

**MINUTES OF THE BOARD OF MANAGEMENT MEETING OF
MID-WALES HOUSING ASSOCIATION HELD AT TY CANOL HOUSE,
NEWTOWN ON WEDNESDAY, 11th JULY 2018**

- Present:** Mr. Peter Swanson (Chair), Mr. Richard Martin (Deputy Chair), Ms. Olivia Morris, Mr. Tony Bowron, Miss Susan Havard, Ms. Liz Jenkins, Mr. Alex Gambroudes, Mr. Daniel Lewis and Ms. Joy Garfitt.
- Observer:** Cllr. J. M. Williams (Powys County Council) and Mrs. Bronwen Neesam (Financial Accountant, MWHHA).
- Officers:** Mr. Shane Perkins (Chief Executive - part), Mr. Charles Brotherton (Director of Finance and Company Secretary - part), Mrs. Sian Howells (Director of New Business - part), Mrs. Jean O'Neill (Acting Assistant Director of Customer Services - part) and Mrs. Janet Price (Governance Officer – minute taker).

1.	APOLOGIES FOR ABSENCE	Action
1.1	Apologies were received from Ms. Elenor Bonner-Evans, Mrs. Morag Bailey and Mr. Mark Roberts (Board Members), Cllr. Catherine Hughes (Ceredigion County Council), Mr. Aidan Ackerman (Director of Customer Services) and Mrs. Anna Orton (Director of Care & Repair in Powys).	
1.2	The Chair welcomed the Financial Accountant, in her capacity as Staff Forum representative, observing the meeting.	
1.3	The Chair advised Members that the Ceredigion County Council appointed observer to the Board, Cllr. Dafydd Edwards, had been replaced by Cllr. Catherine Hughes, who lives in Tregaron.	
1.4	The resignations of Board Members Mr. Vic Brown and Mrs. Pamela Smith were received shortly prior to the Board meeting, both for health issues.	
2.	DECLARATIONS OF INTEREST	
2.1	The Chair repeated his previously declared indirect interest in discussions relating to EOM, as his wife's nephew is an employee of the company.	
2.2	The Chief Executive declared an interest on behalf of all staff in agenda items 9a (Travel and Subsistence Policy) and 20a (Review	

	of Staff Contracts) and personally declared an interest in agenda item 20b – the Chief Executive’s Annual Pay Award and Performance Award.	
3.	MINUTES OF THE BOARD OF MANAGEMENT MEETING HELD ON 28th MARCH 2018	
3.1	Members agreed to add the words “ <i>in the context of GDPR</i> ” to the end of paragraph 9.1. Taking into account the above amendment, Mr. Richard Martin proposed and Ms. Liz Jenkins seconded that the minutes of the Board of Management meeting held on 28 th March 2018 be approved as a true record.	
4.	MATTERS ARISING FROM PREVIOUS BOARD OF MANAGEMENT MEETINGS	
	Members received the paper for information.	
5.	CONFIDENTIAL ITEM	
5.1	The Chair felt that there was no requirement to debate this agenda item following recent events, and this was agreed by the Board.	
5.2	Mr. Richard Martin proposed and Ms. Liz Jenkins seconded that Mr. Alex Gambroudes and Ms. Olivia Morris be appointed to the Audit & Scrutiny Committee until the new committees are appointed following the AGM.	
6.	WELFARE BENEFIT REFORM STRATEGY UPDATE	
6.1	The paper was introduced by the Acting Assistant Director of Customer Services (AADoCS) who advised Members not to underestimate the potential impact of Universal Credit later in the year. She spoke of the vision of the Income Management team to achieve “no rent arrears,” though a Member was concerned that this could be an unachievable target. Another Member offered his assistance in sharing knowledge and experience of the introduction of UC in the region in which he works.	
6.2	The AADoCS highlighted some of the preventative measures in place, including a flexible case-by-case approach, tailored to individual circumstances.	
6.3	In response to a Member’s question, the Director of Finance (DoF) commented that the financial assumptions used in the Financial Plans suggest that a doubling in write-offs from 2% to 4% can be anticipated and an increase in the arrears level to 8%, as a result of introducing UC. He emphasised the need to monitor tenants’	

6.4	<p>circumstances individually and provide support where possible. Becoming a ‘trusted partner’ will be key to this and developing a good relationship with the Department for Work & Pensions (DWP). It was also noted that social services provide assistance in maintaining tenancies.</p> <p>Mr. Daniel Lewis proposed and Miss Susan Havard seconded that the revised Welfare Benefit Reform Strategy be approved.</p>	
7.	<p>ADOPTION OF CHC’S REVISED CODE OF GOVERNANCE</p> <p>Mr. Richard Martin proposed and Ms. Olivia Morris seconded that the CHC Code of Governance be adopted by the Mid-Wales Housing Group.</p>	
8.	<p>ANNUAL ACCOUNTS 2017-2018</p> <p>8.1 a) Annual Report on Internal Controls</p> <p>8.1.2 Members were reminded that the report had been considered by the Audit & Scrutiny Committee on 20th June, to which Members of the Finance & Risk Committee had been invited to attend.</p> <p>8.1.3 Members noted that seven audits (not six, as outlined on page 9) had received substantial assurance during the year and that the tender process to consider the appointment of the external auditor will take place prior to the 2019 AGM and not 2018 as shown in section 5.1.</p> <p>8.1.4 Mr. Richard Martin proposed and Mr. Alex Gambroudes seconded that:</p> <ul style="list-style-type: none"> i) The various assurances concerning the internal controls are noted; and ii) The Statement on the Internal Control Systems as contained within the Annual Financial Statements is approved. <p>8.2 b) Letter of Representation Members received the Letter.</p> <p>8.3 c) Year End Accounts Overview 2017-18</p> <p>8.3.1 The Director of Finance (DoF) explained the reasons behind the lower budget than achieved in previous year. The budgeted surplus figure of £618k, was as approved earlier in the year by Board, following an adjustment to the depreciation figure. He explained that most of the shortfall in budgeted rent income had been covered by savings in interest payments, and reductions to discretionary budgets. However, a Member commented that</p>	

	<p>without such mitigating circumstances, the Association's finances would be in a dire situation and significant cuts elsewhere would have been required. The DoF replied that the biggest pressure arose from the delay in two development schemes coming into management and therefore a one-off saving compensated for a one-off income loss. The Member felt that it was 'more luck than judgement' and the DoF acknowledged that difficult choices would have had to have been made without such savings in interest payments and discretionary budgets.</p>	
8.3.2	In relation to The Tabernacle development, the DoF confirmed that the Association had not unwound the impairment charge yet as the scheme has not formally finished. Therefore, the previous year's impairment charge was still accounted for in the figures.	
8.3.3	It was suggested that the data relating to "Satisfaction with how landlord deals with repairs and maintenance" should be removed from the graph at the foot of page 47, as the results are lower than those of our peers.	
8.3.4	<p>Mr. Daniel Lewis proposed and Mr. Tony Bowron seconded that the following are noted:</p> <ul style="list-style-type: none"> i) MWHA's year-end surplus of £628,000; the reduced gearing level of 52.0% and the interest cover at 1.18 times; ii) CRP's year-end surplus of £74,739; the total reserves of £360,523 with a minimum reserves level of £150,000 and the increase in the Unfunded Posts Reserve to £65,000; 	
8.4	d) Statutory Accounts	
8.4.1	The DoF's presentation on the Financial Statements will be circulated to Members after the meeting. Members noted that the resignations of Mr. Brown and Mrs. Smith would need to be noted within the Accounts.	GO
8.4.2	Mr. Alex Gambroudes proposed and Miss Sue Havard seconded that the Annual Financial Statements for MWHA are approved.	
9.	RECOMMENDATIONS FROM THE ORGANISATIONAL DEVELOPMENT COMMITTEE	
9.1	a) The Travel and Subsistence Expenses Policy	
9.1.1	The Chair of Organisational Development Committee, which had considered the paper at its meeting in May, commented that she didn't feel able to recommend the paper to Board in its unamended	

<p>9.2 9.2.1 9.2.2 9.2.3 9.3 9.3.1 9.3.2</p>	<p>state, following proposed changes suggested at the committee meeting; the DoF acknowledged that he should have circulated an updated version ahead of the meeting.</p> <p>The Chief Executive commented that the paper was asking Board to delegate authority to the Chair of ODC to approve these changes; however, the Chair of ODC replied that she felt that all Board Members should have the opportunity to view the proposed amendments first.</p> <p>b) Code of Conduct Policy Similarly, amendments to the Code of Conduct Policy proposed by the Committee had not been circulated to Members.</p> <p>It was therefore agreed that the two documents would be amended with the changes proposed by the ODC at its meeting on 9th May and circulated to Members as soon as possible, for approval at the Special Board meeting on 1st August 2018.</p> <p>c) The Review of Governance A Member asked whether the review was proposing changes to the committee structure and size, given the heavy servicing costs appears to be taking Executives' time away from other priorities. The DoF replied that, apart from changing the Equality Review Group to being an internal meeting, his proposals did not change the structure of the committees, but instead, recommended greater delegation to committees or Executives, which is where he anticipated seeing savings in time.</p> <p>A further discussion on this subject was held under agenda item 13.</p>	<p>DoF</p>
<p>10. 10.1 10.2</p>	<p>RECOMMENDATIONS FROM THE AUDIT & SCRUTINY COMMITTEE MEETING HELD ON 20TH JUNE 2018</p> <p>A Member stated that it was necessary for the Board to scrutinise the Performance Standards Compliance and Annual Self-Evaluation Report and to provide assurance that it had done so to the Welsh Government.</p> <p>Members viewed the report on screen, which had been updated since it was originally considered by the Committee in June. A Member stated he had concerns regarding Performance Standard 4 and the way in which self-evaluation should be brought to Board. Another Member pointed out that the Association had not achieved 100% of what it had planned and Board needs to be assured that the information provided is reliable. The DoF replied that the</p>	

<p>10.3</p> <p>10.4</p> <p>10.5</p>	<p>Association’s internal auditors have provided that assurance with the Audit & Scrutiny Committee giving further assurance on its accuracy.</p> <p>After a short further discussion, Members were satisfied that the Performance Standards Compliance report could be signed off by the Chair and Chief Executive.</p> <p>The Chief Executive introduced the Welsh Language Scheme and Action Plan which had been characterised by the Association’s Welsh Language Champion as “business as usual”. The Deputy Chair commented that the Association is still “well ahead of the game” and there are no worries about progress or compliance. The meeting noted that Care & Repair in Powys are included in the delivery of all Welsh language actions but were a little concerned that there was only one fluent Welsh speaker in the Agency.</p> <p>Ms. Joy Garfitt proposed and Miss Susan Havard seconded that the following items be approved:</p> <ul style="list-style-type: none"> i) The Annual Treasury Review; ii) The TIAA Internal Audit Annual Report 2017-2018; iii) The Performance Standards Compliance; iv) The Annual Self-Evaluation Report; and v) The Welsh Language Scheme and Action Plan. 	
<p>11.1</p> <p>11.2</p> <p>11.3</p>	<p>11. RECOMMENDATIONS FROM THE SPECIAL FINANCE & RISK COMMITTEE MEETING HELD ON 11TH JUNE 2018 AND THE FINANCE & RISK COMMITTEE MEETING HELD ON 17TH MAY 2018</p> <p>The meeting noted that the role of the Deputy Chair was to be added to the second sentence of the second paragraph in section 4.3 to read: <i>“This satisfactory resolution to be provided to the Chair of the Committee, the Deputy Chair, and the Company Secretary.”</i></p> <p>Members viewed the Association’s current risks on Pentana; no questions were raised.</p> <p>Mr. Alex Gambroudes proposed and Ms. Olivia Morris seconded that the following items are approved:</p> <ul style="list-style-type: none"> i) The Quarter 4 Management Accounts; ii) The Quarter 4 Strategic Risk Map; iii) The approval of the Cylch Caron Development Agreement subject to being satisfied with the resolution of all outstanding land issues and 	<p>GO</p>

11.4	<p>satisfactory amendment of all remaining clauses that are unacceptable to lenders; and</p> <p>iv) The approval of the restated Revolving Credit Facility with Barclays Bank.</p> <p>Mr. Alex Gambroudes proposed and Ms. Olivia Morris seconded that the following items are noted:</p> <p>v) The detailed financial booklet developed for Cylch Caron;</p> <p>vi) The receipt of satisfactory legal and financial due-diligence relating to EOM;</p> <p>vii) The detailed financial forecasts for EOM;</p> <p>viii) The updated financial viability assessment for the Pobl stock purchase.</p>	
12.	<p>RECOMMENDATIONS FROM THE AUDIT & SCRUTINY COMMITTEE MEETING HELD ON 16TH MAY 2018</p> <p>12.1 Members heard of the marked improvement in the turn-around time for void re-lettings to 12 days in June.</p> <p>12.2 Mr. Daniel Lewis proposed and Mr. Tony Bowron seconded that the following be approved:</p> <p>i) The Quarter 4 Income Management Report; and</p> <p>ii) The Quarter 4 Key Performance Indicators.</p>	
13.	<p>REVIEW OF GOVERNANCE</p> <p>13.1 The DoF introduced the report, stating that the ODC had received a report, at its meeting in May, looking at the role of the Board concerning structure and delegation. It was noted that the Performance Standards Compliance needs to be included in matters reserved for Board.</p> <p>13.2 Members were satisfied with the changes and suggested that a formal review of the new delegations should be undertaken by the January 2019 meeting of the OD Committee to assess whether Board's time had been reduced.</p> <p>13.3 Terms of Reference Members heard that the CRP Board had approved the Terms of Reference (ToR) in relation to the Agency.</p> <p>13.4 Members debated certain issues and whether they should be delegated to Committee or reserved for Board. The Chief Executive emphasised that accountability rests with Board in</p>	<p>DoF</p> <p>DoF</p>

	<p>relation to “legislative requirements” but suggested that in showing that Members have discharged their duties in a responsible and accountable way, any item may be delegated, with the appropriate controls in place. The Director of New Business (DoNB) also highlighted recent significant changes in health and safety legislation where more frequent reporting to Board is now expected. Members felt it would be appropriate to seek independent advice from Morgan LaRoche (solicitors) and Central Consultancy on the issue of delegation.</p>	<p>DoF</p>
<p>13.5</p>	<p>The DoF acknowledged that assurance on health and safety is the top priority for Board in terms of assurance and the Chief Executive noted that more training on health and safety/legal requirements will be provided soon for Members prior to making any decisions on delegation.</p>	
<p>13.6</p>	<p>Ms. Liz Jenkins proposed and Mr. Richard Martin seconded that:</p> <ul style="list-style-type: none"> i) The Association’s values of excellence, equality caring, and community are reaffirmed; ii) The key roles (significant matters) of the Board are endorsed as: setting purpose, setting culture, setting strategic objectives, setting budget and obtaining assurance; iii) Board only approves key policy and strategy principles; iv) The delegation of as much as is reasonably possible within the above approach; v) The Scheme of Delegation and revised Board and Committee Terms of Reference be adopted, subject to it being reviewed by Morgan LaRoche and Central Consultancy; vi) A further review will be undertaken at ODC in January 2019 and a full review annually; and vii) The Executive Group be given authority to proceed with this subject to the evaluation of the delegation of health and safety/legal requirements by external advisors. 	<p>DoF</p>
<p>13.7</p>	<p>A Member asked for clarity on the role of tenants on Board; are they Board Members who are tenants, or Tenant Board Members? The Chair of ODC commented that the Audit & Scrutiny Committee had commenced debate on the role of tenants within the governance structure, as in her view, she felt “it wasn’t working”. The DoF acknowledged that more work was needed on involving tenants in the Association’s decision-making processes.</p>	

<p>14.</p> <p>14.1</p> <p>14.2</p> <p>14.3</p> <p>14.4</p>	<p>COMMUNITY HOUSING CYMRU'S VOLUNTARY AND COMMITTEE MEMBERS' LIABILITY INSURANCE 2018-19</p> <p>Mr. Richard Martin proposed and Mr. Alex Gambroudes seconded that the provisions of the Voluntary Committee Members' Liability Insurance provided for the Group be noted and the following minute approved:</p> <p><i>"It was reported that Community Housing Cymru has renewed an Indemnity Policy protecting all Committee Members and senior executive staff of its member associations from claims made against them in their capacity as Committee members or senior executives (including cases of insolvency/wrongful trading and also libel/slander).</i></p> <p><i>It was noted that cover for the association under such policy is conditional upon immediate notice in writing to Community Housing Cymru of any claim made against any person insured by the policy or of the receipt of notice from any persons of intention to make a claim against any person insured by the policy.</i></p> <p><i>Accordingly, it was agreed that if any Committee Member (present or absent) or senior executive is aware of any such claim or any such notice of intention or of any circumstances or incident which may give rise to a claim he or she will immediately notify the Secretary of the association in order that notice in writing together with all relevant details can be submitted to Community Housing Cymru. Notification of this minute has been made to all Committee Members and senior executives who are required to make necessary disclosures to the Secretary".</i></p>	
<p>15.</p> <p>15.1</p> <p>15.2</p>	<p>AUDIT REGISTER</p> <p>The Governance Officer apologised for transposing the commentary in the Fire Safety and Development Contract Management reports.</p> <p>Mr. Daniel Lewis proposed and Mr. Richard Martin seconded that the Audit Register be approved.</p>	
<p>16.</p>	<p>USE OF SEAL</p> <p>The Use of Seal was tabled at the meeting. Mr. Richard Martin proposed and Ms. Liz Jenkins seconded that the Use of Seal be ratified.</p>	

Cllr. Mike Williams and Mrs. Bronwen Neesam left the meeting ahead of the discussion of confidential agenda items. They were thanked for their attendance.

Agenda items 17 to 25 are recorded under the Confidential Minutes of the Board of Management of Mid-Wales Housing Association held on 11th July 2018.

Minutes produced by Governance Officer on 24th July 2018.

Checked by:

Date:

Shane Perkins	29th August 2018
Charles Brotherton	12th September 2018
Sian Howells	
Anna Orton	Not present
Jean O'Neill	