

**MINUTES OF THE BOARD OF MANAGEMENT MEETING OF
MID-WALES HOUSING ASSOCIATION HELD AT TY CANOL HOUSE,
NEWTOWN ON WEDNESDAY, 13th JULY 2016**

- Present:** Mr. David Evans (Chair), Mr. Wynne Davies (Deputy Chair), Mr. Richard Martin, Mr. Nick Hoskins, Ms. Liz Jenkins, Mr. Peter Bayliss, Mrs. Jill Ladbrook, Mr. Vic Brown - part, Mrs. Morag Bailey and Mr. Ray Dowling.
- Visitor:** Mr. John Fletcher (Whittingham Riddell).
- Officers:** Mr. Shane Perkins (Chief Executive - part), Mr. Charles Brotherton (Director of Finance and Company Secretary), Mrs. Sian Howells (Director of New Business), Mr. Aidan Ackerman (Director of Customer Services - part), and Mrs. Janet Price (Governance Officer – minute taker).

The Chair welcomed Mr. John Fletcher of Whittingham Riddell to the meeting and made a number of announcements as shown in the minutes of the Chair's item.

1. APOLOGIES	ACTION
Apologies were received from Mr. Peter Swanson, Mr. Reg Taylor, Dr. Olivia Morris and Ms. Karen Kelly (Director of Care & Repair in Powys).	
<p>2. DECLARATIONS OF INTEREST</p> <p>The Executive Directors declared an interest in agenda item 18 – Confidential Recommendations from the Organisational Development Committee (Job Evaluation and Review of Salaries – Executive) – and undertook to withdraw from the meeting at that point.</p> <p>The Chair declared an interest in the Tabernacle scheme in Aberystwyth in which a distant relative of his is involved, though the Chair has no financial interest in the development</p>	
<p>3. MINUTES OF THE BOARD OF MANAGEMENT MEETING HELD ON 23RD MARCH 2016</p> <p>The Chair requested an amendment in the first sentence of the second paragraph in item 2, to be amended to read as follows: "The Chair declared an interest in the Association's <i>development site at Cae Rhiw Goch, Lampeter Road, Aberaeron . . .</i>" (<i>amendment in italics</i>).</p>	

<p>Taking into account the above amendment, Mr. Nick Hoskins proposed and Mr. Wynne Davies seconded that the minutes be approved as a true record.</p>	
<p>4. MATTERS ARISING</p> <p>Members received the paper for information.</p>	
<p>5. UPDATED GOVERNANCE DOCUMENTS</p> <p>a) Terms of Reference</p> <p>The Director of Finance introduced the paper, saying that committees had approved their individual terms of reference and for completeness, they were presented to Board as a whole.</p> <p>A Member commented on the proposal to convene a Special Board of Management meeting immediately after the AGM to appoint the Chair and Deputy Chair and drew Members' attention to the second paragraph of section C1 on page 9 which states that the Audit & Scrutiny Committee will be formed by five Board Members, one of whom will be the Deputy Chair of the Board. He was concerned that the two candidates for Deputy Chair are both members of the Finance & Risk Committee, which meant that the successful candidate would be obliged to step down from that Committee to assume his position on the Audit & Risk Committee. He proposed that the condition be dropped from the terms of reference of the A&S Committee and that the Organisational Development Committee, when considering committee appointments, should place the Deputy Chair on the A&S committee as a preference, rather than a pre-condition.</p> <p>Another Member reminded the meeting of the purpose of reserving a space on the A&S committee for the Deputy Chair, which is to ensure that he/she has a thorough understanding of the business prior to potentially becoming Chair at a future date. One of the candidates indicated that he had a number of reservations about applying for the position of Deputy Chair as success would mean having to step down from the F&R committee as the Finance Champion! The first Member said he would be happy for the ODC to have authority to make sensible decisions on committee composition and another Member suggested that having a training plan in place for the Deputy Chair to learn about the Association's business would be helpful.</p> <p>After further discussion, Mrs. Morag Bailey proposed and Ms. Liz Jenkins seconded that the first sentence of the second paragraph in section C1 be amended to read: "The Audit & Scrutiny Committee will be formed by five Board Members; one of whom <i>ordinarily</i> will be the Deputy Chair of the Board . . ." (<i>the amendment is shown in italics</i>).</p>	

A Member suggested that if both candidates wished to remain as Members of the F&R Committee, that appropriate training be provided about the wider working of the Association and that they might also be invited to attend the A&S Committee as observers.

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The following amendments were also suggested (*with amendments in italics*):

Page 3:

2.6.1 Appointment and if necessary, removal of Chief Executive following consideration and recommendation from the Organisational Development Committee, *together with the Deputy Chair*.

Page 6:

2.3.6 Review and *make recommendations to Board* and agree actions concerning any major changes to Company pension schemes.

Page 8:

2.7.14 Consider and *make recommendations to Board* on the framework for reimbursing the expenses of the Members of the Board, for the Group and review the ongoing appropriateness and relevance of such policy.

At this point, the Chief Executive reminded Members of their earlier desire to reduce the amount of recommendations to Board in order to reduce workload, but the changes above were contradictory to the findings of the Task & Finish Group set up to look into the Scheme of Delegation, and reduced the extent of delegation hoped for.

A Member commented on the *in camera* meeting of the A&S Committee Members earlier in the day to consider strategic items for presentation at meetings and requested that the provision for the ODC to have up to six Members should also apply to the A&S and F&R Committees. All Members were in agreement that the three committees may be formed of “up to six” Members.

A Member commented that he had consulted the Board Guidance notes for information on who interviews potential executives. The Chief Executive suggested it should be a panel of senior Members, such as the Chair, Deputy Chair and Chair of ODC, setting aside the gender issue. However, he pointed out that earlier recruitment processes had encompassed a variety of styles to include all Board Members, staff and TaRF representatives at different stages. The Chief Executive suggested that the Terms of Reference of the ODC should include the following: “*Recommend to Board the selection process for Executive Directors*”. It was agreed to add this to the ODC Terms of Reference.

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b) Delegated Authorities

The Delegated Authorities have been updated to reflect the new committee structure. Members accepted the amendments subject to where they are affected by the above discussion.

c) Board Procedure

A Member commented that it was not correct to state, under section 1.4 on page 1 that “no account will be taken of the person’s . . . gender . . .” as the Association wishes to positively discriminate in favour of more female Board Members! This was accepted.

It was agreed that section 2.1.7 on page 6 will be amended to read: “Wherever *appropriate*, ad hoc issues should not be raised at a Committee Meeting without warning, but should be discussed beforehand with either the Chair of the Committee *and lead officer via the Governance Officer* so that officers can consider the issue before the meeting and, where necessary, other appropriate officers can attend.” (*Amendments shown in italics*). In amending this point, the Chief Executive acknowledged that it should not stifle debate or preclude challenge at Board, but was designed to ensure answers could be provided

In section 1.5 on page 1, it was noted that provision should be made for the Chair and Chief Officer of CRP to interview CRP Board Member candidates. One of the three panel members should step down to permit a female Board Member to be present to ensure an appropriate gender balance.

d) Board and Committee Guidance

Members held a discussion about how they may ‘apply’ to become a Board Champion. The broad view was that it is an informal position, appointed by the ODC. These appointments should also form part of the recruitment procedure.

Mr. Richard Martin proposed and Mrs. Morag Bailey seconded that the previously highlighted amendments to the governance documents be undertaken and the suite of papers be re-presented to Board at a later date, together with a Board Member Recruitment procedure.

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6. REPORT ON SOCIAL VALUE KEY PERFORMANCE INDICATORS

The Director of Customer Services introduced the report saying that he is awaiting further guidance from Welsh Government to inform the KPIs.

<p>Members accepted a change to the last sentence in paragraph 10 a) to read: “The <i>SAP rating issue</i> has been discussed at Forum meetings”.</p> <p>A Member questioned how much money had been invested to obtain measures of wellbeing and to achieve certain social returns? The Director of New Business acknowledged that it will create another piece of work to quantify the level of money spent to achieve community benefits; the Member did not wish to add to the workload of Directors but was interested in the allocation of costs. Another Member urged Directors not to allocate more resource to providing information as she felt it was a “box-ticking exercise”. However, another Member pointed out the need to satisfy Welsh Government’s desire for such KPIs.</p> <p>The Director of New Business explained that the current emphasis is on collating information in real time, rather than retrospectively and acknowledged the difficulty in quantifying the ‘softer’ benefits.</p> <p>The Chief Executive stated that this subject will be re-presented to Board at future dates, at which point, the earlier suggestion of cost versus benefit can be considered.</p> <p>Mr. Ray Dowling proposed and Mr. Richard Martin seconded that:</p> <ul style="list-style-type: none"> a) Board maintains the collection of the current social value KPIs and agrees the proposed targets; and b) Board notes the position of the Welsh Government in relation to social value. <p>The Director of Customer Services left the meeting at this point.</p>	<p>DoCS</p>
<p>7. RECOMMENDATIONS FROM FINANCE & RISK COMMITTEE</p> <p>A Member of the Committee confirmed that all the items had been closely discussed at the F&R meeting held on 19th May.</p> <p>Mr. Peter Bayliss proposed and Mr. Ray Dowling seconded that the following be approved:</p> <ul style="list-style-type: none"> a) The amendment of the Finance & Risk Committee’s terms of reference as follows: 2.6.3 Recommend to the Board the management accounts of the fourth quarter to be the basis of the Statutory Accounts, following consideration and recommendation by Executive Group; b) Impairment Review: that no impairment has been suffered in the 2015-16 financial year and that Ty Canol House will be re-lived from 150 to 50 years; 	

<ul style="list-style-type: none"> c) Annual Treasury Review: to endorse the approval of the £264,000 Town Centre loan from Powys County Council for the Old Magistrates' Court development in Newtown. The five-year repayment loan is at an effective interest rate of 0.99%; d) Management Accounts: agree to the management accounts of the fourth quarter to be the basis of the Statutory Accounts; e) Notifiable Event – The Tabernacle Development, Aberystwyth: the financial difficulties concerning Vallis Facilities Management, the contractors at the Tabernacle are noted, and that the determination of this contract is being sought along with the appointment of an alternative contractor to complete the scheme and to issue a claim against the bond holder for Vallis; and f) Santander Loan Restructure Update: agree to the loan offer from Santander as outlined in agenda item 19 and delegate to the Finance & Risk Committee the final loan arrangements. 	
<p>8. ANNUAL ACCOUNTS</p> <p>The Director of Finance provided a presentation on the Annual Accounts to Members.</p> <p>The Accountant from Whittingham Riddell commented that he discussed the Annual Accounts with Members at the annual <i>in camera</i> meeting of the A&S and F&R committees where any findings had been reported in the Audit Close Memorandum. He explained that Whittingham Riddell had carried out their procedures in accordance with their service plan and reasonable assurance can be given that the accounts are free from mis-statement. The internal controls of the Association have also been checked.</p> <p>The Letter of Representation will be signed by the Chair.</p> <p>The Annual Accounts may be authorised on a 'going concern' basis, which lasts for 12 months.</p> <p>The Chair of the A&S Committee commented that Members were collectively encouraged by the reports at the <i>in camera</i> meeting from both auditors and he endorsed earlier congratulations to the Finance team for the excellent work undertaken. The Director of Finance wished to record the work undertaken by Mr. Carl Leah, Finance Team Leader.</p> <p>Mr. Peter Bayliss proposed and Mr. Richard Martin seconded that the following be approved:</p> <ul style="list-style-type: none"> a) The draft 2015-16 year-end financial statements; b) The land and grant valuation for Bodlondeb at £538,000; 	<p>Chair</p>

<p>c) The statement on the Management’s Internal Control Systems within the Annual Financial Statements; d) The consolidated Accounts; and e) The Letter of Representation.</p> <p>The Chair expressed his own thanks to the Accountant from Whittingham Riddell, together with the Director of Finance for all the hard work their teams had put into producing the annual accounts.</p>	
<p>9. REPORT ON PERFORMANCE IN DELIVERING THE 2015-16 BUSINESS PLAN</p> <p>The Chief Executive introduced the report, indicating that the trend shows an improvement in the Association’s achievements.</p> <p>Members requested and received assurance on a number of issues.</p> <p>Directors noted the use of “loose” language in certain descriptions, with a Member commenting that she found it hard to distinguish between reactive, responsive, planned and routine maintenance. It was agreed this needed to be regularised for the future.</p> <p>Members also noted arbitrary targets in relation to house building where they would, perhaps, be better termed as ‘reference points’.</p> <p>Mrs. Morag Bailey proposed and Mr. Peter Bayliss seconded that overall, the Association achieved a score of Highly Effective (10) during the year.</p> <p>Mr. Vic Brown left the meeting at this point, and asked that his previously raised concerns regarding item 12 be considered</p>	
<p>10. QUARTER 4 MANAGEMENT INFORMATION</p> <p>Key Performance Indicators A typographical error was noted in the comment on page 17 where the number of units at The Tabernacle should show 22, rather than 25.</p> <p>Mr. Nick Hoskins proposed and Mrs. Jill Ladbrook seconded that the Key Performance Indicators be approved.</p>	
<p>11. COMMUNITY HOUSING CYMRU’S DIRECTORS’ AND OFFICERS’ LIABILITY INSURANCE 2016-2017</p> <p>This is a complimentary policy as part of the Association’s membership fees with CHC.</p>	

Mr. Nick Hoskins proposed and Mr. Richard Martin seconded that the provisions of the Voluntary Committee Members' Liability Insurance be noted and the following minute be approved:

"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 executive (including cases of insolvency/wrongful trading and also libel/slander). 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. Accordingly, it was agreed that if any Committee Members (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."

12. DISASTER RECOVERY – BACK UP POWER GENERATOR

Board Members were reminded that they had previously approved the ICT Strategy but had asked for more information regarding the purchase of a power generator.

A Member commented that the ICT Manager had explained to the A&S Committee the near crisis the Association had recently faced and had convinced Members that its purchase was a good idea.

A Member who was no longer present in the meeting had forwarded his comments, suggesting that the likelihood of a power outage causing serious loss was not worth spending money on a generator and said that it had not been discussed by TaRF. The Chief Executive said that it was not necessary for such an item to be considered by TaRF and that the ICT Manager's assessment of the critical impact of a power shortage was correct.

Mr. Peter Bayliss proposed and Mr. Wynne Davies seconded that the Board acknowledges the potential disaster event and approves the inclusion of the purchase of a suitable power backup generator for Ty Canol House a part of the ICT Strategy for 2016-21.

<p>13. TIAA AUDIT REGISTER</p> <p>Mrs. Morag Bailey proposed and Mr. Ray Dowling seconded that the contents of the register be approved.</p>	
<p>14. USE OF SEAL</p> <p>The Seal Register was tabled at the meeting.</p> <p>Mr. Richard Martin proposed and Mrs. Morag Bailey seconded that the Use of Seal be ratified. All Members were in agreement.</p>	

Minutes of agenda items numbered 15-22 are recorded under the Confidential Minutes of the Board of Management Meeting held on 13th July 2016.