the Board on 30 March 2015 and minor amendments to the strategy made. They provide recommendations for improvements for consideration by the Board in advance of the annual return. Risks are also reviewed on a regular basis at department level and the high level risks identified are kept under review by the Executive Team.

Monitoring exposures to financial risks forms a key part of the Company's overall risk management processes. Exposures to financial risks are monitored by the Finance team who are required to alert both the management team and the Council S151 Officers of any significant financial risk.

The Finance & Audit Sub-Committee monitor the effectiveness of embedded risk management within the organisation. All Board and Sub-Committee papers include an analysis of the risk considerations as well as the financial considerations of the recommendations being made, so the committee or decision maker can form a decision with potential exposure to risk in mind.

East Kent Housing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2016

Liquidity risk and credit risk

Management's objective is to meet its liabilities as they fall due whilst maintaining sufficient headroom to enable the Board to react to unexpected changes in market conditions. The Company is wholly dependent on its four customers (& owners), the Councils (Canterbury City Council, Dover District Council, Shepway District Council and Thanet District Council).

EKH is considered by its directors to be a going concern and the accounts have been prepared on this basis. EKH recorded an operating loss of £1,155k after IAS19 entries (£176k before IAS 19 entries). EKH has neither the need nor intention to cease its operations in the foreseeable future and its pensions deficit is fully guaranteed by its owner Councils through the Management Agreement. The level of Management Fee for the coming 12 months has been agreed with the partner Councils. Taking this into account and its forecast expenditure and commitments the directors consider that EKH will therefore be able to meet its liabilities as they fall due.

The Management Fee from the Councils is receivable quarterly in advance of the period commencing by EKH. EKH assesses its cash flow requirements daily and places surplus funds on deposit with its bank National Westminster in a higher interest rate (Liquidity Select) account.

A Reserves Policy has been adopted by the Board, formalising the level of reserves the company aims to retain in order to manage its liquidity efficiently.

EKH is exposed to liquidity and credit risk principally in the event that one or more of the Councils were to experience cash flow difficulties in paying EKH its management charge monthly or the management charge was in dispute. The Management Agreement requires that the cashflow of EKH is maintained and that the Councils continue to pay the Management Fee even if in dispute.

The Company maintains cash deposits with a UK bank. EKH banks with the National Westminster Bank plc. It holds both a current account and higher interest rate instant access deposit account with NatWest. Currently National Westminster has a short term credit rating of F1/P2/A2. EKH believes National Westminster to be a secure deposit as it is a part nationalised bank.

Credit risk predominantly arises from financial asset investments (deposits with maturity of more than three months which EKH currently does not hold), trade receivables (principally due from the Councils) and cash and cash equivalents.

Interest rate risk

The Company's interest rate risk is limited to the floating rate that it earns on its deposits with the bank which for this year was payable at the Bank of England base rate (0.5%). The Company has no finance lease obligations.

The table below shows the Company's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing:

2016 - assets	Fixed rate	Floating rate	Non-interest bearing	Total
	£'000	£'000	£'000	£'000
Cash and cash equivalents	-	884	5	889
Trade and other receivables (excluding prepayments and taxes)	-	-	684	684
	-	884	689	1,573

East Kent Housing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2016

2015 - assets	Fixed rate	Floating rate	Non-interest bearing	Total
	£'000	£'000	£'000	£'000
Cash and cash equivalents	-	1,440	357	1,797
Trade and other receivables (excluding prepayments and taxes)	-	-	36	36
	-	1,440	393	1,833

The Company's credit risk is limited to its trade receivables which comprise almost exclusively of balances with the partner Councils. The cash equivalents are held temporarily in a non interest bearing account which is reviewed daily and in an interest bearing account at a floating rate of interest linked to the Bank of England base rate, which has remained at 0.5% throughout the whole financial year. All financial assets have a fair value which is equal to their carrying value.

2016 - liabilities	Fixed rate	Floating rate	Non-interest bearing	Total
	£'000	£'000	£'000	£'000
Borrowings –Short Term	-	-	149	149
Borrowings-Long Term	-	-	654	654
Trade and other payables (excluding deferred income and other taxes and social security)	-	-	360	360
	-	-	1,163	1,163

2015 - liabilities	Fixed rate	Floating rate	Non-interest bearing	Total
	£'000	£'000	£'000	£'000
Borrowings-Long Term	-	-	195	195
Trade and other payables (excluding deferred income and other taxes and social security)	-	-	911	911
	-	-	1,106	1,106

Capital management

The Company's main objective when managing capital is to ensure that it maintains sufficient capital to ensure that the Councils' tenants continue to receive an excellent housing management service from the Company. The level of management fee agreed with the Council annually in respect of the Management Agreement and the Company's level of operating efficiency are the principal determinants of the level of equity that the Company is able to retain. As a company limited by guarantee, the only equity / capital of the Company is represented by its retained earnings reserves.

East Kent Housing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2016

The Company has secured a loan facility. There are currently four loans each of £223k from the four owner Councils. The loans have been made to support the procurement of the Single Housing Management System, which the company has started to incur expenditure in respect of, and will continue to do so in 2016/17. The loans are not interest bearing and are due to be repaid by six equal instalments (1 March 2017 – 1 March 2022) and have been recognised at a fair value of £195k each. The first loan was received from Canterbury City Council in late March 2015, with the remaining loans being made by Dover District Council, Shepway District Council and Thanet District Council in early April 2015. The Councils have each provided £223,000 of funding to support the project, all on equal terms.

As the initial loan instalments are due in less than 12 months from the financial year end, the instalment sum, has been transferred from long term borrowing to short term borrowing.

The Company has no other debt.

The Company does not have any externally imposed capital requirements.

3 REVENUE

Sales were made wholly within the United Kingdom and derived from the Company's principal activity of housing management.

The Income Statement shows Revenue of £8,760k (2015 : £8,395k) which comprises:

	Management Fee £'000	Charge Back Service Income £'000	Other Income £'000	TOTAL (2016) £'000	TOTAL (2015) £'000
Canterbury City Council	3,060	13	110	3,183	2,960
Dover District Council	2,250	-	3	2,253	2,163
Shepway District Council	1,958	-	3	1,961	1,895
Thanet District Council	1,344	1	4	1,349	1,372
Kent County Council	-	-	14	14	5
TOTAL	8,612	14	134	8,760	8,395

No surplus funds were returned to the partner Councils in respect of the 2015/16 financial year.

East Kent Housing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2016

4 LOSS FROM OPERATIONS	2016 £'000	2015 £'000
Loss from operations is stated after charging:		
Depreciation	18	13
Amortisation	7	7
Auditor's fees:		
On audit services		
Current year	21	23
On taxation - compliance	2	2
Rentals under operating leases		
Land & Buildings	69	58
Plant & Machinery	8	9
	8	9

The following table analyses the nature of expenses:

	2016 £'000	2015 £'000
Staff costs (see note 6)	6,511	6,122
Premises costs	105	92
Insurance costs	203	188
Transport and travelling	235	245
Consultancy and Professional Fees	130	99
ICT and communications	157	98
Service Level Agreements	1,336	1,365
Other expenses	952	601
Total operating costs	9,629	8,810

5 FINANCE COST	2016 £'000	2015 £'000
Other interest receivable	8	5
Interest on borrowings	(25)	-
Net Interest (defined benefit scheme)	(268)	(214)
	(285)	(209)

6 STAFF COSTS	2016 No.	2015 No.
The average monthly number of persons employed by the Company during the year was:		
Housing management	59	62
Asset management	35	34
Sheltered housing	64	61
Income recovery	16	14
Corporate services	7	8
Finance and leasehold	6	6
Tenant Participation	4	4
Service improvement	3	1
ASB	-	1
Secondment	2	-
Management Team	4	5
Total	200	196

East Kent Housing Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year to 31 March 2016

	2016 £'000	2015 £'000
Wages and salaries	4,815	4,655
Social security costs	366	347
Other pension costs	1,330	1,082
Modernisation and redundancy costs	-	38
	<u>6,511</u>	<u>6,122</u>

The Directors of the Company do not receive remuneration apart from reasonable expenses which totalled £1k (2015 :£1k) for the year. The total contribution to Directors' pension contributions was £Nil (2015 : £Nil).

7 INCOME TAX EXPENSE	2016 £'000	2015 £'000
ANALYSIS OF CHARGE IN YEAR:		
Current tax:		
UK – Current year	1	1
	<u>1</u>	<u>1</u>
Current tax reconciliation:		
The tax assessed for the year differs from the standard rate of corporation tax as follows:		
Loss before tax	(1,154)	(624)
Tax at the standard rate of corporation tax 20%	(231)	(125)
Effect of non-trading activities with member not subject to corporation tax	232	126
	<u>1</u>	<u>1</u>

The Company is jointly owned by four Councils and income is derived from services provided to the Councils. HM Revenue and Customs has confirmed that transactions between ALMOs and their Councils do not amount to trading and, accordingly, any surplus or deficit arising thereon is outside the scope of corporation tax.

East Kent Housing Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year to 31 March 2016

8 FINANCIAL INSTRUMENTS

	Loans and receivables	
	2016 £'000	2015 £'000
Current financial assets		
Trade and other receivables	702	41
Cash and cash equivalents	889	1,797
Total	<u>1,591</u>	<u>1,838</u>
	Other financial liabilities	
	2016 £'000	2015 £'000
Current financial liabilities		
Trade and other payables	464	1,019
Short Term Borrowings	149	-
Employee Benefit Accrual	68	81
Total	<u>681</u>	<u>1,100</u>

9 PROPERTY PLANT AND EQUIPMENT

	ICT Equipment £'000
Cost:	
At 1 April 2014	47
Additions	24
At 31 March 2015	<u>71</u>
Additions	35
At 31 March 2016	<u>106</u>
Accumulated depreciation and any recognised impairment losses:	
At 1 April 2014	11
Charged in the year	13
At 31 March 2015	<u>24</u>
Charged in the year	18
At 31 March 2016	<u>42</u>
Net book value:	
At 31 March 2016	<u>64</u>
At 31 March 2015	<u>47</u>
At 31 March 2014	<u>36</u>

East Kent Housing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2016

10 INTANGIBLE ASSETS

	ICT Software £'000
Cost:	
At 1 April 2014	20
Additions	-
At 31 March 2015	<u>20</u>
Additions	338
At 31 March 2016	<u>358</u>
Accumulated amortisation and any recognised impairment losses:	
At 1 April 2014	2
Charged in the year	7
At 31 March 2015	<u>9</u>
Charged in the year	7
At 31 March 2016	<u>16</u>
Net book value:	
At 31 March 2016	<u>342</u>
At 31 March 2015	<u>11</u>
At 31 March 2014	<u>18</u>

The financial year ending 31 March 2016 saw a significant addition to the intangible assets held by the company. All of the additions (£338k) during the year related to the new Housing Management System (the purchase & bringing into use of). This is an ICT platform that will be utilised by all service areas, replacing the four councils previous systems. The carrying value for this intangible asset is currently £338k. No amortisation will be accumulated against this asset until it is brought into use (in late 2016/17). The asset is thought to have a useful economic life of 7 years.

11 TRADE AND OTHER RECEIVABLES

	2016 £'000	2015 £'000
Trade and other receivables are as follows:		
Trade receivables (receivable from related parties)	670	29
Prepayments and accrued income	126	101
Other receivables	14	7
	<u>810</u>	<u>137</u>

The average credit period taken on provision of services is 37 days (2015 : 25 days).

The Company only has four customers, which are its partner Councils. No provision for impairment

East Kent Housing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2016

or irrecoverable amounts has been made.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

12 TRADE AND OTHER PAYABLES

	2016 £'000	2015 £'000
Trade and other payables are as follows:		
Amounts payable relating to invoiced amounts	91	213
Accruals and deferred income	190	624
Other Creditor	79	75
Other tax and social security	315	154
	<u>675</u>	<u>1,066</u>

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 17 days (2015: 17 days).

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

13 COMPANY LIMITED BY GUARANTEE

EKH is limited by guarantee, incorporated in the United Kingdom, and is governed by its memorandum and articles of association. The guarantors, Canterbury City Council, Dover District Council, Shepway District Council and Thanet District Council are its sole members, and listed in the Company's Register of Members (see note 18). The liabilities in respect of the guarantee are set out in the memorandum of association and are limited to £1 per member of EKH.

	2016 £'000	2015 £'000
14 RESERVES		
Retained Earnings		
1 April	(7,558)	(4,490)
Retained loss for the year	(1,155)	(625)
Capital contribution for the year	86	28
Remeasurement of post- employment benefit liabilities (note 17)	1,855	(2,471)
At 31 March	<u>(6,772)</u>	<u>(7,558)</u>
Analysed as:		
Profit and loss reserve	444	620
Capital contribution	114	28
Pensions deficit	<u>(7,330)</u>	<u>(8,206)</u>
	<u>(6,772)</u>	<u>(7,558)</u>

The capital contribution reflects the adjustment to fair value of the interest free loans received from the owner Councils (Canterbury City Council, Dover District Council, Shepway District Council and Thanet District Council (see note 18)).

East Kent Housing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2016

15 CASH FLOWS	2016 £'000	2015 £'000
Reconciliation of loss before taxation to net cash (out)/inflow from operating activities		
Loss from operations	(1,155)	(624)
Adjustments for		
Depreciation and Amortisation	25	20
Corporation Tax	1	(2)
Interest expense	25	
Increase in trade & other receivables	(674)	(18)
(Decrease)/Increase in creditors (including tax liability & employee benefits accrual)	(405)	687
Defined benefit scheme:		
Service Cost	1,338	1,075
Net interest	268	214
Administration Cost	14	14
Employer Contributions	(641)	(628)
Loss on curtailments	-	7
Net cash (outflow)/inflow from operating activities	<u>(1,204)</u>	<u>745</u>

CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent:

	2016 £'000	2015 £'000
Cash at bank and in hand	<u>889</u>	<u>1,797</u>

16 COMMITMENTS UNDER OPERATING LEASES

	2016		2015	
	Land and buildings £'000	Vehicles, Plant & Machinery £'000	Land and buildings £'000	Vehicles, Plant & Machinery £'000
The Company had the following total commitments under non-cancellable operating leases:				
Due				
Within 1 year	38	6	29	4
Between 1 – 2 years	-	5	-	4
Between 2 – 5 years	-	8	-	-
	<u>38</u>	<u>19</u>	<u>29</u>	<u>8</u>

Operating lease payments represent rentals payable by the Company for its office accommodation in Dover, Folkestone and Aylesham and for vehicles. Both accommodation leases at Aylesham & Dover can be terminated by either party with six months' notice, 12 months' notice at Folkestone and the vehicles typically are hired for a period of 4 years.

East Kent Housing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2016

17 RETIREMENT BENEFIT OBLIGATIONS

Defined benefit plan

The Company is a scheduled member in the Kent County Council Pension Fund (LG Pension Scheme). This is a funded defined benefit scheme. Following the revaluation the agreed employer's contribution rate for 2015/16 was 15.4% of pensionable earnings (15.4% in 2014/15).

On inception of EKH, the past service liabilities of the transferring staff were transferred to EKH from the partner Councils, albeit there was a notional allocation of assets within the pension fund so as to ensure there were sufficient assets to meet those past service liabilities on a funding basis as at 1 April 2011. However IAS19 has differing requirements to those of the actuarial pension valuation conducted every three years that determines the contribution rates and actuarial scheme deficit. As a result on inception EKH has to recognise the liability that has arisen on the assumption of the liabilities (on an IAS 19 basis). The net liability on inception for past service liabilities of transferring staff was £1.710M.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out in December 2013 by Barnett Waddingham, Fellow of the Institute of Actuaries and have been updated to 31 March 2016 for the purposes of IAS 19. The present values of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

Key assumptions used:	Valuation at	
	31 March 2016	31 March 2015
	%	%
Discount rate	3.8	3.4
Expected rate of salary increases	4.3	4.3
Future pension increases	2.5	2.5
RPI increases	3.4	3.3
CPI increases	2.5	2.5

Mortality rate assumptions are based on publicly available data in the UK. The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	31 March 2016	31 March 2015
Male	22.9	22.8
Female	25.3	25.2

The average life expectancy for a pensioner retiring at 65, aged 45 at the reporting date:

	31 March 2016	31 March 2015
Male	25.2	25.1
Female	27.7	27.6

East Kent Housing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2016

The sensitivity of the overall pension liability to changes in the weighted principal assumptions is:

Impact on defined benefit obligation					
	Change in assumption	Increase in assumption	Impact on liability	Decrease in assumption	Impact on liability
Discount rate	0.1%	Decrease by 2.01%	Decrease by £580k	Increase by 2.05%	Increase by £593k
Salary growth rate	0.1%	Increase by 0.31%	Increase by £92k	Decrease by 0.31%	Decrease by £92k
Pension growth rate	0.1%	Increase by 1.76%	Increase by £507k	Decrease by 1.72%	Decrease by £496k
Rate of mortality	1 year	Increase by 2.79%	Increase by £805k	Decrease by 2.71%	Decrease by £783k

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the pension liability recognised within the statement of financial position.

Amounts recognised in profit or loss in respect of these defined benefit schemes are as follows:

	2016 £'000	2015 £'000
Service cost	1,338	1,082
Net Interest cost	268	214
Administration expenses	14	14
	1,620	1,310

Of the charge for the year, £1,352k (2015 : £1,096k) has been included in operating costs and £268k in finance costs (2015: £214k in finance costs).

The actual return on scheme assets was £228k (2015 : £2,074k).

East Kent Housing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2016

The movements in the defined benefit obligations during the year is as follows:

	Present value of obligation £'000	Fair value of plan assets £'000	Total £'000
At 1 April 2015	29,032	(20,826)	8,206
Current service cost	1,338	-	1,338
Interest expense/(income)	983	(715)	268
Past service costs, including curtailments	-	-	-
	2,321	(715)	1,606
Remeasurements:			
-Return on plan assets, excluding amounts included in interest expense/(income)	-	487	487
(Gain) from change in financial assumptions	(2,342)	-	(2,342)
	(2,342)	487	(1,855)
Contributions paid:			
-Employers	-	(641)	(641)
-Scheme participants	281	(281)	-
Payments from plans:			
-Benefit payments	(502)	502	-
Administration expenses	-	14	14
At 31 March 2016	28,790	(21,460)	7,330

	Present value of obligation £'000	Fair value of plan assets £'000	Total £'000
At 1 April 2014	23,448	(18,395)	5,053
Current service cost	1,075	-	1,075
Interest expense/(income)	1,050	(836)	214
Past service costs, including curtailments	7	-	7
	2,132	(836)	1,296
Remeasurements:			
-Return on plan assets, excluding amounts included in interest expense/(income)	-	(1,238)	(1,238)
Loss from change in financial assumptions	3,709	-	3,709
	5,841	(2,074)	3,767
Contributions paid:			
-Employers	-	(628)	(628)
-Scheme participants	268	(268)	-
Payments from plans:			
-Benefit payments	(525)	525	-
Administration expenses	-	14	14
At 31 March 2015	29,032	(20,826)	8,206

East Kent Housing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2016

The amounts included in the Statement of Financial Position arising from the Company's obligation in respect of defined benefit retirement schemes is as follows:

	2016 £'000	2015 £'000
Present value of funded obligations	28,790	29,032
Fair value of scheme assets	(21,460)	(20,826)
Deficit in scheme	<u>7,330</u>	<u>8,206</u>
Liability recognised in the Statement of Financial Position	<u>(7,330)</u>	<u>(8,206)</u>

All of the defined benefit plan obligations relate to funded schemes.

Analysis for reporting purposes:

	2016 £'000	2015 £'000
Non-current liabilities	<u>7,330</u>	<u>8,206</u>

The analysis of the scheme assets at the reporting date were as follows:

	Fair value of assets £'000	
	2016	2015
Equity instruments	14,311	14,200
Gilts	190	218
Other bonds	2,356	2,333
Property	3,117	2,603
Cash	553	569
Other assets	933	903
	<u>21,460</u>	<u>20,826</u>

Historical summary of present value of defined benefit obligations, fair value of plan assets, surplus/deficit in the scheme:

	2016 £'000	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Present value of defined benefit obligations	28,790	29,032	23,448	20,032	18,295
Fair value of scheme assets	(21,460)	(20,826)	(18,395)	(15,659)	(13,229)
Deficit in scheme	<u>(7,330)</u>	<u>(8,206)</u>	<u>(5,053)</u>	<u>(4,373)</u>	<u>(5,066)</u>

The estimated amounts of contributions expected to be paid to the scheme during the financial year ending 31 March 2017 is £641k.

East Kent Housing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2016

18 RELATED PARTY TRANSACTIONS

The Company is equally owned by Canterbury City Council, Dover District Council, Shepway District Council and Thanet District Council (25% each).

EKH is an Arms Length Management Organisation from the four partner Councils to run the management and maintenance function of the Councils' homes and other buildings.

During the year the Company supplied goods and services to Canterbury City Council totalling £3,183,294 (14/15 £2,960,698), recovered costs incurred on behalf of Canterbury City Council totalling £12,563 (14/15 £12,349) and purchased goods and services from Canterbury City Council totalling £262,075 (14/15 £303,346).

At 31 March 2016, included in trade and other receivables is a total amount due from Canterbury City Council of £22,199 (14/15 £26,212), included in trade and other payables is a total amount due to Canterbury City Council of £50,984 (14/15 £262,085). The net balance owed to Canterbury City Council by the Company was £28,785 (14/15 £235,873 owed to Canterbury City Council).

During the year the Company supplied goods and services to Dover District Council totalling £2,253,097 (14/15 £2,163,127), recovered costs incurred on behalf of Dover District Council totalling £5,196 (14/15 £10,846), and purchased goods and services from Dover District Council totalling £389,097 (14/15 £454,514).

At 31 March 2016, included in trade and other receivables is a total amount due from Dover District Council of £544,533 (14/15 £3,113) and included in trade and other payables is a total amount due to Dover District Council of £38,984 (14/15 £282,730). The net balance owed by Dover District Council to the company was £505,549 (14/15 £279,617 owed to Dover District Council).

During the year the Company supplied goods and services to Shepway District Council totalling £1,961,179 (14/15 £1,894,351), recovered costs incurred on behalf of Shepway District Council totalling £430 (14/15 £497), and purchased goods and services from Shepway District Council totalling £189,543 (14/15 £203,758).

At 31 March 2016, included in trade and other receivables is a total amount due from Shepway District Council of £1,697 (14/15 £103) and included in trade and other payables is a total amount due to Shepway District Council of £1,220 (14/15 £10,350). The net balance owed by Shepway District Council to the Company was £477 (14/15 £10,247 owed to Shepway District Council).

During the year the Company supplied goods and services to Thanet District Council (TDC) totalling £1,326,667 (14/15 £1,338,121), was holding deferred income of £37,617 in respect of TDC activities (14/15 £34,124), recovered costs incurred on behalf of Thanet District Council totalling £766 (14/15 £3,920), and purchased goods and services from Thanet District Council totalling £755,465 (14/15 £730,077).

At 31 March 2016, included in trade and other receivables is a total amount due from Thanet District Council of £2,877 (14/15 £4,214) and included in trade and other payables is a total amount due to Thanet District Council of £15,319 (14/15 £68,219). The net balance owed to Thanet District Council by the Company was £12,442 (14/15 £64,005).

All totals exclude VAT.

The amounts outstanding are unsecured, carry or bear no interest and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties

East Kent Housing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2016

19 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The number of employees (including senior employees – see below) whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were:

Remuneration Band £	Number of Employees 2015/16	Number of Employees 2014/15
50,000 to 54,999	2	4
55,000 to 59,999	2	1
60,000 to 64,999	-	-
65,000 to 69,999	1	2
70,000 to 74,999	-	-
75,000 to 79,999	1	2
80,000 to 84,999	1	-
85,000 to 89,999	-	-
90,000 to 94,999	-	-
95,000 to 99,999	1	1

The remuneration of the Senior Management Team, who are the key management personnel of the Company, is set out below in aggregate.

2015/16 Post Holder	Salary including Fees and Allowances £	Employer Pension Contributions £	Total Remuneration including Pension Contributions £
Chief Executive	97,780	14,435	112,215
Director of Operations	12,021	1,774	13,795
Head of Corporate Services	78,491	11,549	90,040
Head of Communications	49,953	9,922	59,875
Head of Finance	82,039	12,197	94,236
	320,284	49,877	370,161

The Directors of the Company do not receive remuneration apart from reasonable expenses which totalled £1k (2015 : £1k) for the year. The total contribution to Directors' pension contributions was £Nil (2015 : £Nil).

East Kent Housing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2016

2014/15 Post Holder	Salary including Fees and Allowances £	Employer Pension Contributions £	Total Remuneration including Pension Contributions £
Chief Executive	96,099	14,105	110,204
Director of Operations	75,814	11,128	86,942
Head of Corporate Services	76,154	11,262	87,416
Head of Communications	52,626	7,639	60,265
Head of Finance	68,700	8,837	77,537
	369,393	52,971	422,364

20 BORROWINGS

	2016 £'000	2015 £'000
Current		
Loan – Repayable within 12 months	149	-
Non-Current		
Loan – Repayable over 12 months	654	195
	<u>803</u>	<u>195</u>

The Company currently has four equal loans due to Canterbury City Council (CCC), Dover District Council, Shepway District Council and Thanet District Council. The loan from CCC was received during the financial year ending 31 March 2015, and the remaining loans all received during April 2015. The loans are unsecured and interest free. Repayment on each loan is due in 6 equal instalments starting from March 2017 and ending in March 2022. Whilst the loans were interest free from the Councils, a notional interest rate of 3.17% and has been applied to ensure the financial liabilities are reflected within the financial statements at fair value.

Therefore the loan instalment due in March 2017 has been reflected in the accounts as short term Borrowing and the remaining balance as long term borrowing.

The fair value of borrowings equals their carrying value.

There is no known exposure to interest rate changes as the loans will not be replaced upon their expiry/repayment.

The loans will be repaid over the following period:

	2016 £'000	2015 £'000
6 - 12 months	149	-
1 – 5 years	743	743
Over 5 years	-	149
	<u>892</u>	<u>892</u>

East Kent Housing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2016

21 CAPITAL COMMITMENTS

Capital Commitments contracted for at the end of the reporting period but not yet incurred is as follows:

	2016 £'000	2015 £'000
Property, Plant & equipment	-	-
Intangible Assets	124	-

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EAST KENT HOUSING LIMITED

Draft Audit Findings Report

Year ended 31 March 2016

Presented to the Directors
By RSM UK Audit LLP

on 4 July 2016

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This report has been prepared for the sole use of East Kent Housing Limited and must not be disclosed to any third party, or quoted or referred to, without our written consent. No responsibility is assumed to any other person in respect of this report.

1 INTRODUCTION AND COVERAGE

This report summarises our key findings in connection with the audit of the financial statements of East Kent Housing Limited in respect of the year ended 31 March 2016.

The scope of our work has already been communicated to you via our Audit Plan document dated 7 March 2016.

A summary of adjusted and unadjusted misstatements identified during the audits has been prepared and is included in Section 5.

We consider that the audit approach adopted will provide the Directors with the required confidence that a thorough and robust audit has been carried out and can confirm that, at the date of this report, we anticipate no modifications from our pro-forma audit report provided in the Audit Plan previously communicated to you.

Outstanding matters

The following matters are outstanding at the date of this report:

- Confirmation letters from all 4 councils covering the balances at the year end date, the transactions in the year, the agreed management fee for the year ending 31 March 2017 and confirming that the IAS19 liability will not trigger termination of the management agreement.

2 QUALITATIVE ASPECTS OF EARNINGS

The table below sets out the significant one-off items that have affected reported results for the year:

	2016 £'000	2015 £'000
Loss before tax per financial statements	(1,154)	(624)
Adjustments:		
• Add back: Net IAS 19 Pension Scheme Interest Cost	268	214
• Add back: Net IAS 19 Pension Scheme Charge (difference between service cost and employer contributions)	697	447
• Add back: IAS 19 Curtailment Costs	-	7
• Add back: Net IAS 19 Administration Expenses	14	14
Revised (loss) / profit before tax	(175)	58

IAS 19 adjustments have decreased the result by a total of £979k (2015: £682k). The overall pension deficit at the yearend in relation to IAS 19 was £7,330k (2015: £8,206k).

3 AUDIT AND ACCOUNTING ISSUES IDENTIFIED AT PLANNING STAGE

Management over ride of internal controls

Key area of audit focus	As for all control systems, there is the unavoidable risk that control systems can be by-passed by those senior members of the management team with the ability to initiate and execute transactions and accounting entries without the need to follow the established control systems and procedures.
Our approach	<p>We will assess the overall control environment including the arrangements for staff to 'Whistle-blow' inappropriate actions, and interview senior management.</p> <p>We will examine the significant accounting estimates and judgements relevant to the accounts for evidence of bias by management that may represent a risk of material misstatement due to fraud.</p> <p>We will also review journal entries.</p>
Response	<p>Our work was completed as planned. We identified no significant issues in respect of the overall control environment, as covered in Section 6 below.</p> <p>Our audit work brought to light no significant accounting estimates or judgements indicative of management bias. Our review of journal entries noted no inappropriate entries made to the ledger.</p>

Going concern

Key area of audit focus	The current economic climate and the changes in the business and operating environment of the organisation makes going concern a key area to focus on.
Our approach	<p>We will review budgets and forecasts for a period of 12 months from the date the financial statements are approved.</p> <p>We will confirm the agreement of the 2016/17 management fee.</p> <p>We will confirm with management that there are no notified breaches of the management agreement.</p> <p>We will obtain confirmation from the Councils that any pension deficit will not trigger termination of the management agreement.</p>
Response	<p>Our review of operational budgets for 2016/17 was reviewed and noted no significant issues.</p> <p>The letters from the councils confirming the fees for 2016/17 are outstanding. Once received we will review and conclude (as noted in Section 1).</p> <p>No breaches of the management agreement were identified during our audit work.</p> <p>The letters from the councils confirming any IAS 19 deficit will not trigger termination of the management agreement are outstanding (as noted in Section 1).</p>

Fair value of loans

Key area of audit focus

Loans have been received from Shepway, Thanet and Dover in the year. IAS39 requires that the initial recognition for a loan is at its fair value. As the lenders are not charging interest on the loans, which is not what an unrelated lender would do, the amount of the loan received is not considered to be the fair value of the loan.

The fair value of the loan should be calculated as the present value of the loan repayable over 6 years using a market rate of interest for a similar loan at the date of issue. The present value is then recognised as a liability and the discount should be unwound over the next 6 years as an interest expense.

Our approach

We will review the calculation completed to arrive at the fair value of the loans and the appropriateness of the interest rate used within the calculation.

Response

The calculations to arrive at fair value were reviewed and appear appropriate. We have concluded satisfactorily in this area.

Capitalisation of IT system

Key area of audit focus

There has been a significant amount of expenditure in the year on single system. The expenditure should be capitalised as an intangible fixed asset if it meets the definition included in IAS38. IAS38 requires the recognition of an intangible asset, if and only if:

- It is probable that the future economic benefits that are attributable to the asset will flow to the entity: and
- The cost of the asset can be measured reliably

Our approach

We will review the basis upon which any costs are capitalised in line with the criteria noted above.

Response

Our work was completed as planned.

Capitalised items within the draft financial statements in relation to the single system were reviewed against the specific criteria above.

We noted no significant issues and concluded satisfactorily in this area.

Completeness of trade creditors and accruals including charges made by the Council

Key area of audit focus	Completeness of trade creditors and accruals including charges made by the Councils are key to ensure that all costs are recognised in the correct period.
Our approach	<p>We will perform cut off tests to ensure that costs are recognised in the correct period.</p> <p>We will review a sample of SLAs to ensure all costs have been accrued.</p> <p>We will review post year end management accounts.</p> <p>We will review reported expenditure against expectations and investigate any material variances arising.</p> <p>We will obtain confirmations from the Councils to confirm the balances at the year end and the transactions in the year.</p>
Response	Our work was completed as planned and we concluded satisfactorily in this area.

Defined benefit pension scheme

Key area of audit focus	The defined benefit pension scheme liability recognised on the balance sheet is judgemental due to the assumptions used to calculate the liability.
Our approach	<p>We will review the instructions given to the Actuary regarding their valuation as at 31 March 2016.</p> <p>We will assess the reasonableness of the assumptions used.</p> <p>We will seek representations from the Directors that the assumptions used are reflective of the position at the year end.</p> <p>We will liaise with the Actuary as appropriate.</p> <p>We will ensure that the valuation of scheme assets as at 31 March 2016 is supported by appropriate evidence.</p>
Response	<p>Our work was completed as planned.</p> <p>The assumptions used were reviewed and found to be reasonable when compared to those used by other ALMO's and their actuaries, however, we are requesting a directors' representation in relation to the appropriateness of the assumptions used.</p>

4 AUDIT AND ACCOUNTING ISSUES IDENTIFIED DURING THE AUDIT

There were no further significant audit and accounting issues identified during the course of our audit to bring to the attention of the directors.

5 UNADJUSTED/ADJUSTED MISSTATEMENTS

A summary of the unadjusted/adjusted errors identified during the course of our work is set out below, analysed between errors of fact and differences in judgement.

We have not disclosed below those items that we consider to be "clearly trivial" in the context of our audit. For this purpose we consider "clearly trivial" to be any matter less than £1,000 individually and £2,500 in aggregate.

We advised management of all these misstatements on 27 May 2016 and requested management to correct them.

	Profit (£'000)	Net assets (£'000)	
Adjusted misstatements	Dr/(Cr)	Dr/(Cr)	
Dr Intangible Assets	-	58	Being capitalisation of perpetual license for new single system.
Cr Operating costs	(58)	-	
Total	(58)	58	
Unadjusted misstatements Factual	Dr/(Cr)	Dr/(Cr)	
Dr Trade Receivables	-	4	Being reclassification of debit balances held in the trade payables ledger
Cr Trade Payables	-	(4)	
Underlying total	-	-	

6 SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

During the course of our audit work we did not identify any significant deficiencies in internal control to bring to the attention of the directors. This does not constitute a comprehensive statement of all deficiencies that may exist in internal controls or of all improvements which may be made and has addressed only those matters which have come to our attention as a result of the audit procedures performed. An audit is not designed to identify all matters that may be relevant to you and accordingly the audit does not ordinarily identify all such matters.

7 SIGNIFICANT ACCOUNTING POLICIES, DISCLOSURES AND ESTIMATES

Accounting disclosures

During the course of our audit, we reviewed the adequacy of the disclosures contained within the financial statements and their compliance with both relevant accounting standards and the requirements of the Companies Act 2006. The following disclosure matters were brought to your attention and subsequently reflected in the revised financial statements:

- The draft financial statements omitted required disclosures in respect of capital commitments.
- The draft financial statements were incomplete in respect of the required ageing analysis of the borrowings disclosures.
- The draft financial statements were incomplete in respect of the required comparative movements in the defined benefit obligations disclosures.
- A number of typographical errors were identified in the draft accounts.

No other material omissions were identified from a review of the financial statements.

Significant difficulties identified during the audit

There were no significant difficulties encountered during the course of our audit work that we feel need to be brought to the attention of the directors. We would like to thank Charlotte Spendley and Rachael Brown for their help during the audit process.

8 UNCERTAINTIES, RISKS, EXPOSURES, JUDGEMENTAL ISSUES AND GOING CONCERN

During the course of our work we have identified no significant matters in respect of the above that we feel should be brought to the attention of the directors that are not covered elsewhere in this report.

9 FEES

We confirm that the fees charged during the year in respect of services performed for East Kent Housing Limited are consistent with those contained within our Audit Plan submitted to you and dated 7 March 2016.

10 INDEPENDENCE

In accordance with International Standard on Auditing (UK and Ireland) 260 "Communication with those charged with governance", there are no changes to the details of relationships between RSM UK Audit LLP and its related entities and East Kent Housing Limited and its related entities and directors that may reasonably be thought to bear on RSM UK Audit LLP's independence and the objectivity of the audit principal, Andrew Monteith and the audit staff and the related safeguards from those disclosed in the Audit Plan dated 7 March 2016.

APPENDIX A - DRAFT LETTER OF REPRESENTATION

RSM UK Audit LLP
Marlborough House
Victoria Road South
Chelmsford
CM1 1LN

Dear Sirs

Audit of Financial Statements– Year ended 31 March 2016

This representation letter is provided in connection with your audit of the financial statements of East Kent Housing Limited for the year ended 31 March 2016 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view, in accordance with the applicable financial reporting framework. The financial reporting framework that has been applied in the preparation of the East Kent Housing Limited financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

We confirm that to the best of our knowledge and belief, and having made appropriate enquiries of other directors and officials of the company:

Financial Statements

1. We acknowledge and have fulfilled our responsibilities, as set out in the terms of the audit engagement dated October 2015, for ensuring that the company maintains adequate accounting records and for the preparation of the financial statements in accordance with the applicable financial reporting framework, in particular the financial statements give a true and fair view in accordance therewith.
2. Significant assumptions used by us in making accounting estimates, including those relating to items measured at fair value, are reasonable.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the applicable financial reporting framework. In particular, full disclosure is made in the financial statements of:
 - a any arrangement, transaction or agreement to provide credit facilities (including loans, quasi-loans, or credit transactions) for directors or any guarantee or provision of security for directors;
 - b the identity of the party which controls the company, if any;
 - c transactions and balances with related parties including:
 - the names of the transacting parties;
 - a description of the relationship between the parties;
 - a description of the transactions;
 - the amounts involved (even if nil);

- any other elements of the transactions necessary for an understanding of the financial statements;
 - the amounts due to or from related parties at the balance sheet date and provisions for doubtful debts due from such parties at that date; and
 - amounts written off in the period in respect of debts due to or from related parties.
4. Full disclosure is made in the financial statements of:
 - a outstanding capital commitments contracted for at the balance sheet date;
 - b all contingent liabilities including details of pending litigation and material claims against the company;
 - c all guarantees or warranties or other financial commitments.
 5. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
 6. There have been no events (e.g. loss of key customer, supplier or member of staff, change in credit terms offered by suppliers, breaches of bank or other covenants, changes in banking or insurance arrangements or facilities) since the balance sheet date that would impact on the ability of the company to continue as a going concern. Should such events occur prior to your signature of the audit report we will advise you immediately. Except as already incorporated into our cash flow and profit forecasts we have no plans or intentions that would impact on the ability of the Company to continue as a going concern.
 7. All events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed. Should such further material events occur prior to your signature of the audit report we will advise you accordingly.
 8. The effects of uncorrected misstatements (whether arising from differences in amount, classification, presentation or disclosure of a reported financial statement item and the amount, classification, presentation or disclosure that is required for the item to be in accordance with the applicable financial reporting framework) are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements including those in relation to disclosures is attached to this representation letter.

Information Provided

1. As agreed in the terms of engagement, we have provided you with:
 - a Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - b Additional information that you have requested from us for the purpose of the audit; and
 - c Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
5. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
6. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements. We have also notified you of the actual or contingent consequences which may arise from such non-compliance, including any potential effects on the company's ability to conduct its business.
7. We have disclosed to you the identity of the company's related parties and all the related party relationships and transactions of which we are aware.
8. We have disclosed to you details of all known actual or possible litigation and claims whose effect should be considered when preparing the financial statements.
9. We confirm that we have disclosed to you details of all banking and financing arrangements including related contracts and hedging products.
10. We confirm that we have informed you of all tax avoidance schemes used by the company.
11. We confirm that the actuarial assumptions used within the calculations are considered to be reasonable for the company.

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

We confirm that we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to the auditors. We confirm that, as far as we are aware, there is no relevant audit information of which the auditors are unaware.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

The contents of this letter were considered and approved by the board at its meeting on

Yours faithfully

Signed on behalf of the board of East Kent Housing Limited

.....
Director

.....
Director

Attachment: List of uncorrected misstatements including those in relation to disclosures

Unadjusted misstatements Factual	Profit (£'000)	Net assets (£'000)	
	Dr/(Cr)	Dr/(Cr)	
Dr Trade Receivables	-	4	Being reclassification of debit balances held in the trade payables ledger
Cr Trade Payables	-	(4)	
Underlying total	-	-	

APPENDIX B - UPDATED FINANCIAL REPORTING DEVELOPMENTS

There are no updated financial reporting developments that we wish to bring to your attention that have arisen since those included in our audit plan dated 7 March 2016.

Title:	Re-Appointment of External Auditors
Meeting:	Board
Date:	11 July 2016
Author:	Charlotte Spendley – Head of Finance
Summary :	<p>Baker Tilly were appointed as East Kent Housing's (EKH) external auditors in July 2014. Prior to the re-tendering of the contract during 2014, Baker Tilly were also EKH's external auditors for the previous contract (covering 3 financial years from 2011-2014). In October 2015 Baker Tilly were re-branded under the RSM title. All key personnel have remained unchanged for EKH.</p> <p>Baker Tilly (RSM) has provided an excellent service to EKH's officers and directors and have a sound understanding of both the business and sector.</p> <p>The tender process in 2014 found that Baker Tilly (RSM) best met EKH's needs at a competitive price, balanced with the required expertise.</p> <p>The current contract is for a three year term (the financial statements of the period 2014/15 being the first year covered in this tender).</p> <p>The formal re-appointment of the auditors is a matter for the AGM (& owners), however the Board as Directors are asked to agree the proposed recommendation of officers to the owners.</p>
Recommendation:	To agree to recommend to the owners through the AGM the re-appointment of RSM UK LLP as East Kent Housing's auditors for a further year.
Risk considerations:	<p>EKH have a legal obligation to have appointed auditors to audit their statement of accounts.</p> <p>External auditors will provide experience and knowledge which will be a valuable support to EKH through the preparation of financial statements and developing our understanding and management of risk.</p>
Legal/regulatory considerations:	Under the Companies Act it is a legal requirement to have audited accounts, and the first appointment of a company's auditors must be made by the directors (Board Members) of the organisation.
Finance/resources considerations:	The operational budget has sufficient budget provision for external audit and taxation services.
Equalities considerations:	There are no direct equalities considerations arising from this report.
Health and safety considerations:	There are no direct health and safety considerations arising from this report.

1. Background

- 1.1 East Kent Housing (EKH) is required by the Companies Act to produce company accounts which have been audited.
- 1.2 An auditor is a person who makes an independent report to the Board as to whether the company has prepared its financial statements in accordance with Company Law and the applicable financial reporting framework. The report must also state whether a company's accounts give a true and fair view of its affairs at the end of the financial year.

2. Role of the External Auditor

- 2.1 The external audit will include an assessment of the significant estimates and judgements made in the preparation of the financial statements.
- 2.2 They will produce an auditors' report which must include:
 - an introduction identifying the accounts that were the subject of the audit
 - a description of the scope of the audit identifying the auditing standards used and the financial reporting framework used in the preparation of the accounts
 - a statement as to whether, in the auditors' opinion, the accounts have been prepared in accordance with the Companies Act 2006
 - a statement as to whether they represent a true and fair view of the company's financial affairs
 - a statement as to whether the strategic / directors' report is consistent with the accounts
 - if the auditors are of the opinion that the company has not kept adequate accounting records, or that they have not provided all the information required, a statement to that effect.
- 2.2 The auditors will then conclude the report which will either be 'qualified' or 'unqualified'. The auditors will 'qualify' the report where either there has been a limitation on the scope of the auditors' work or where there is a material disagreement between the company and the auditors about the accounts.
- 2.3 The role of the external auditors differs to that of the internal auditors, East Kent Audit Partnership (EKAP). EKAP will focus their attention of the controls and processes in place within EKH, both in terms of the financial and governance arrangements as well as the service provision. As outlined above the external auditors are concerned with our compliance with the Companies Act and other relevant legislation. The external auditors will need to have good working relationships with our internal auditors as they will rely upon some of the control audit work performed by them.

3 Summary

- 3.1 The appointment of good external auditors is essential for officers in providing support and knowledge to Board members and owners in providing assurance that EKH is being effectively managed and to the legislative bodies in ensuring legal compliance.
- 3.2 The Board is asked to endorse the recommendation of officers to propose the re-appointment of RSM as EKH's external auditors to the owners at the AGM on 18 July 2016.

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Title:	Appointment of Board Members
Meeting:	Board
Date:	11 July 2016
Author:	Deborah Upton Chief Executive
Summary :	<p>East Kent Housing's (EKH) Articles set out the constitution of the Board and the requirements for Tenant and Independent Board members to retire.</p> <p>At the fifth AGM, the retirements dictated by the articles will be two independent Board members and one tenant; council Board members are appointed by the owner councils and are not subject to retirement.</p> <p>The Board Recruitment Policy has been reviewed and updated in parallel to the governance review.</p> <p>Membership of the Board has undergone a further period of change. Currently there is one tenant vacancy for the Thanet representative and the Dover representative has indicated that he wishes to step down as soon as a replacement representative is appointed and has time to settle-in, which has been indicated as being by December 2016.</p> <p>In addition to the turnover in tenant representation, two independent representatives have stated that they will step down when new independent Board members have been appointed and settled in, again by December 2016.</p>
Recommendation	<p>To confirm the retirement of the Dover Tenant Representative with effect from December 2016</p> <p>To confirm the retirement of the independent Board members Helen Buller and Jane Iley, Helen Buller with effect from December 2016 and Jane Iley with immediate effect, and the formal appointment of two new independent Board members upon retirements</p>
Risk considerations:	The Articles dictate the retirement requirements for Board members and these need to be followed, any breach will could be subject to challenge by the owners
Legal/regulatory considerations:	To ensure that decisions made by the Board are valid, all Board members need to be properly appointed within EKH's governance arrangements; failure to do so could lead to challenge
Finance/resources considerations:	There are no considerations relating to the report.
Equalities considerations:	
Health and safety considerations:	

1. Background

East Kent Housing's (EKH) Articles set out the governance arrangements for the constitution of the Board, including retirement, election, recruitment and casual appointments. Article 42 confirms that councillor Board members are appointed by their respective councils and are not subject to retirement or election within EKH's governance arrangements.

Articles 45 to 49 set out the requirements for the retirement and election of tenant Board members confirming that at EKH's fourth annual general meeting (AGM) one tenant Board members should retire.

Articles 50 to 53 set out the requirements for the retirement and election of independent Board members. At EKH's fourth AGM one independent Board member should retire. Article 53 confirms that a retiring independent Board member may be re-appointed if there is no replacement.

The intention of the Articles is to provide continuity within the Board.

2. Retirement Details

The Tenant Board Representative from Thanet resigned in February 2016 and no new appointment has yet been made, although a recruitment process is ongoing. The Dover Tenant Representative has indicated that he will not seek re-appointment by the Dover Area Board and a recruitment process is underway. The Dover representative, Chris Hanagan, has indicated that, to provide continuity, he will step down when the Dover Area Board appoint a new representative, but does not intend to remain in position after December 2016.

Helen Buller has confirmed she will step down but will remain as a director until new appointments are made and a period of shadowing has been carried out, but will not remain beyond December 2016.

Jane Iley has confirmed she will step down at the AGM.

Annual Performance Report 2015/16

**This Annual Performance Report includes:**

- Page 2: Our performance
- Page 3-4: Service Improvement
- Page 5-9: Proposed performance targets for 2016/17
- Appendix 1: Year-end performance report
- Appendix 2: 2015/16 Delivery Plan – year-end update

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June 2016



East Kent Housing

Annual Performance Report 2015/16

1. Performance

At year end, across the whole organisation, we were in target or close to target for 16 out of 18 of our performance indicators (green & amber).

For the areas measured individually, at the end of the year, we were in target or close to target for 61 out of 70 (87.14%) performance indicators. This is an improvement on last year, where 70.59% of targets were met.

2. Performance Summary

A summary of the key areas of performance is as follows:

° In all areas of income collection, we continue to meet or exceed all targets, and the figures for income collection have improved year on year since 2011/12. Since that time, current tenant arrears have been reduced from £1,052,126 to £756,691, an overall decrease of £295,435.

° The average time taken to re-let properties excluding major works was 15.84 days, and including major works was 22.96 days, during 2015/16. This is upper quartile performance and ensures that we maximise the income the Councils' receive.

° We have carried out 41,901 day to day repairs to our properties in 2015/16. All three key performance indicators for day to day repairs exceeded target.

A detailed performance analysis for each area is set out as appendix one.

Poor performance has been experienced in "Emergency heating repairs completed on time – target 98%".

All four councils entered into a contract with Swale Heating for heating repairs. This contract has delivered poor performance and to address the issue Swale have implemented many changes within the company and a complete restructure has taken place. We have seen improvements in performance since the implementation of the restructure and we continue to monitor their progress. Performance has improved each quarter subsequent to the changes, and more detail in each area is set out in appendix one.

3. Service Improvement (Delivery Plan)

The summary of the Delivery Plan is appended to this report. A more detailed assessment of completion is:

- **Single System: 2 out of 7 outstanding**

Of the two outstanding actions, one is not due for completion until December 2016 (full implementation) and the other (interface testing with the councils) has a revised completion date of July 2016, which is in line with the original project plan.

- **Service Development: 2 out of 10 outstanding**

Of the 2 outstanding actions one is due to complete in June 2016 (common write-off policy), and the other was completed by EKH but then needed further review by Canterbury City Council due to funding issues (enhanced sheltered housing review).

- **Improving Performance in Asset Management: 4 out of 7 outstanding**

Of the 7 total actions, one will complete in June (contract procurement planning), another is subject to issues surrounding the wider procurement review (agree a new procurement framework) and two are subject to obtaining a stock condition survey.

- **Improving Performance in Leasehold Management: 3 out of 7 outstanding**

Of the 5 actions, one (common delegations and cycles) is proposed to be deferred until 2017/18 as it would naturally follow the work being done to align activity within the new single system. Another action (develop consistent documentation) is work in progress but can only be finalised after the single system is in place. The final action carried forward to the 2016/17 (consistent charging model) requires the implementation of the single system to allow the resulting streamlined leasehold system to be evaluated and costed.

- **Preparing for Universal Credit – Empowering Tenants: 3 out of 15 outstanding**

Of the 15 actions, 2 of the 3 outstanding actions (incentivising tenants for rent payments and training staff on credit unions) are low priority. The other (review staffing and job roles to address Universal Credit) is ongoing but low take up of universal credit has meant data which would be used to assess staffing and job roles is not sufficient to forward plan.

4. Service Improvement (Service Reviews)

During the year service reviews were carried out in:

- Lean review of asset management
- Repairs & Maintenance (Tenant scrutiny Review)
- Leaseholder Review.

5. Service Improvement for 2015/16

The main elements and themes in the Delivery Plan for 2016/17 include:

- Implementing the single system
- Managing changes to the benefits system, including universal credit and the benefit cap
- Improving the repairs service, including preparing for the new repairs contract, and making sure residents are aware of planned investments in their home
- Improving environmental conditions on estates, including refuse, door entry systems and car parking.

Last summer we ran a major consultation to renew our 2020 vision, priorities and new commitments to residents. We involved staff, tenants, leaseholders, councillors and council colleagues through a variety of events, workshops and films. The delivery plan to support that vision and priorities can be found at

<http://www.eastkenthousing.org.uk/publication-scheme/who-we-are/>

6. Other achievements during the year

During the course of the year we have undertaken a number of projects which benefited tenants or help develop EKH, which are summarised below:

- Despite the challenges of the Welfare Reform changes and annual rent increases, the Income Team have achieved their best performance for Current Residential Arrears in five years of EKH. The results were £91,569 lower than the previous year's arrears and an impressive £286,435 improvement from our first year's performance.
- Encouraging process on improving the leasehold service has been undertaken which was demonstrated in the follow up audit; particular improvements have been made to the Section 20 process.
- New strategies for Resident Involvement and Customer Insight.
- Implemented a new Resident Involvement team which has introduced a new Tenant Scrutiny process and new Tenant Scrutiny Panel who have reviewed our approach to Tenancy Fraud and Repair Communications.
- Improved internal communications through the use of a new look staff intranet, monthly e-newsletter and introduction of 'a guide to East Kent Housing' which has been issued across the organisation to engaged residents, to councils and their members.
- Introduced new communication and customer contact methods including new online garage application forms and online anti-social behaviour reporting, social media engagement and nudge techniques used in correspondence.
- Piloted a Community 'Hub' in Thanet to provide support to local residents moving onto Universal Credit in partnership with a number of agencies

7. Proposed performance targets for 2016/17

Rent Arrears and Collection

Residential and garage arrears are measured as a percentage of the annual debit. The pending changes due to Welfare Reform are numerous and significant in 2016/17. However, at this stage there is limited reliable data to base a change to the targets for the coming year and the timing of changes is also uncertain. The proposed performance targets for 2016/17 do not seek to factor in these changes and, once reliable data is available, we will engage with the clients as necessary regarding changes to the targets.

Potential impacts for 2016/17

- 1% decrease in rents (general needs properties)
- Benefit capping reduced to £20,000 in Autumn 2016
- More tenancies being affected by Universal Credit.

Methodology

- Targets used for 2015/16 against the projected annual debit for 2015-16 minus 1%
- Target is for the year end arrears
- Aim of target is to hold arrears steady for the forthcoming year but does not seek to model the pending Welfare Reform Changes
- Garage arrears are very low in monetary terms, so aim to bring targets more in line across the four areas
- Current and former tenant arrears performance measures well against national HouseMark targets.

Current arrears as a percentage of annual debit

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	1.04%	1.40%	1.04%	1.50%
2015-16 Performance	0.97%	1.15%	0.62%	1.39%
2016-17 Target	1.04%	1.40%	1.04%	1.50%
HouseMark 14/15 Quartiles	1.06% Upper	1.35% Median	1.59% Lower	

Former tenant arrears as a percentage of annual debit

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	N/A	0.50%	0.50%	1.90%
2015-16 Performance	1.22%	0.45%	0.46%	1.54%
2016-17 Target	N/A	0.50%	0.50%	1.90%
HouseMark 14/15 Quartiles	0.70% Upper	1.16% Median	1.25% Lower	

Garage arrears as a percentage of annual debit

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	0.39%	0.39%	0.39%	0.39%
2015-16 Performance	0.32%	0.04%	0.30%	0.08%
2016-17 Target	0.30%	0.30%	0.30%	0.30%

Lettings

Potential impacts for 2016/17

- New Mears contract in Thanet starting April 2016.
- No “Help to Move” in 2016-17 therefore no additional voids (Canterbury had 8 additional voids from this scheme in 2015/16).
- Rents decreasing by 1% which is not an incentive for tenants to move out of sector.
- Universal Credit/benefit capping may result in an increase of evictions.
- Hard to let sheltered bedsits continue to impact on average re-let days for all properties in Shepway and Canterbury.

Methodology

- Proposed overarching objective is to bring target expectations more in line for the four areas where possible.
- Where areas have exceeded last year’s target with excellent performance this year’s targets have not been altered to reflect this as this could act as a disincentive to perform well beyond the target set.
- Proposed targets based on the assumption of no major new builds by the Council or RSLs for 2016-17.
- The number of relets in 2015-16 is lower than 2014/15 but more in line with the 2 previous years.
- No change to sheltered housing stock however consultation is currently underway which could have an impact later in the year or next year.

Average re-let time all stock excluding major works

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	20	17.5	21	15
2015-16 Performance	17.47	13.08	20.02	12.22
2016-17 Target	19	15	19	15
HouseMark Quartiles	14/15 19.00 Upper	21.90 Median	24.96 Lower	

Average re-let time all stock including major works

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	24	25	24	24
2015-16 Performance	23.04	24.39	23.76	19.95
2016-17 Target	23.5	23.5	23.5	23.5

Average re-let time general needs excluding major works

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	18	17.5	19	15
2015-16 Performance	13.69	12.79	15.71	12.22
2016-17 Target	15	15	15	15

Average re-let time sheltered housing excluding major works

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	30	20	30	N/A
2015-16 Performance	30.23	15.89	29.88	N/A
2016-17 Target	30	19.5	30	N/A

Customer Satisfaction, Care & ComplaintsPotential impacts for 2016/17

- New Mears contract starting in Thanet in April 2016.

Methodology

- There is no proposal to alter the targets relating to complaints handling as increasing the speed of handling the complaint is likely to have a detrimental effect on the quality of how the complaint is investigated and responded to.
- Anti-social behaviour data is being collected within HouseMark and so targets are excluded from this report.
- Customer care targets for repairs remain unchanged as per the performance targets set in the contract with Mears.
- New indicators added for heating repairs which reflect the performance targets set in the contract with Swale.
- Day to day repairs, heating repairs and gas servicing customer service targets are contractual.
- New indicator added for average days to respond to a complaint.

Average days taken to respond to complaints

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	10	10	10	10
2015-16 Performance	8.39	5.77	8.84	12.59
2016-17 Target	10	10	10	10

Overall customer satisfaction with day to day repairs

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	98%	98%	98%	98%
2015-16 Performance	99.72%	99.97%	99.81%	100%
2016-17 Target	98%	98%	98%	98%
HouseMark Quartiles	14/15 99.0% Upper	98.0% Median	92.07% Lower	

Overall customer satisfaction with gas servicing

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	98%	98%	98%	98%
2015-16 Performance	99.81%	99.63%	99.85%	99.78%
2016-17 Target	98%	98%	98%	98%
HouseMark Quartiles	14/15 99.06% Upper	98.05% Median	92.69% Lower	

Overall customer satisfaction with heating repairs

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	98%	98%	98%	98%
2015-16 Performance	98.85%	98.1%	99.11%	98.61%
2016-17 Target	98%	98%	98%	98%

Repairs and MaintenancePotential impacts for 2016/17

- New responsive repairs contract with Mears starting in Thanet in April 2016.
- Currently unable to force entry to properties for annual gas safety inspection – new policy currently being drawn up. We will be monitoring the number of non-compliant properties that have had referral to court for a warrant and this information will be included in the quarterly cover report.
- Additional target included for percentage of capital spend against the annual capital budget.

Methodology

- Targets are based on the performance targets set in the responsive repairs and heating contracts.
- The capital spend target is 100% but due to the nature of this performance target, please note there is a +/- 5% variance

Percentage of responsive/routine repairs completed on time

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	98%	95%	90%	98%
2015-16 Performance	98.4%	94.16%	98.36%	98.47%
2016-17 Target	98%	95%	90%	98%

Percentage of emergency repairs completed on time

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	98%	99%	98%	98%
2015-16 Performance	99.91%	99.91%	98.57%	99.71%
2016-17 Target	98%	99%	98%	98%

Percentage of day to day repair appointments kept

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	96%	90%	95%	96%
2015-16 Performance	96.48%	98.12%	97.51%	95.82%
2016-17 Target	96%	90%	95%	96%
HouseMark Quartiles	14/15 Upper	99.81% Median	99.60%	97.99% Lower

Percentage of routine heating repairs completed on time

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	98%	98%	98%	98%
2015-16 Performance	89.44%	91.67%	91.96%	90.38%
2016-17 Target	98%	98%	98%	98%

Percentage of emergency heating repairs completed on time

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	98%	98%	98%	98%
2015-16 Performance	81.61%	78.63%	84.33%	84.49%
2016-17 Target	98%	98%	98%	98%

Percentage of heating repair appointments kept

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	95%	95%	95%	95%
2015-16 Performance	98.72%	99.74%	98.27%	99.33%
2016-17 Target	95%	95%	95%	95%

Number of properties without a valid LGSR (Landlord Gas Safety Record)

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	0	0	0	0
2015-16 Performance	3	1	0	0
2016-17 Target	0	0	0	0
HouseMark Quartiles	14/15 100% Upper	99.99% Median	99.96% Lower	

Percentage of capital programme spent

	Canterbury	Dover	Shepway	Thanet
2015-16 Target	100%	100%	100%	100%
2015-16 Performance	102.82%	96.07%	96.75%	96.54%
2016-17 Target	100%	100%	100%	100%

Performance targets for the year were proposed to the Councils in April 2016.

8. Appendices

1. Year-end performance report
2. 2015/16 Delivery Plan – year-end update

Appendix One

Canterbury

15 out of 17 met target

Current tenant arrears as a % annual debit**HouseMark Benchmarking
Quartiles**

Upper 1.49%; Median 2.02%; Lower 3.04%

This year, the total has reduced by £18,756 and the year-end target of 1.04% has been exceeded by 0.07%, making this upper quartile performance.

Garage arrears as a % annual debit

Garage arrears have come down significantly in the last five years with an overall reduction of £4,449, ending this year with arrears of £1,358, a reduction of 77%. Although this is slightly higher than at year end 2014-15, the target of 0.39% has been exceeded by 0.32%.

Average days to re-let general needs properties excluding major works

We have reduced the average time taken to re-let general needs properties excluding major works to 13.69 days in 2015/16, and 267 general needs properties have been re-let this year. There were 46 less void properties this year.

Average days to re-let all properties excluding major works**HouseMark Benchmarking
Quartiles**

Upper 18.37; Median 22.06; Lower 32.11

Upper quartile performance has been achieved this year with the average time taken to re-let all properties excluding major works reducing for the fourth year running. The average time taken to re-let properties was 17.47 days, against a target of 20 days.

Average days to re-let all properties including major works

The annual target of 24 days has been exceeded with a year-end performance of 23.04 days. 346 properties have been re-let this year, a decrease of 23 from last year

Percentage of tenants satisfied with day to day repairs**Housemark Benchmarking
Quartiles**

Upper 98.76%; Median 93.85%; Lower 90.64%

2,890 customer satisfaction surveys were undertaken this year and 2,882 were very or fairly satisfied with their repair. The annual target of 98% has been exceeded by 1.72%. Performance is on par with 2014-15's out-turn of 99.87% and is in the upper quartile.

Percentage of tenants satisfied with heating repairs

Year to date, 5,407 customer satisfaction surveys on heating repairs have been completed with 5,345 very or fairly satisfied with the work. The annual target of 98% has been exceeded by 0.85%. This was a new indicator for 2015-16

Percentage of day to day emergency repairs completed on time

Year to date, 3,183 emergency repairs have been completed, 99.91% of which were on time (3,180) against a target of 98%. Out-turn performance is comparable to that of 2014-15 where we ended the year on 100% with 3,091 emergency repairs carried out.

Percentage of day to day routine repairs completed on time

10,573 routine repairs were completed during 2015-16, and 98.4% were completed on time against a target of 98%. Performance was comparable to year end 2014-15.

Percentage of day to day repair appointments kept

HouseMark Benchmarking Quartiles Upper 99.71%; Median 98.35%; Lower 95.95%

14,293 day to day repair appointments were made during the year and of these 96.48% were kept against a target of 95%

Percentage of routine heating repairs completed on time

4,119 routine heating repairs were completed during 2015-16, with 89.44% were completed on time, against a target of 98%.

Percentage of heating repair appointments kept

98.72% of all heating repair appointments were kept this year against a target of 95%

Average days to close complaints

This was a new indicator for 2015-16. The average time taken to close complaints was 8.39 days against a 10-working day target.

Percentage of complaints closed on time

We missed meeting the 90% target at the end of 2015-16 by 3.72%, achieving 86.28% complaints closed on time.

Percentage of capital spend

There has been an improvement in the percentage of capital spend over the last 3 years. This year 101% of the latest budget of £3,366,758 was spent, this was within the agreed tolerances.

Canterbury- Areas of underperformance

Percentage of emergency heating repairs completed on time

Year to date 81.61% of all heating repairs were completed on time against a target of 98%. We have seen a steady improvement in performance each quarter from 63.31% at the beginning of the year, to 94.53% at the end of quarter 4.

Number of properties without a valid LGSR

There were three properties without a valid LGSR at the end of the year due to access problems, and all three have since been completed.

Dover

15 out of 18 met target

Current tenant arrears as a % annual debit

HouseMark Benchmarking Quartiles

Upper 1.49%; Median 2.02%; Lower 3.04%

Upper quartile performance has been achieved again in this area with an out-turn percentage of 1.15% against a target of 1.4%. Arrears have reduced for the fifth year running, from £311,701 in 2011-12 to £234,031 in 2015-16

Former tenant arrears as a % annual debit

HouseMark Benchmarking Quartiles

Upper 1.12%; Median 1.52%; Lower 1.89%

Our performance was 1.15%, exceeding our annual target of 1.4%. Overall we have reduced former tenant arrears by £22,736 since 2011-12

Garage arrears as a % annual debit

We exceeded the annual target of 0.59% with arrears of just 0.04%. Since 2011-12 we have reduced garage arrears overall by £481, and the arrears at year end 2015/16 were £186.

Average days to re-let general needs properties excluding major works

General needs properties were re-let in an average of 12.79 days, significantly improving on the target of 17.5 days. This is a 1.03 day improvement on 2014-15.

Average days to re-let all properties excluding major works

HouseMark Benchmarking Quartiles

Upper 18.37; Median 22.06; Lower 32.11

Upper quartile performance has been achieved again with an average re-let time of 13.08 days this year. This is an improvement of 1.97 days on 2014-15.

Average days to re-let all properties including major works

Year end performance of an average of 24.39 days is a significant improvement on 2014-15 out-turn of 31.96 days. Together with an increase in re-lets this year, this resulted in an additional £27,000 rental income being generated.

Percentage of tenants satisfied with day to day repairs

HouseMark Benchmarking Quartiles

Upper 98.76%; Median 93.85%; Lower 90.64%

Upper quartile performance has been achieved again in this area with a year-end performance of 99.97%, 1.97% above the annual target of 98%. 3,211 customer satisfaction surveys have been carried out this year with 3,210 tenants being very or fairly satisfied with their most recent repair

Percentage of tenants satisfied with heating repairs

This was a new indicator for 2015-16 & the target of 98% was exceeded by 0.1% at the end of the year. 5,841 customer satisfaction surveys were carried out on heating repairs and 5,730 were very or fairly satisfied

Percentage of day to day emergency repairs completed on time

Performance was 99.91% with only one emergency repair being out of time. The number of emergency repairs is slightly down compared to last year.

Percentage of day to day routine repairs completed on time

Performance was 94.16%, slightly below the target of 95%. This is an improvement on 2014-15 performance, which was 93.95%

Percentage of day to day repair appointments kept

HouseMark Benchmarking Quartiles Upper 99.71%; Median 98.35%; Lower 95.95%

The annual target was exceeded by 8.12% with an out-turn performance of 98.12%. This is an improvement of 7.84% on 2014-15. There was a total of 11,940 repair appointments.

Percentage of routine heating repairs completed on time

Performance was 91.67% against a target of 98%. This was an improvement on last year's 84.86%. A total of 4,453 routine heating repairs were completed. Performance in this area improved steadily throughout the year.

Percentage of heating repair appointments kept

Performance was 99.74% against a target of 95%. This is on par with performance at the end of 2014-15. 6,100 heating repair appointments were made.

Average days to close complaints

This was a new indicator for 2015-16. The 10-working day target has been consistently met in this area this year, ending on a year-end average of 5.77 days

Percentage of complaints closed on time

The 90% target has been exceeded again this year with a year-end performance of 94.29%.

Percentage of capital spend

We have achieved a capital spend of 96.07% which is within 5% +/- of the annual target of 100%.

Dover – Areas of underperformance

Percentage of emergency heating repairs completed on time

Year to date, 78.63% of all heating repairs were completed on time against a target of 98%.

This was recognised as an area of service improvement and was added to the suite of performance indicators for 2015-16. Since then, we have seen a steady improvement in performance each quarter from 50.79% at the beginning of the year to 78.63% at the end of quarter 4.

Number of properties without a valid LGSR

One property was without a valid LGSR at year end due to access problems.

The LGSR on this property expired on 19th March 2016 and we are working with the tenant to gain access, but ultimately will force access if needed.

Shepway

16 out of 18 met target

Current tenant arrears as a % annual debit

HouseMark Benchmarking Quartiles

Upper 1.49%; Median 2.02%; Lower 3.04%

Upper quartile performance has been achieved once again with 0.62% against an annual target of 1.04%. In the last year we have reduced current tenant arrears by £45,684 with a year-end performance of £97,815

Former tenant arrears as a % annual debit

HouseMark Benchmarking Quartiles

Upper 1.12%; Median 1.52%; Lower 1.89%

We have again achieved upper quartile performance with a year-end result of 0.46% against a target of 0.5%. This year, we have seen a drop in FTAs of more than £13,000

Garage arrears as a % annual debit

Garage arrears have reduced by 44% since 2011-12 resulting in a total of just £890 outstanding against a debit of £300,767. The annual target of 0.39% has been exceeded with a performance of 0.3%

Average days to re-let general needs properties excluding major works

Performance is 15.71 days against a target of 19 days. There has been an improvement of 2.41 days on last year with 153 general needs properties being re-let this year.

Average days to re-let all properties excluding major works

HouseMark Benchmarking Quartiles

Upper 18.37; Median 22.06; Lower 32.11

A total of 220 properties were re-let during 2015-16 in an average time of 20.02 days within the target of 21 days. This is improved performance of 3.32 days on the 2014-15 out-turn.

Average days to re-let all properties including major works

Performance is 23.76 days against a target of 24 days. This is an improvement on 2014-15 with performance at 25.65 days.

Percentage of tenants satisfied with day to day repairs

HouseMark Benchmarking Quartiles

Upper 98.76%; Median 93.85%; Lower 90.64%

Performance is at 99.81%, 1.81% above the annual target of 98%. 3,653 customer satisfaction surveys have been carried out this year with 3,646 tenants being very or fairly satisfied with their repair

Percentage of tenants satisfied with heating repairs

Performance was 99.11% against a target of 98%. We surveyed 3,608 tenants, and this was a new indicator this year.

Percentage of day to day emergency repairs completed on time

Performance was above target, at 98.57% against a target of 98%. 977 emergency repairs were completed this year, compared to 1,133 emergency repairs carried out last year.

Percentage of day to day routine repairs completed on time

Performance was 98.36 % against a target of 90%, with 6266 routine repairs.

Percentage of day to day repair appointments kept

HouseMark Benchmarking Quartiles Upper 99.71%; Median 98.35%; Lower 95.95%

Performance was at 97.51% against a target of 90%, an improvement on 2014-15 of 1.16%

Percentage of routine heating repairs completed on time

Performance was 91.96% against a target of 98%. This is an improvement on 2014-15 and there has been a steady improvement in the position during the year.

Percentage of heating repair appointments kept

Performance was at 98.27% against a target of 95% and was comparable to that of 2014-15

Average days taken to close complaints

31 complaints were closed this year in an average time of 8.84 days, which is under the target of 10-working days.

Percentage of complaints closed on time

Year to date, 87.1% of all complaints were closed on time. This figure is just below the annual target of 90%

Number of properties with a valid LGSR

HouseMark Benchmarking Quartiles Upper 100%; Median 100%; Lower 99.94%

All properties requiring an LGSR had a valid certificate at the end of the year.

Percentage of capital spend

Once again, the percentage of capital spend has increased at year end with performance of 96.75% which is within 5% of the annual target of 100%

Shepway – Areas of underperformance

Percentage of emergency heating repairs completed on time

Year to date, 84.33% of all heating repairs were completed on time against a target of 98%.

This was recognised as an area of service improvement and was added to the suite of performance indicators for 2015-16. Since then, we have seen a steady improvement in performance each quarter from 59.35% at the beginning of the year to 97.83% at the end of quarter 4

To address the issue Swale have implemented many changes within the company and a complete restructure has taken place. We have seen improvements in performance since the implementation of the restructure and we will continue to monitor their progress

Thanet

14 out of 17 met target

Current tenant arrears as a % annual debit

HouseMark Benchmarking Quartiles

Upper 1.49%; Median 2.02%; Lower 3.04%

We have reduced current tenant arrears year on year since 2012-13 and achieved upper quartile performance with a year end result of 1.39%. For 2015/16, we reduced arrears by £17,655, ending the year with a balance of £187,373

Former tenant arrears as a % annual debit

HouseMark Benchmarking Quartiles

Upper 1.12%; Median 1.52%; Lower 1.89%

Our performance at year end was 1.54% against a target of 1.9% with former tenant arrears totalling £206,978, achieving a reduction of £28,004 on 2014-15.

Garage arrears as a % annual debit

Since 2011-12, we have reduced garage arrears by 56%, from £433 down to £191 resulting in arrears as a percentage of annual debits of 0.08% against a target of 0.39%.

Average days to re-let all properties excluding major works

HouseMark Benchmarking Quartiles

Upper 18.37; Median 22.06; Lower 32.11

Upper quartile performance has been maintained in this area with a year-end average of 12.22 days against a 15 day target.

Average days to re-let all properties including major works

Including major works, the average performance was 19.95 days against a 24 day target. This is a significant improvement on 2014-15, which was outside target. This improvement has resulted in an increased rental income of more than £12,000.

Percentage of tenants satisfied with day to day repairs

HouseMark Benchmarking Quartiles

Upper 98.76%; Median 93.85%; Lower 90.64%

Upper quartile performance has been maintained in this area with 100% performance. All tenants were very or fairly satisfied with their day to day repair. This performance is on par with that of 2014-15

Percentage of tenants satisfied with heating repairs

We achieved a 98.61% performance at year end against a target of 98%. This was a new indicator for this year where 2,968 tenants out of 3,010 tenants surveyed were very or fairly satisfied with their heating repair.

Percentage of day to day emergency repairs completed on time

Year-end performance was 99.71% against a target of 98%. This is on par with 2014-15 performance.

Percentage of day to day routine repairs completed on time

Performance was 98.47% against a target of 98% with 7,207 repairs carried out.

Percentage of day to day repair appointments kept

HouseMark Benchmarking Quartiles Upper 99.71%; Median 98.35%; Lower 95.95%

Performance was at 95.82%. This is an improvement on 2014-15 but is slightly under this year's target of 96%

Percentage of routine heating repairs completed on time

2,422 routine heating repairs were completed this year, 2,189 of which were completed on time. The year-end out-turn of 90.38% is up on 2014-15 performance of 80% but has narrowly missed this year's 98% target

Percentage of heating repair appointments kept

99.33% of all heating repair appointments were kept this year (3,142 appointments), exceeding the target of 95%. This performance is comparable to last year.

Number of properties with a valid LGSR

HouseMark Benchmarking Quartiles Upper 100%; Median 100%; Lower 99.94%

Upper quartile performance has been achieved again in this area with 100% of all properties having a valid LGSR at the end of the year.

Percentage of capital spend

Once again, the percentage of capital spend has increased at year end with a percentage of capital spend of 96.54% which is within the target of 5% +/- of 100%

Thanet - Areas of Underperformance

Percentage of emergency heating repairs completed on time

Identified Problem Year to date, 84.49% of all heating repairs were completed on time against a target of 98%

Action being taken This was recognised as an area of service improvement and was added to the suite of performance indicators for 2015-16. Since then, we have seen a steady improvement in performance each quarter from 66.83% at the beginning of the year to 94.42% at the end of quarter 4

To address the issue Swale have implemented many changes within the company and a complete restructure has taken place. We have seen improvements in performance since the implementation of the restructure and we will continue to monitor their progress

Average days taken to close complaints

On average complaints were closed in 12.59 days against a target of 10 working days. Changes were made to the complaints system in quarter 2 & 3, which has led to performance improving, and in quarter 4 performance was within target

Percentage of all complaints closed on time

1.48% of all complaints were completed on time against a target of 90%

Since the system was changed following poor performance in quarter 2 & 3, performance has improved and in quarter 4 was 100%

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1. Single System

Priority	Objective	Task	Target date	Revised Target	Lead	Full Year Assessment
High	Implement a single housing management system for East Kent Housing	1.1 Carry out existing systems data integrity exercise	31 March 2015		HCS	Completed
High		1.2 Procure Single System Contract through open EU tender process (incorporating significant frontline reference site visits)	31 March 2015		HCS	Completed
High		1.3 To identify and initiate a consistent model for Systems Process Re-engineering	31 May 2015		HCS	Completed
High		1.4 Test interfaces with all councils	31 March 2016	July 2016	HCS	The final project plan set a different target date of July 2016, which was not updated in the 2015/16 Delivery Plan. Detailed work has been ongoing with the councils to develop the interfaces and the milestone is on track to complete, hence the amber recognition. <u>Carried forward into the 2016/17 Plan</u>
High		1.5 Train staff in systems use and operations	31 March 2016	27 May 2016	HCS	The training phase of the project is on track commencing with train the trainer training in May and rolling out to all staff through August 2016 to November line with the project plan

Priority	Objective	Task	Target date	Revised Target	Lead	Full Year Assessment
High	Implement a single housing management system for East Kent Housing	1.6 Agree Implementation Programme & approach	31 Oct 2016	30 Sept 2015	HCS	Completed
High		1.7 Complete implementation	Dec 2016		HCS	<u>Carried forward into the 2016/17 Plan</u>

2. Service Development

Priority	Objectives	Task	Target Date	Revised Target Date	Lead	Full Year Assessment
Medium	Review promises to tenants and agreed commitments for the next four years	2.1 Agree with Area Boards and other consultative groups a series of new promises	Sept 2015		CEx	Completed and signed off by all council representatives at the Joint Client Meeting on 21 March 2016
Medium	Agree a consistent approach to Disabled Adaptations across all four areas	2.2 Develop set principles and outline proposals for consultation with client officers, the Disability Group, Area Boards and Occupational Therapists	May 2015		DO	Completed

Priority	Objectives	Task	Target Date	Revised Target Date	Lead	Full Year Assessment
Medium		2.3 Conclude review and make recommendations for a revised policy to each council	July 2015	Sept 2015	DO	Completed. Signed off by Board in September, with councils to progress through their decision making
Medium	Agree a consistent approach across all four areas, to repairs and other works that are re-charged to tenants	2.4 Establish review group including tenant representatives from Area Boards	May 2015		DO	Completed. A group of residents and staff have met and considered the issue.
Medium	Agree a consistent approach across all four areas, to repairs and other works that are re-charged to tenants	2.5 Conclude review and make recommendations for a revised policy to each council	July 2105	April 2016	DO	Completed. Rechargeable works policy drafted and went to Board 14 March & Client Officers 21 March 2016
Medium	Adopt a common policy for write off of unrecoverable housing debts	2.6 Research best practice from the four councils and from other councils/landlords	July 2015	Mar 2016	HF/IM	Draft Policy has been written, on schedule currently to be presented to the Joint Client in June.
Medium	Adopt a common policy for write off of unrecoverable housing debts	2.7 Present a draft revised policy to the four councils for consideration/adoption	Oct 2015	June 2016	HF/IM	Draft Policy has been written, on schedule currently to be presented to the Joint Client in June. <u>Carried Forward into 2016/17 Plan</u>

Priority	Objectives	Task	Target Date	Revised Target Date	Lead	Full Year Assessment
High	Storage of mobility scooters	2.8 Consult with sheltered housing and disability forums and Area Boards and make recommendation to councils on consistent policy, including a toolkit for assessing investment in storage facilities	Oct 2015		DO/OM (IL)	Draft policy approved by Board 28/09/15 and agreed by council representatives as an EKH procedure that can be adopted by EKH.
Medium	Develop a robust and consistent approach to tackling tenancy fraud	2.9 Investigate and evaluate best practice from other landlords. Recommend new policy to councils	Feb 2016		DO	Policy adopted by the Board 14 March 2016 and presented to the councils on 21 March 2016
High	Develop consistent and robust services for frail older people	2.10 Complete review of enhanced sheltered housing in Canterbury	Nov 2015	May 2016	DO/OM (IL)	Review and initial consultation processes completed and reports back to Canterbury City Council made. However, subsequent to the initial work Canterbury City Council deferred a decision and KCC has further reduced funding. A final decision is to be taken by Canterbury City Council in May 2016. <u>Carried Forward into the 2016/17 Plan</u>

3. Improving Performance in Asset Management

Priority	Objective	Task	Target date	Revised target	Lead	Full Year Assessment
High	Maximize efficiency and effectiveness of asset management service	3.1 Carry out comprehensive review of asset management and the deployment of resources and processes	July 2015	Dec 2015	DO	Completed: Revised structure presented and approved by Board in March 2016. Seek to implement Phase 1 by July 2016.
High	Maximise efficiencies from procurement	3.2 Agree with the councils a new procurement framework to provide greater flexibility to procure jointly across two or more areas	July 2015		DO/ HAM	<p>The new Medium Term Contract and Minor Works contract amendments have been agreed to be used by EKH.</p> <p>Working in conjunction with the partners the lean process identified issues with the existing procurement process.</p> <p>Work is ongoing at a senior level in an effort to bring greater cohesion and transparency to the process and the action needs to be extended to 2016/17.</p> <p><u>Carried Forward to 2016/17 Plan</u></p>
High		3.3. Improve the planning of contract procurement with improved lead in and planning times	Aug 2015		HAM	<p>A two year procurement plan has been developed with the local authorities, which will be presented to the Board in June 2016.</p> <p><u>Carried Forward to 2016/17 Plan</u></p>

Priority	Objective	Task	Target date	Revised target	Lead	Full Year Assessment
Medium	Improve communications with tenants	3.4 Agree with tenant representatives and the Area Boards a protocol and associated procedures to keep tenants informed of impending works and improvements to their homes	July 2015		HOC	Completed. New protocol agreed
Medium		3.5 Develop and expand the information available on line to tenants about repairs and improvements to their home	Mar 2016		HOC /HAM	Completed - Improved information was presented to Area Boards in February and the improvement plans are being made available on the website.
Medium	Ensure that the HRA Business Plans are adequately informed about the future investment needs of the stock	3.6 Provide each council with an updated asset management/stock investment strategy	Mar 2016	March 2017	DO/HAM	<p>Proposals for stock condition surveys were submitted to each council in November. TDC Procurement Manager is leading on this project.</p> <p>Procurement is currently under way with a target date for completing the stock conditions survey exercise in November 2016 with the strategy being developed by March 2017.</p> <p>The delay arises from wanting to get all four clients to undertake the exercise simultaneously.</p> <p><u>Carried Forward to 2016/17 Plan</u></p>
Medium	Ensure that the HRA Business Plans are adequately informed about the future investment needs of the stock	3.7 Identify for the councils properties in the housing stock that are or likely to become obsolete within the next 10 years	Mar 2016	March 2017	DO	<p>This will be part of the outcomes of the new stock condition database. In the meantime this is being done individually on a case by case basis. The revised date for this work is anticipated to be March 2017. This is an option as part of the stock condition survey commission.</p> <p><u>Carried Forward to 2016/17 Plan</u></p>

4. Improving Performance in Leasehold Management

Priority	Objective	Task	Target date	Revised target	Lead	Full Year Assessment
High	Address recommendations of internal audit report and CityWest Homes reports	4.1 Agree with all stakeholders detailed action plan for leasehold services	April 2015		HF	Completed
High	Establish a common and robust approach to leasehold management across all four areas	4.2 Agree with the four councils a service specification for leasehold management to include common delegations and service charge cycles	Aug 2015	Mar 2017	HF	<p>This target has not been achieved and is not thought to be achievable in 2015/16. The current position is one of very varied delegations, and the team's current focus is improving the service standards and their current delegations to demonstrate to the Councils that service levels have been raised so that more consistent delegations can be discussed in 2016/17.</p> <p><u>Propose to defer this action to 2017/18.</u></p> <p>Some work has been undertaken during the year, on the aspects of common approach and delegation that relate to the system, as part of the single system project.</p>
High		4.3 Develop clear and consistent documented processes and procedures for all aspects of the leasehold service	July 2015	Sept 2016	HF	Initial work on this has been undertaken and completed by City West Homes based on their proforma and processes. Work continues across all aspects of the service to develop and embed defined processes & procedures. Significant work has also been undertaken during 2015/16 to define the processes associated with the new system.

Delivery Plan 2015/16 Final Position

Priority	Objective	Task	Target date	Revised target	Lead	Full Year Assessment
Medium	Recover the full cost of the service provided to leaseholder	4.4 Agree with Councils a model for charging leaseholders for different aspects of the service, e.g. leasehold management, housing and estate management, asset management and introduce new heads of charges	Dec 2015	Oct 2016	HF	Preliminary work to commence to collect data to substantiate the business case for the council has commenced. It is intended to scope the council appetite for amendments to the fees and charges schedule. Proposed delay intended to allow for the revised assessment of costs to include the workload and processes in the new single system.
Medium	Realise the full potential of the CityWest Homes review of leasehold management	4.5 Agree with the councils actions to be taken by the them to improve delegations and consistency of approach.	June 2015		HF	Completed. The Client Officers from the councils agreed the Action Plan which includes a number of actions to be undertaken by them.

5. Preparing for Universal Credit – empowering tenants

Priority	Objective	Task	Target date	Revised target date	Lead	Full Year Assessment
High	Reduce the impact of social housing size regulations	5.1 Refresh contact with all remaining tenants who are subject to reductions in housing benefits and advise on options for moving to smaller accommodation	June 2015		IM/OD	Completed
High	Prepare tenants for the introduction of Universal Credit (UC)	5.2 Prepare advice materials on the implications of UC for tenants including <ul style="list-style-type: none"> • New letters • Advice leaflets • Video/film clips • Web pages 	Oct 2015		IM/HOC	Completed and ongoing A communications plan has been written alongside the wider WR Action Plan. A dedicated leaflet was sent with the rent statements to Thanet tenants in October and November for Canterbury, Dover and Shepway. Online and social media promotion has been rolled out. Currently further communications work has been deferred until numbers increase
Medium		5.3 Run campaign for tenants to develop greater awareness of responsibilities to pay rent				Rent awareness has been a theme of recent newsletters also a theme of the UC communications
Medium		5.4 Identify the potential roll out sequence to help target communications at an appropriate time to the right group	Oct 2015		IM/HOC	Completed. All initial communications work for UC has been completed. Further work deferred until numbers increase.
Medium		5.5 Identify what information (tenancy agreements/rent statements) tenants need to claim Universal Credit and make this accessible to tenants	Oct 2015		IM/HOC	Completed - This is included in the UC toolkit.

Priority	Objective	Task	Target date	Revised target date	Lead	Full Year Assessment
Medium	Prepare tenants for the introduction of Universal Credit (UC)	5.6 Amend sign up procedures to explore in greater detail the tenant's benefit status and provide advice on options for paying rent	Sept 2015		OD	Pre-tenancy questionnaire designed but some process and timing issues still to be resolved
High	Prepare staff so they can advise and support tenants about benefit changes	5.7 Provide training for all staff to ensure that they understand the operations and implications of Universal Credit	Dec 2015		IM	Training has been provided to all Income Recovery and Housing Management staff by the HoF. In addition training has been provided to the Board and Engaged Tenants. Most Income Recovery staff (& some Resident Involvement / Housing Management staff) have also attended DWP facilitated training, with further training to be provided ahead of going live. Opportunity sought to provide some training or information sharing to Councillors, but little appetite amongst Councils approached.
Medium		5.8 Establish protocols with EKS & SDC benefits to ensure that EKH is aware that tenant has moved to Universal Credit	Sept 2015		IM	Protocols have been established with EKS & SDC however some teething problems are being encountered, we are working with them to resolve.
High		5.9 Review staffing and job roles in the debt recovery team to ensure they are equipped to meet the challenges of Universal Credit	Oct 2015	Mar 2016	HoF/IM	Action delayed until after Welfare Reform Strategy was developed, some work has been undertaken with the Lean Consultants in preparation for this review. The team are currently trialling new procedures with UC claimants to test what methods are effective. Data is being collected on payment patterns of UC claimants. Once reliable data is available we will undertake a review of the resources required within the team. Carried Forward into the 2016/17 Plan
Medium		5.10 Review methods available for paying rent and evaluate new options to make it easier for tenants to pay rent especially over the phone or on line	Oct 2015	Feb 2016	HoF/IM	App launched ,take up low at present, promoted on Facebook and in rent change letter in March 2016 for Shepway. Step by step guide was provided in rent increase letter in March 2016 for all districts.

Priority	Objective	Task	Target date	Revised target date	Lead	Full Year Assessment
Low	Encourage the prompt payment of rent	5.11 Develop proposals for consideration by the councils to incentivise tenants to pay by direct debit or to keep a clear rent account	Dec 2015	Dec 2016	HoF/IM	Have rolled out the BACS National Social Housing Rent Campaign during April, which offers 5 centrally funded shopping vouchers worth £1000 when you switch your rent account to Direct Debit.
low	Promote the use of Credit Unions amongst tenants	5.12 Establish a partnership with Kent Savers to promote membership of the credit union	June 2015		HoF/DO	Kent Savers was a partner of the UC Hub pilot in Ramsgate run November-December 2015.
Low		5.13 Provide links in the tenants' newsletters and on the EKH website to Kent Savers	Nov 2015		HoC	Complete-in place on website and on rent and UC marketing materials.
Low		5.14 Provide training for staff on the benefits of Credit Unions and how tenants can access them	Nov 2015	Sept 2016	IM	Preliminary contacts with the credit union for the Hub pilot and action deferred until 2016/17
Low	Empowering tenants	5.15 Develop proposals to encourage and incentivise tenants to take greater responsibility for their housing and act in a community	Dec 2015		CEx	Completed - Discussion paper provided to Board in December.
Medium	Supporting vulnerable tenants	5.16 Pilot with the Troubled Families Unit, embedding a Family Support worker in the housing management team	Mar 2016		CEx	Completed – Pilot contract undertaken funded by KCC and DDC. The numbers of tenants which fit within the criteria for the contract are small so the numbers supported have been small. KCC and DDC are considering extending into 2016/17.

Priority	Objective	Task	Target date	Revised target date	Lead	Full Year Assessment
Low	Supporting vulnerable tenants	5.17 Develop a model (for consideration of the councils) of high intensive support for more vulnerable households	Mar 2016		CEx	Completed - Discussion paper provided to Board in December.

Tasks held over from 2014/15 Delivery Plan

	Objective	Task	Target date	Revised target date	Lead	Full Year Assessment
Low	Reduce impact of untidy gardens on the estate environment	6.1 Develop improved and consistent standards for gardens at time of letting (i.e. within void standard)	Mar 2016	Mar 2017	DO	A draft garden standard is being reviewed by the tenants' garden group. It will be brought into the work planned for 2016/17 to develop an Estate Management Strategy. <u>Carried Forward into the 2016/17 Plan</u>
Low		6.2 Develop package of support and other methods to help tenants manage their gardens more effectively	Mar 2016		DO	<u>Carried Forward into the 2016/17 Plan</u>
High	Strengthen influence of tenants in service delivery and development	6.3 Agree with tenant representatives programme and timetable for customer journey mapping	Oct 2015		REM	Included in the Customer Insight Strategy adopted in April 2016

	Objective	Task	Target date	Review target date	Lead	Full Year Assessment
Medium		6.4 Research and evaluate how other housing organisations are collecting and using data from their customers to shape their services and processes	Oct 2015		REM	Completed. A review has been undertaken which will inform the development of the Customer Insight Strategy
		6.5 Complete and deliver a Customer Insight Strategy	Oct 2015	Dec 2015	REM	Completed Strategy adopted by the Board December 2015
High	Improve and streamline performance reporting	6.6 Develop a balanced scorecard to report performance to the Board	July 2015		HF	Completed

CEx	Chief Executive	DO	Director of Operations	HAM	Head of Asset Management
HCS	Head of Corporate Services	HC	Head of Communications		
HF	Head of Finance	IM	Income Manager		
OM(IL)	Operations Manager (Independent Living)	MT	Management Team		

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**EAST KENT HOUSING BOARD MEETINGS 2015-2016
REGISTER OF ATTENDANCE**

	23 February 2015	30 March 2015	8 June 2015	13 July 2015	20 July 2015 and AGM	28 September 2015	14 December 2015	10 February 2016	14 March 2016	6 June 2016	11 July 2016	18 July 2016 and AGM	26 September 2016	12 December 2016
Helen Buller	✓	✓	✓	✓	✓	✓	X	✓	✓	✓				
Sue Chandler	Appointed 8 June 2015			X	✓	X	✓	✓	✓	✓				
Lin Fairbrass	Appointed 16 June 2015			X	X	✓	✓	X	✓	X				
Martin Goard	✓	✓	✓	✓	✓	✓	✓	X	✓	✓				
Chris Hanagan	✓	✓	X	✓	✓	✓	✓	✓	✓	X				
Jane Iley	✓	X	X	X	X	X	X	X	✓	X				
Nigel Lawes	✓	✓	X	X	X	✓	✓	✓	✓	✓				
Dick Pascoe	Appointed 24 February 2016									✓	X			
Jenny Samper	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Neill Tickle	✓	✓	✓	✓	X	X	✓	✓	✓	✓				
Alka Umria	✓	✓	X	✓	✓	✓	✓	✓	✓	✓				

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**Minutes of a meeting of the East Kent Housing Board
held on Monday 6 June 2016 at the
Thanington Neighbourhood Resource Centre, Canterbury**

Present:	Helen Buller (HB) Sue Chandler (SC) Martin Goard (MG) Nigel Lawes (NL) Jenny Samper (JS) Neill Tickle (NT) Alka Umaria (AU)	Board Member Board Member Board Member Board Member Board Member Board Member Board Member
Apologies:	Lin Fairbrass Chris Hanagan Jane Iley Dick Pascoe David Willis	Board Member Board Member Board Member Board Member Head of Corporate Services
In attendance:	Bob Granville (BG) Charlotte Spendley (CS) Michelle Thomas (MT) Lucy Tuson (LT) Deborah Upton (DU) Kate Marsh	Interim Head of Operations Head of Finance Resident Involvement Manager Head of Communications Chief Executive Minutes
For item 3.1:	Liz Potter (LP) Iain Turner	Campbell Tickell Campbell Tickell (note taker)
Observers:	Kevin Cox	Area Board Chair (Thanet) (from item 3).

Action

1. APOLOGIES

1.1 Apologies noted above.

2. CONFIDENTIAL ITEM: RESTRUCTURE REPORT

2.1 This confidential item was attended by DU and Board Members only. Liz Potter/Iain Turner from Campbell Tickell were also present, due to the links to the governance review. The Chair welcomed everyone to the meeting and, for the benefit of Liz and Iain, introductions were made

2.2 The Board held an in depth discussion on the restructure proposals presented by DU.

The Board:

- **Agreed the proposals.**

Action**3 KEY MATTERS FOR DECISION****3.1 Governance Review Final Report**

3.1.1 The Chair welcomed Liz Potter (LP) from Campbell Tickell, who attended the meeting to provide feedback to the Board on the findings of the recent Governance Review. LP explained that the review had been carried out during challenging times in both the sector and EKH, that most of their brief had been completed with a few exceptions, which included carrying out individual Board appraisals.

3.1.2 LP then summarised the review's findings and recommendations, the main points of which related to:

- The strength of commitment of the Board
- The large number of sub-committees the Board sit on
- Demonstration of commitment to equality and diversity
- Local authority relationships
- Independent thinking and challenge
- Upskilling and board training
- Succession planning
- Reviewing and developing the role of Area Boards and their relationship with the main Board
- The role of regular individual appraisals in Board development.

3.1.3 The Board discussed the findings at length and conversation focussed mainly on: the role, contribution and variation between the Area Boards and consideration of how they might evolve; concerns at ensuring that confidence was increased by the Councils, particularly with regard to developing relationships and increasing levels of engagement with relevant members of the organisation and especially its Board; suggestions to review the Board's structure at a future date; and the importance of signalling to the Councils that their messages have been heard and are being acted upon.

3.1.4 Responding to recommendations from LP, the Chair proposed the following actions:

- Management Team to review the full review report and to develop a governance improvement action plan for consideration by the Board at their next meeting in July;
- The Board to have sight of the full report and to feedback comments to inform the action plan in advance of their next meeting;
- Responsibility for developing a response to the review to be allocated to the Board. The Chair suggested a task and finish group be formed for this purpose and offers to join HB on this group were received from AU, NT, MG and JS;

MT
MT/
Board

HB

Action

- An interim response to be sent to the CEOs of the four councils setting out the actions agreed by the Board following discussion of the governance review findings.

DU

3.1.5 The Board's thanks to LP for her work were noted.

The Board:

- **Noted and discussed the findings of the governance review final report and agreed the actions set out in 3.1.4 above.**

3.2 Chief Executive's update

The meeting considered the events and issues contained in the update by DU.

3.2.1 Housing and Planning Act 2016

The key areas of the Act which would affect East Kent Housing were highlighted as higher value council homes, secure tenancies, and pay to stay and these were discussed further.

- High value council homes- DU highlighted a report produced by Shelter setting out what they felt the impact would be for local authorities. It was believed that the amount of money required from councils would take the form of a levy, although it was not yet known how much the DCLG would require from each area. More information was anticipated to come out over the summer months.
- Secure tenancies- the importance of understanding the councils' stance around secure tenancies was flagged up and DU would keep the Board updated on this issue.
- Pay to Stay - the timeline for implementing the Pay to Stay scheme was April 2017 – no data for East Kent Housing was currently held on how many households would be affected, as income levels are not currently collected.

Gas Servicing update

3.2.2 The Board was updated on action that had been taken by East Kent Housing to reduce the number of outstanding gas safety checks, which had been increasing due to the inability to force entry. DU advised that clear instructions from each council (other than Thanet who were to respond the following day but appreciated the seriousness) had now been received. All overdue gas cases had been passed to the Councils in order that they could determine the appropriate action to be taken and and DU advised the Board that the risk now sat with the councils.

Action

To provide further comfort to the Chair, BG agreed to email the Board with a weekly update on gas safety cases in each area.

BG

3.2.3 Procurement Programme 2016/18

The Board was advised that Canterbury had agreed with plans to move investment for their procurement programme into 2017/18. Although this would result in the budget target for 2016/17 not being met, the re-profiling would provide better value and would not impact negatively on residents.

The Board were advised of a procurement issue which had arisen with EKH potentially in breach of council procedures. DU would report more fully to the Board and relevant Council once the full picture was understood.

DU

3.2.4 Changes at Garrity House

In order to make significant savings on venue costs, the Board agreed to use the new Board Room at Garrity House for future meetings. One possible exception was the Service Improvement & Performance Sub-Committee where the new arrangement may present accessibility issues, although it was noted that the next meeting on 5 September was scheduled to be held in Aylesham.

4. OTHER MATTERS FOR DECISION**4.1 Performance Indicators Target Setting for 2016/17**

4.1.1 The proposed performance targets for 2016/17, developed in conjunction with operational managers, were contained in a report presented by CS. The Board noted that the proposals had already been considered by the Service Improvement & Performance Sub-Committee, Area Boards and the Councils' client officers and would also form part of the annual performance report to the Councils at the end of June.

4.1.2 Responding to a comment from a Board Member, CS agreed that the costs associated with increasing resources to align scores for the same tasks across all areas, or further improve performance levels, could indeed be disproportionate to the benefits gained, although it had been sought to harmonise targets, where possible, and to continue to drive up performance across the organisation.

4.1.3 The Board's attention was drawn by the Chair to appendix 1, which outlined the latest position with regard to the welfare reform changes, including its impact on rent arrears, and the Board received some updated figures tabled by CS. Following a request from the Chair, a joint NFA/ARCH press release on the impact of Universal Credit on arrears would be circulated to the Board on the following day.

KM

Action**The Board:**

- **Agreed the recommended performance targets for 2016/17.**

4.2 Resident Involvement Strategy 2016-2020

- 4.2.1 MT presented the Resident Involvement Strategy and associated action plan which, the Board noted, was recommended to them by the Service Improvement & Performance Sub-Committee.
- 4.2.2 The Strategy and action plan sought to evolve the resident involvement service through partnership working, the delivery of value for money practices and a proactive approach in supporting residents in their tenancies and communities, particularly in light of welfare reform changes
- 4.2.3 Also included was the completed Equality Impact Assessment (EIA). The Board noted that EIAs would be included with all new strategies and policies in the future and these would assist the Board with any challenge prior to approval.
- 4.2.4 The Chair complimented the report and was especially interested to see the chart showing the involvement of residents of more than one group. The resources required to administer formal groups - where the total membership amounts to approximately 0.53% representation of the overall tenure - were also noted.

The Board:

- **Considered the strategy and appended action plan and agreed their implementation.**

4.3 Tenant Scrutiny Panel report on a review of Repairs Communication

- 4.3.1 The Board considered a report compiled by the Tenant Scrutiny Panel following their review into repairs communication, noting that all recommendations made in the report, except one relating to the printing of repairs handbooks in two areas where none currently existed, had been agreed by Management Team.

Action

- 4.3.2 The report, which was the second undertaken by the Panel, had also been considered by the Service Improvement & Performance Sub-Committee and recommended to the Board. Responding to a question from a Board Member, MT confirmed that any costs attached to the mystery shopping exercise were allowed for in the Resident Involvement budget, as this work sat within the Customer Insight strategy.
- 4.3.2 Comments from the Chair on the way the recommendations provided an excellent way forward for involving residents and improving the service were noted.

The Board:

- **Considered the report, its recommendations and Management Team's response and agreed the recommendations for implementation.**

5. PERFORMANCE AND COMPLIANCE MONITORING**5.1 2015/16 Delivery Plan Outturn**

- 5.1.1 The final outturn position for 2015/16 was considered by the Board and comments included:
- that the Board was pleased to note that the Garden Standard – which was a long standing Delivery Plan item – had now been developed and was going through the committee process;
 - a query around whether the timescales for delivery of some asset management actions may be ambitious, due their reliance upon the adoption of the new stock condition survey contract;
 - that progress in delivering the plan's actions was generally good.

The Board:

- **Noted the final position for the actions in the 2015/16 Delivery Plan.**

Action**5.2 2015/16 Operating Budget Outturn**

- 5.2.1 A report setting out the provisional year end outturn position was presented by CS, who highlighted an anticipated overspend of £176,000.
- 5.2.2 CS outlined the reason for £160,000 of the overspend, which related to the inability to capitalise single system costs. The Board received assurance that the single system was funded by loans and the loss this year was due to accounting requirements. New monitoring arrangements for the single system budget were to be put in hand and these would involve monitoring by both the Project Board and the Finance & Audit Sub-Committee. An assessment of what items could or could not be capitalised would also be made on an ongoing basis during 2016/17.
- 5.2.3 CS then explained the impact of the overspend on the retained earnings position, and provided assurance to the Board that the reserves would start to be replenished in 2016/17 and more significantly in 2017/18.
- 5.2.4 The Board was advised that no changes to the provisional outturn position were anticipated in advance of 4 July when the Finance & Audit Sub-Committee would be presented with the findings of the recent Audit.
- 5.2.5 Members questioned the HoF, and CS confirmed the items that were attributable to the £160,000 single system costs; that amortisation of single system costs had not yet commenced as the system was not yet in use; and depreciation amounts related mainly to IT equipment.

The Board:

- **Noted the anticipated year end position and the impact on retained earnings reserve.**

5.3 Year End 2015/16 Budget Monitoring of Managed Budget

- 5.3.1 A report setting out the main highlights relating to managed budgets was considered by the Board, who noted that the outturn position was based on revised targets for the year and that capital spend figures had been signed off by the four local authorities.
- 5.3.2 Responding to a query from a Board Member about the withdrawal of contractors from a number of contracts, BG set out the possible reasons for why this sometimes happened.

Action

In response to further questions, BG explained that, under EU procurement rules, contractors were at liberty to withdraw during the contract standstill period, and that feedback on reasons for any withdrawal could be requested during the tender process but often was not provided.

The Board:

- **Noted the report.**

5.4 **Year End Performance Indicators Outturn for 2015/16**

5.4.1 A comprehensive report, presented by CS, indicated good performance for last year, particularly in the areas of residential arrears, void turnaround, completion of repairs, and improvement in heating repairs and gas safety certificates. The report would also form part of the annual review submitted to the Councils.

5.4.2 Points from the Board discussion that followed included:

- The highlighting by a Board Member of an apparent discrepancy in the figures shown for satisfaction with heating repairs at Dover – CS would revisit these. The good performance was noted as an illustration of the rapid improvements that can be made in areas that have previously been underperforming and, responding to a further question, BG explained the changes that had been put in place by Mears that had been instrumental in driving up performance and reducing complaints.
- Responding to a suggestion from Board Members to highlight areas of upper quartile performance to the Councils that were reflected in the report before them, a cautious and balanced approach to this was felt appropriate and it was noted that the annual review to the Councils contained a section where areas of improvement could be elaborated upon.

CS

5.4.3 The Chair asked for the thanks of the Board to be passed onto staff for their hard work in meeting targets.

DU

The Board:

- **Noted the performance levels for 2015/16 and asked for their thanks to be passed onto staff.**

Action**6. MATTERS FOR INFORMATION****6.1 Appraisal Programme**

6.1.1 The Board considered a progress update on the refreshed appraisal system.

6.1.2 Noting the keenness of the Chair and Board for all staff to have had an appraisal, the meeting was advised that although some inconsistency existed in the way that appraisals and 1-2-1s were applied across the organisation, it was felt that they were being generally undertaken by managers.

6.1.3 Points arising from the Board's discussion included:

- The deadline for completion of 2016/17 staff appraisals was 30 June, although in subsequent years this would be a month earlier.
- Progress on completion was being monitored by Management Team.
- Appraisals were happening at all levels of the organisation, starting from the top.
- Much work had been carried out with Leadership Group around competencies and in developing the new appraisal guidance.
- Confirmation that yearly reviews and objective setting were being carried out at the same time. Responding to a concern from a Board Member the approach being taken and the potential impact on the quality of appraisal meetings, it was believed that any negative impact would be negated by the quality of one to one meetings carried out during the year.

The Board:

- **Noted progress on the review and implementation of a refreshed appraisal system.**

6.2 Report from Area Boards

6.2.1 A report summarising the latest round of Area Board meetings held between 18 and 26 May 2016 was presented by MT, who highlighted matters the Area Boards wished to be referred to the Board, outlined in points 4.1 – 4.3 of the report.

6.2.2 Lengthy discussion followed about dissatisfaction raised by the Canterbury Area Board with the level of their involvement in the Environmental Improvement Programme (EIP) and East Kent Housing's ability to deliver the programme, and their subsequent vote of "no confidence" in East Kent Housing.

Action

6.2.3 The Board noted the commitment that an extra EIP meeting being held with residents on 20 June would be attended by members of the Stock Investment team and DU. She would also attend the next meeting of the TCG scheduled for 29 June to listen to and discuss their concerns. DU confirmed that the outcome of this meeting would form part of her Chief Executive report at the next Board meeting.

DU

6.2.4 During discussion, concerns were raised by the Board around the lack of communication with residents and resilience within teams but the opportunity to respond to residents on the EIP, and to start afresh, was welcomed.

The Board:

- **Noted the report and agreed their response to the Canterbury Area Board's vote of no confidence.**

6.3 **Reports from Sub-Committees**

6.3.1 A verbal update from the Service Improvement & Performance Sub-Committee held on 9 May 2016 was received from HB, who highlighted in particular the very interesting Neighbourhood Inspections Annual Report and that the sub-committee had supported a resident involvement pilot in relation to contract procurement projects.

6.3.2 Responding to a question, MT would ensure that the Board received a copy of the Neighbourhood Inspections Annual Report.

MT

7. **ADMINISTRATIVE MATTERS**

7.1 **Board Attendance**

7.1.1 Board attendance to 14 March 2016 was noted.

7.2 **Board Forward Plan**

7.2.1 The following amendments were made to the Forward Plan:

11 July 2016: Delete staff appraisal process
 Add Governance Review action plan

KM

Future Forward Plan items would be agreed by DU/HB and CH.

DU/HB/
CH

7.2.2 It was noted that SC would be unavailable for meetings in July but would respond to any issues by email.

Action

7.3 Draft minutes of the meeting held on 14 March 2016

7.3.1 The minutes of the meeting held on 14 March 2016 were agreed as a true record and signed by the Chair.

7.3.2 There were no matters arising from the meeting.

7.4. Date and time of next meeting

7.4.1 The dates of forthcoming Board meetings are as follows:

- Monday 11 July 2016: 6.30 pm at Garrity House, Aylesham
- Monday 18 July 2016: Time: To be confirmed
(and AGM) Venue: Garrity House, Aylesham
- 26 September 2016: 6.30 pm at Garrity House, Aylesham

7.4.2 SC's apologies for July meetings were noted.

There being no further business to discuss, the Chair thanked everyone for attending and the meeting ended at 8.58 pm.

Approved by Chair:

Date:

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