

**MINUTES OF THE BOARD OF MANAGEMENT MEETING OF
MID-WALES HOUSING ASSOCIATION HELD AT TY CANOL HOUSE,
NEWTOWN ON WEDNESDAY, 12th JULY 2017**

Present: Mr. David Evans (Chair), Mr. Peter Swanson (Deputy Chair), Mr. Richard Martin, Mr. Tony Bowron, Mr. Ray Dowling, Ms. Elenor Bonner-Evans, Mr. Vic Brown, Dr. Olivia Morris (part), Ms. Joy Garfitt and Mr. Nick Hoskins.

Observers: Mrs. Pamela Smith (part), Miss Susan Havard (part), Mrs. Sue Thomas (Ceredigion County Council - part), Mrs. Sarah Laing Gibbens (Welsh Government), Mr. Phil Williams (ICT Manager – part) and Mrs. Maureen Woosnam (Performance Information Officer – part).

Officers: Mr. Shane Perkins (Chief Executive), Mr. Charles Brotherton (Director of Finance and Company Secretary), Mr. Aidan Ackerman (Director of Customer Services), Mrs. Sian Howells (Director of New Business) and Mrs. Janet Price (Governance Officer – minute taker).

1. APOLOGIES	ACTION
Apologies were received from Mrs. Morag Bailey, Mr. Peter Bayliss, Ms. Liz Jenkins, Mr. Daniel Lewis (Board Members) and Mrs. Anna Orton (Director of Care & Repair in Powys).	
<p>2. DECLARATIONS OF INTEREST</p> <p>Mrs. Pamela Smith and Miss Sue Havard declared an interest in agenda item 5 and undertook to temporarily withdraw from the meeting during the discussion of that item.</p> <p>The Chair declared that he was very distantly related to the original contractor to the Tabernacle development in Aberystwyth, but had no financial connection with the company whatsoever. He also declared an interest in agenda item 8 as a member of the Leasehold Valuation Service in Wales.</p>	
<p>3. MINUTES OF THE BOARD OF MANAGEMENT MEETING HELD ON 22ND MARCH 2017</p> <p>Taking into account a small typographical error on page 3, Mr. Nick Hoskins proposed and Mr. Vic Brown seconded that the minute of the Board of Management meeting held on 22nd March 2017 be approved as a true record.</p>	

4. MATTERS ARISING FROM PREVIOUS BOARD OF MANAGEMENT MEETINGS

Members received the paper for information.

6. JUDGEMENT FRAMEWORK - LIVING REGULATION PRESENTATION BY SARAH LAING GIBBENS

Mrs. Laing Gibbens, Welsh Government’s Head of Regulation, presented the new judgement framework, launched on 21st June 2017 which updates the approach on how housing associations are regulated. She explained that the framework continues to encourage HAs to work together for the benefit of tenants and the tax payer, but that the delivery outcomes had been replaced.

A Member commented that he was concerned about the potential for the Association to be erroneously judged by one regulator with no recourse for challenge. Mrs. Laing Gibbens said that the Regulation team has 12 months in which a relationship can be established between the team and the housing association and any differences in opinion can be discussed during that time, as it should be a collective view. More Regulation Managers have been recruited and there is no longer a north/south Wales split, she explained, with a team approach to holding associations to account. She emphasised the importance of protecting the public purse.

A Member commented that it would be helpful if the Regulation Team were able to suggest how associations can improve; Mrs. Laing Gibbens replied that the answers do not necessarily lie with the Regulation Team and they are not there to “fix” problems. They can broker support and give examples of good practice, but she emphasised that associations are run by Boards, not the Welsh Government!

The observer from Ceredigion County Council (CCC) commented that there was little scope in the presentation for the important partnerships between local authorities and housing associations and wondered if this was a missed opportunity? Mrs. Laing Gibbens said that the Regulation Team would talk with local authority partners especially if there is a mismatch between what the WG knows and what Boards are telling them.

In response to a Member’s question, Mrs. Laing Gibbens said that all ‘whistle-blowing’ statements will be cross-referenced against what is known of the association and will be considered on their merits.

A Member questioned how much the Regulation team Takes into account the use of the Chair’s casting vote in decision-making; Mrs.

Laing Gibbens said that unless it was clearly reflected in the minutes, the Regulation Team would not necessarily know how a decision had been voted upon.

The Director of Finance asked whether there was an opportunity for sector-wide learning from compliance statements. Mrs. Laing Gibbens said that it could be difficult for MWH, for example, to learn from housing groups such as WWHA or Pennaf, so it needed to make meaningful comparisons.

A Member asked whether there is an opportunity to review the framework, stating that there appears to be little mention of a housing association's status in the community and the wider social value it creates, especially for those community organisations who stand apart from the bigger "commercial beasts" who have moved away from social values; Mrs. Laing Gibbens acknowledged that it would be useful to reflect such contributions though also noted the profit-making abilities of the larger companies which can be reinvested into social housing. The Director of Finance commented that the performance standards contained a section about demonstrating Value for Money (VfM).

The Head of Regulation encouraged Members to read the new sector risks publication.

The PIO explained that the Association's compliance statement on the performance standards had been set up in the Covalent system and will be reported to Board quarterly as a rolling statement. The Chief Executive added that the timing of MWH's judgement is such that the statement has been brought to this meeting with insufficient time to ensure its completeness; Mrs. Laing Gibbens replied that she was not 'looking for perfection' but would consider it realistically and pragmatically, adding that she 'knows what she needs to know' about the Association.

Mrs. Laing Gibbens was thanked for attending the meeting and for her presentation, which will be placed on the Board Members' area of the website for Members to view.

7. PERFORMANCE STANDARDS COMPLIANCE

The Chief Executive introduced the paper and appendices and spoke about the delivery approach; information will be updated quarterly from the Covalent system and will be presented to the Audit & Scrutiny Committee to question performance.

He commented that the Regulator had previously showed concern that members had not received adequate fiduciary training to enable them to consider the larger and time-consuming projects with which the

<p>Association is currently involved. He explained that a full training programme for new and existing Members had been organised which will commence later in July.</p> <p>Mr. Peter Swanson proposed and Mr. Vic Brown seconded that the Annual (Regulatory Performance) Compliance Statement is approved and the ongoing methodology for monitoring the Performance Standards is endorsed.</p>	
<p>8. ICT STRATEGY</p> <p>The IT Manager introduced the paper, explaining that it is a rolling five-year strategy and incorporates the Care & Repair in Powys Agency for the first time.</p> <p>A Member congratulated the Manager on producing such a clear document and questioned whether the Association is able to donate out-of-date equipment to those who may be digitally excluded? The ICT Manager explained that the Association currently disposes of equipment in this way and apologised for not including such information in the Strategy.</p> <p>In response to a Member's question, the ICT Manager said he always builds in capacity for expansion into the Strategy, which should be sufficient to cater for any developments with EOM and Cylch Caron.</p> <p>The Deputy Chair questioned how ICT could help facilitate easier involvement in Board and Committee meetings for those Members who work and live a long distance from the Association; the ICT Manager confirmed that the "kit" is currently available in the Association and suggested holding a 6-12 months' trial to see if it is usable and beneficial, before any further investment is considered</p> <p>Mr. Nick Hoskins proposed and Mr. Vic Brown seconded that the ICT Strategy and budget 2017-2022 be approved for inclusion within the Business Plan.</p> <p><i>The ICT Manager and Performance Information Officer were thanked for their attendance and left the meeting at this stage.</i></p>	
<p>9. SERVICE CHARGE POLICY</p> <p>The Director of Finance introduced the Policy, explaining that it had been reviewed by both the Tenants' and Residents' Forum (TaRF) and the Equality Review Group (ERG) and highlighted the main change which is to try to smooth charges from one year to the next, and hence avoid any sharp variances in expenditure for tenants.</p>	

A Member questioned conflicting evidence on the cost of overheads which are shown at 10% on page 2 of the report and at 15% on page 5 of the policy. The Director of Finance stated that the administration charge is a maximum of 15% unless it is a depreciated item, when it is at 10%; therefore the actual overall charge is between 10-15%. Accounts for 2016-17 suggest that they will be at about 14%. TaRF requested that the real cost, rather than the estimated cost, should be charged each year but such an approach means that the Association may run out of time to recover certain costs.

Mr. Vic Brown proposed and Dr. Olivia Morris seconded that the Service Charge Policy be approved alongside the approach to smooth the Service Charges.

10.ROUTINE UPDATE – DEVELOPMENT AND PLANNED MAINTENANCE

The Director of New Business presented the paper and gave a further verbal update on the Association’s developments. She indicated that the Tabernacle scheme in Aberystwyth is due into management at the end of September.

The development agreement for the Cylch Caron project is still being progressed with further meetings due next week with the Project Board.

In response to a Member’s question, the Director said that the Association runs a rolling programme of stock condition surveys and undertakes pre-inspections before any major replacement programmes are undertaken, explaining the importance of not adopting a ‘pepper-pot’ approach.

Mr. Tony Bowron proposed and Mr. Vic Brown seconded that the update is noted and agreed that a regular quarterly update in a similar format is required.

11.RECOMMENDATIONS FROM AUDIT & SCRUTINY COMMITTEE MEETING HELD ON 17TH MAY 2017

A Member queried the figure of Welsh speaking tenants in the Association, having read that they are significantly under-represented in comparison with census data. The Chief Executive replied that there was a low response from among the Association’s tenants in relation to describing their Welsh language abilities and suggested that Welsh speakers tend to have greater support networks around them and broadly speaking have less requirement for social housing. It was acknowledged that the percentage of Welsh speakers in Ceredigion would be higher than in Powys, but canvassing them on their abilities may still not elicit meaningful data.

<p>The Chief Executive suggested that the Powys Common Housing Register may not be capturing adequate language data on the application forms (where 5.4% of tenants identify as being able to speak Welsh) and undertook that officers would follow it up with them.</p> <p>Dr. Olivia Morris proposed and Mr. Vic Brown seconded that the following items be approved:</p> <ul style="list-style-type: none"> a) Welsh Language Monitoring Report; b) The Annual Self-Evaluation Report; and c) The Quarter 4 Key Performance Indicators. 	<p>DoCS</p>
<p>12. RECOMMENDATIONS FROM THE FINANCE & RISK COMMITTEE MEETING HELD ON 18TH MAY 2017</p>	
<p>Mr. Nick Hoskins proposed and Mr. Richard Martin seconded that the Quarter 4 Management Accounts be approved.</p>	
<p>13. RECOMMENDATIONS FROM THE AUDIT & SCRUTINY COMMITTEE MEETING HELD ON 28TH JUNE 2017</p>	
<p>The Chair thanked the Director of Finance for his hard work in securing a surplus of almost £1 million in the financial year; in turn, the Director thanked the Mid-Wales Housing team for delivering the surplus!</p> <p>The Director of Finance apprised Members that the Association’s internal and external auditors (TIAA and Whittingham Riddell) had been present at an <i>in camera</i> meeting with Members of the Audit & Scrutiny and Finance & Risk Committees on 28th June 2017 when the statutory accounts and supporting papers were considered.</p> <p>In commenting on that meeting, the Chair of the Audit & Scrutiny Committee said that it had been extremely worthwhile and informative with a very encouraging outcome. In addition, Members were pleased with the auditors’ attitude towards the Association’s performance over the year. Another Member commented that he found it gratifying to note a sustained improvement over the past several years, starting with the reorganisation.</p> <p>In response to the Deputy Chair’s question, the Director of Finance stated that a recent review of the payroll function had awarded substantial assurance against an earlier limited assurance, as issues had been rectified.</p> <p>The Director of Finance voiced his thanks to his Finance team for a “phenomenal performance”.</p>	

Mr. Vic Brown proposed and Dr. Olivia Morris seconded that the Annual Report on Internal Controls be approved.

Mr. Peter Swanson proposed and Mr. Richard Martin seconded that the Letter of Representation be approved.

Mr. Nick Hoskins proposed and Mr. Tony Bowron seconded that the Year End Accounts Overview 2016-17 be approved.

Mr. Nick Hoskins proposed and Mr. Vic Brown seconded that the MWA Statutory Accounts be approved.

Mr. Nick Hoskins proposed and Mr. Richard Martin seconded that the extension to the Whittingham Riddell contract be approved by the permitted two years with effect from 1st August 2017.

All Members were in agreement.

14. NATIONWIDE LOAN UPDATE

The Director of Finance asked Board Members to delegate the approval of the restructured Nationwide/Cheshire BS loan to the Finance & Risk Committee and circulated the form of minute required. He added that costs will be indicated in his future reports to Committee but indicated that additional interest costs are likely to be in the region of £65k per year.

It was noted that the word [four] shown in the final paragraph on the first page should be replaced with [three].

A Member commented that the quorum shown within the minute is in conflict with the Association's own quorum figure; the Chief Executive indicated that the Association's quorum should be adhered to and commented that the Board of Management recognises that the Finance & Risk Committee will act as the "Nationwide" Committee for the purposes of this item.

The Director of Finance stated that the details of the loan will be fully outlined in the report to the F&R Committee and will also include an assessment of whether it may be imprudent to pay off the Cheshire loan, given the low margins. This was originally raised by the Chair of the Audit & Scrutiny Committee at the meeting on 28th June.

A Member asked whether the Net Debt Per Unit had been previously agreed; the Director of Finance said that the previously gearing covenant compared loans to property value/property cost, but it is not included in the Nationwide agreement. However, the agreed figures do not create any restriction and are currently at £23k debt per unit.

Mr. Vic Brown proposed and Dr. Olivia Morris seconded that the form of minute giving delegated authority to the Finance & Risk Committee for the approval of the restructured Nationwide/Cheshire loan, as shown below, be approved:

Registered number: 21416R

Mid Wales Housing Association Limited (the Borrower)

Extract from the minutes of a meeting of the Board of management of the Borrower held at Tŷ Canol House, Ffordd Croesawdy, Newtown, Powys, SY16 1AL on 12 July 2017.

Present:	David Evans	(Chair)
	Peter Swanson	(Deputy Chair)
	Richard Martin	(Board Member)
	Ray Dowling	(Board Member)
	Nick Hoskins	(Board Member)
	Olivia Morris	(Board Member – part)
	Vic Brown	(Board Member)
	Tony Bowron	(Board Member)
	Elenor Bonner-Evans	(Board Member)
	Joy Garfitt	(Board Member)
	Pamela Smith	(Co-opted Board Member)
	Susan Havard	(Observer)
Visitors:	Sarah Laing	(Head of Regulation Operations, Welsh Government)
	Gibbens	
	Sue Thomas	(Ceredigion County Council)
In attendance:	Shane Perkins	(Chief Executive)
	Charles Brotherton	(Company Secretary and Director of Finance)
	Aidan Ackerman	(Director of Customer Services)
	Sian Howells	(Director of New Business)
	Maureen Woosnam	(Performance Information Officer – part)
	Janet Price	(Governance Officer)

1 Quorum and notice

The Chairman reported that a quorum was present and that due notice of the meeting had been properly given to all members of the Board of the Borrower.

2 Business of the meeting – establishing a committee

- (a) The Chairman noted that:
- (i) the Borrower had entered into a number of facility agreements (the **Facility Agreements**) which had been made between:
 - (A) the Borrower and Nationwide Building Society (**Nationwide**); and
 - (B) the Borrower and Cheshire Building Society (the **Cheshire Agreements**);
 - (ii) the Facility Agreements had been subsequently varied by certain variation letters; and

	<p>(iii) Cheshire Building Society had merged with Nationwide and consequently the Cheshire Agreements were now between the Borrower and Nationwide.</p> <p>The Chairman reported that the Borrower was in discussions with Nationwide with a view to restructuring the facilities provided to the Borrower by Nationwide under the Facility Agreements into a single consolidated loan with three tranches (the Consolidated Loan Facility Agreement) which would, amongst other things, incorporate an 14 year £5.4m revolving credit facility (the RCF) and remove the gearing limit, replacing it with a Net Debt per unit (NDPU) and a Debt Serviceability Test (DST).</p> <p>(b) In order that the Borrower could progress those discussions and, if necessary, approve any new facility documentation prior to the next meeting of the Board, the Chairman further reported that it was proposed that the Board delegate authority to the Borrower's Finance & Risk Committee (the Committee) (being a sub-committee of the Borrower's Board, as permitted by and in accordance with the Borrower's constitutional rules) to progress the discussions with Nationwide in respect of the Consolidated Loan Facility Agreement and delegate to the Committee power to:</p> <p>(a)</p> <ul style="list-style-type: none"> (i) agree the terms of the Consolidated Loan Facility Agreement; and/or (ii) (if subsequently agreed by the Borrower and Nationwide) agree any variations to the Facility Agreements, (together the Variations) and to agree any other documents to be entered into pursuant to or in connection with the Variations (including, without limitation, the Consolidated Loan Facility Agreement or variation letters produced by or on behalf of Nationwide to document the agreed Variations (the Variation Documents)); <p>(b) agree the terms of any other matter or document required in connection with the agreed Variations and/or the Variation Documents; and</p> <p>(c) appoint Authorised Signatories (as defined below) for the purpose of executing and delivering the Variation Documents and any other documents required pursuant to or in connection with the agreed Variations and/or the Variation Documents.</p> <p>The committee will be called the Nationwide Committee.</p> <p>3 Declarations of interest The Chairman reminded the Board members of their obligations to declare the nature and extent of their interests (direct or indirect) in any proposed or existing transaction or arrangement with the Borrower, and each Board member present confirmed that he/she had no interest in any way in the proposed transaction to be considered at the meeting.</p> <p>4 Resolutions It was resolved that:</p> <ul style="list-style-type: none"> (a) the approval of the Consolidated Loan Facility Agreement (including the RCF) and the Variations with Nationwide be delegated to the Nationwide Committee; (b) the Nationwide Committee comprise the following people: Mr Peter Bayliss Mr Nick Hoskins 	
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Mrs Morag Bailey
Mr Ray Dowling
Mr Jeff Morris

- (c) the quorum for the Nationwide Committee be any two of the above individuals;
- (d) the Nationwide Committee meet as frequently, on such notice and in such manner as it deems appropriate;
- (e) the Nationwide Committee be authorised to agree the Variations and/or revised facility terms and approve the terms of any of the Variation Documents and any other document to be entered into pursuant to or in connection with the Variations or any of the Variation Documents;
- (f) once approved by the Nationwide Committee, any one member of the Nationwide Committee (each being an Authorised Signatory and together the Authorised Signatories) be and is hereby authorised and instructed to execute and deliver any of the Variation Documents (and any other document to be entered into pursuant to or in connection with the Variations and/or the Variation Documents) requiring execution under hand;
- (g) any two Authorised Signatories be and are hereby authorised to execute and deliver any of the Variation Documents (and any other document to be entered into pursuant to or in connection with the Variations and/or the Variation Documents) requiring execution as a deed (including, if so required, by witnessing the affixation of the Borrower's seal to such document(s)), or in such other way as is permitted by the Borrower's constitutional rules; and
- (h) any one Authorised Signatory be and is hereby authorised on behalf of the Borrower to:
 - (i) do all acts and things so as to carry into effect the purposes of the resolutions referred to in these minutes;
 - (ii) give or execute any or all other documents, notices, letters or other communications and perform all matters, acts and things which such Authorised Signatory shall in their absolute discretion deem to be necessary or desirable in connection with any of the Variation Documents and/or any other document to be entered into pursuant to or in connection with such Variations and/or the Variation Documents;
 - (iii) substitute any new Authorised Signatory and/or appoint any additional Authorised Signatory; and
 - (iv) agree such amendments, variations or modifications to any or all of the Variation Documents or such notices, communications or other documents as such other Authorised Signatory may (in their absolute discretion) think fit (such discretion being evidenced by that Authorised Signatory's execution of such document).

5 Close of meeting

There being further business, the Chair continued with the remainder of the Agenda.

We certify that this is a true, complete and up to date extract of the minutes of a duly convened and quorate meeting of the Board of management of the Borrower and that

<p>the resolutions set out above are true, complete and up to date and have not been rescinded or varied in any manner.</p> <p>..... Dated</p> <p>Authorised Signatory for and on behalf of Mid Wales Housing Association Limited</p> <p>Mr. Nick Hoskins proposed an amendment to the original recommendation, seconded by Mr. Vic Brown:</p> <p>Members approved, in principle, the Heads of Terms from Nationwide Building Society for creating a single consolidated loan with three tranches, incorporating a 13-year £5.4million Revolving Credit Facility (RCF) and creating gearing and interest cover capacity.</p>	
<p>15. COMMUNITY HOUSING CYMRU'S DIRECTORS' AND OFFICERS' LIABILITY INSURANCE 2017-18</p> <p>The Director of Finance confirmed that the Association pays for additional 'top-up' insurance cover but undertook to report back in the matters arising whether it is still required, given the withdrawal of the combined cap. He also undertook to ascertain whether an Errors and Omissions policy is required.</p> <p>Members noted the provisions of the Voluntary Committee Members' Liability Insurance provided for the Group and approved the minute below:</p> <p>It was reported that Community Housing Cymru has purchased an Indemnity Policy protecting all Board, committee or staff members and volunteers from claims made against them in their capacity as representatives of the organisation.</p> <p>It was noted that cover for the organisation 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.</p> <p>Accordingly, it was agreed that if any Board 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 organisation 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 Board Members and senior executives who are required to make necessary disclosure to the Secretary.</p>	<p>DoF</p>

<p>16. DISPOSAL OF PARKING SPACE AT 4 CLIFF VIEW COTTAGES</p> <p>Mr. Richard Martin proposed and Mr. Tony Bowron seconded that the disposal of the parking space at 4 Cliff View Cottages be approved for the sum of £5,000.</p>	
<p>17. RIGHT TO ACQUIRE, 27 Ffordd Croesawdy, Newtown</p> <p>Board Members noted the proposed disposal of 27 Ffordd Croesawdy under the Right to Acquire Regulations for the sum of £98,000.</p> <p><i>Dr. Olivia Morris left the meeting at this point.</i></p>	
<p>18. AUDIT REGISTER</p> <p>Mr. Richard Martin proposed and Mr. Peter Swanson seconded that the audits be approved.</p>	
<p>19. POLICY REGISTER</p> <p>Mr. Vic Brown proposed and Mr. Tony Bowron seconded that the policies be approved.</p>	
<p>20. USE OF SEAL</p> <p>The Use of Seal was tabled at the meeting. Mr. Richard Martin proposed and Mr. Vic Brown seconded that the Use of Seal be ratified. All Members were in agreement.</p>	
<p>Mr. Richard Martin proposed and Mr. Peter Swanson seconded that Miss Sue Havard be asked to remain in the meeting for the confidential agenda items, given her status of observer. All Members were in agreement.</p>	

Mrs. Sue Thomas left the meeting ahead of the discussion of confidential agenda items.

Agenda items 5 and 21 to 28 are recorded under the Confidential Minutes of the Board of Management of Mid-Wales Housing Association held on 12th July 2017.