

**MINUTES OF THE BOARD OF MANAGEMENT MEETING OF
MID-WALES HOUSING ASSOCIATION HELD AT TY CANOL HOUSE,
NEWTOWN ON WEDNESDAY, 23RD MARCH 2016**

- Present:** Mr. David Evans (Chair), Mr. Wynne Davies (Deputy Chair), Mr. Peter Swanson, Mr. Richard Martin, Mr. Nick Hoskins, Dr. Olivia Morris, Ms. Liz Jenkins, Mr. Peter Bayliss, Mr. Reg Taylor, Mrs. Jill Ladbrook and Mr. Vic Brown.
- Observers:** None.
- Visitor:** Mrs. Marian Roberts, Housing Regulation Manager.
- Officers:** Mr. Shane Perkins (Chief Executive - part), Mr. Charles Brotherton (Director of Finance and Company Secretary), Mrs. Sian Howells (Director of New Business - part), Mr. Aidan Ackerman (Director of Customer Services), Ms. Karen Kelly (Director of Care & Repair in Powys) and Mrs. Janet Price (Governance Officer – minute taker).

The Chair welcomed Mrs. Marian Roberts of the Welsh Government’s Housing Regulation Team to the meeting.

1. APOLOGIES	ACTION
<p>Apologies were received from Mrs. Morag Bailey, Mr. Ray Dowling and Cllr. Francesca Jump (PCC). Apologies had also been sent from Mrs. Sian Howells (Director of New Business) who arrived late for the meeting due to an earlier meeting in Ceredigion.</p>	
2. DECLARATIONS OF INTEREST OF ANY ITEM TO BE DISCUSSED ON THE AGENDA	
<p>On behalf of all Members of staff, the Chief Executive declared an interest in item 25 – Urgent Recommendations from the Remuneration Committee Meeting held on 10th February, 2016 and in particular, undertook to absent himself from the discussions of that item.</p> <p>The Chair declared an interest in the Association’s development site at Cae Rhiw Goch, Lampeter Road, Aberaeron, as he knows the person concerned and also in The Tabernacle, Aberystwyth where a very distant relative is involved in the development.</p>	

<p>3. MINUTES OF THE BOARD OF MANAGEMENT MEETING HELD ON 27TH JANUARY 2016</p> <p>The Chair indicated an error in item 2 where he declared an interest in a property at Cae Rhiw Goch in Aberaeron, and not Lampeter, as stated.</p> <p>Taking into account the above amendment, Mr. Richard Martin proposed and Mr. Wynne Davies seconded that the minutes of the Board of Management meeting held on 27th January 2016 be approved.</p>	
<p>4. MATTERS ARISING FROM PREVIOUS BOARD OF MANAGEMENT MEETINGS</p> <p>The Chair commented that there was no reference to any involvement of the Association with the West Wales Credit Union on their website; the Director of Customer Services replied that he is currently working with the credit union to negotiate a lower transaction fee and drive a financial advantage for the Association.</p>	
<p>5. SINGLE EQUALITY SCHEME POLICY AND EQUALITY IMPACT ASSESSMENT</p> <p>The Chief Executive introduced the policy, indicating that it was due for routine review and had been considered by the Equality Review Group. Mr. Nick Hoskins proposed and Dr. Olivia Morris seconded that the Policy and EIA be approved.</p>	
<p>6. RESPONSIVE MAINTENANCE POLICY</p> <p>The Director of Customer Services thanked Board Members Mrs. Morag Bailey and Mr. Wynne Davies for their assistance in composing the Policy. Mr. Nick Hoskins proposed and Mr. Vic Brown seconded that the Responsive Maintenance Policy be approved.</p>	
<p>7. WELFARE BENEFIT REFORM STRATEGY AND EQUALITY IMPACT ASSESSMENT</p> <p>The Director of Customer Services spoke of two potential problems for the Association's tenants in regard to Local Housing Allowance restricting housing benefit or Universal Credit payments: the housing payments for single tenants under 35 and the rent payments to supported housing schemes.</p> <p>A Member raised a number of issues regarding Welfare Benefit Reform, stating that the paper failed to include information about the introduction of Universal Credit in Powys and Ceredigion where direct payments to tenants could have a dramatic impact on the Association's income. She</p>	

also noted an increase in rent arrears at Christmas and was concerned that the Association appeared to be complacent about the impact of both these issues.

Another Member responded that it should not be assumed that tenants will not pay their rent to us and commented upon the work undertaken by the Income Management team to cover such an eventuality. He added that the Welfare Benefit Advisors have met with a large number of tenants to provide advice and support.

Another Member stated that he could not agree that Board was complacent in its response to welfare changes as actions to mitigate the impact of the changes have been raised on several occasions and the Member had been keen to insist on robust stress-testing of the Association's finances. He echoed the earlier Member's comments about the work undertaken by the Income Management Team and felt that the Board had been made well aware of the potential difficulties.

In conclusion, the Director of Customer Services stated that the Association had been aware for some considerable time that Welfare Benefit Reforms will have a huge impact on its income and offered to discuss actions being taken to mitigate the changes with the original Member, if she so wished.

Mr. Peter Swanson proposed and Mr. Richard Martin seconded that the Welfare Benefit Reform Strategy and EIA be approved.

8. ICT STRATEGY

The Director of Finance introduced the Strategy, stating that it is designed to support the wider projects within the Association's Business Plan.

A Member questioned the need for a back-up power generator, suggesting that the money could be better used elsewhere. The Director of Finance responded that its purchase could be viewed as an "insurance" but added that approval of the Strategy did not necessarily mean that the generator would be purchased immediately. He explained that it was prompted by a recent power cut which lasted all morning; a Member commented that although it is a rare event, the consequences of a longer power outage would be quite severe on the business. Another Member added that the ICT Manager had presented a compelling report to the Scrutiny Committee in favour of purchasing the generator, which received the support of the Committee.

Mr. Nick Hoskins proposed and Dr. Olivia Morris seconded that the KPI summary dashboard report at Quarter 3 be approved, together with the exceptions report.

The Director of New Business joined the meeting at this point.

b) Quarter 3 Management Accounts

The Director of Finance confirmed that the accounts had been reviewed by the Finance & Audit Committee and stated that it was a good financial result, with a higher than anticipated surplus at the end of the quarter. The Chair congratulated him on the excellent figures.

Mr. Richard Martin proposed and Dr. Olivia Morris seconded that:

- a) The year-to-date surplus of £783,676 generated at the end of quarter 3 is noted, which achieves the profiled budgeted surplus;
- b) The year-end forecasted surplus, higher than budgeted, was noted and approved the release of the performance award budget deferment of £44k from the budget;
- c) It was noted that the gearing level of 64.6% will remain until the security is in place to enable the Association to draw down funds from the GB Social Housing loan and repay the drawn revolving facility of Barclays;
- d) Interest cover stands at 1.74 times as at 31st December 2015; and
- e) Noted the revisions within the budget table.

c) Quarter 3 Treasury Management Review

Mr. Richard Martin proposed and Mr. Vic Brown seconded that the Quarter 3 Treasury Management review be received noting that gearing stands at 64.4% against a limit of 65%.

d) Quarter 3 Self Evaluation Report

The Chief Executive advised Members that the Association is required, by the Welsh Government, to produce an annual Self-Evaluation report, but the Association has taken a view that it is sensible to publish progress on delivery of the Business Plan objectives on a quarterly basis.

Directors provided assurance where a couple of objectives were behind target.

Mr. Nick Hoskins proposed and Mr. Wynne Davies seconded that the Quarter 3 Self Evaluation Report be approved.

e) Quarter 3 Income Management Report

The Director of Customer Services drew Member's attention to the reduction in weekly rent arrears between 2015 and 2016. He explained

that rent arrears always increase at Christmas and whilst it is disappointing, it is not unusual. He added that a significant number of Direct Debits had been cancelled during the Christmas period. A Member commented that the reduction in arrears in one year was “an outstanding performance”.

However, a Member stated that he did not believe the report to be “clear” as it did not show trend information.

Mr. Vic Brown proposed and Mr. Richard Martin seconded that Members received the Quarter 3 Income Management Report.

12. AUDIT REGISTER

The Chief Executive introduced the paper, saying that the Executive Directors had acknowledged Members’ comments for streamlined reports and the results of audits were therefore being presented in a simpler manner.

It was noted that the hyperlinks failed to work within the pdf Board papers presented on the website.

The Director of Finance drew Members’ attention to the three “substantial assurances” received for audit reports, which he said was heartening.

Mr. Peter Swanson proposed and Mrs. Jill Ladbrook seconded that the Audit Register be approved.

13. POLICY REGISTER

The Chief Executive introduced the paper, indicating that it was based on a similar style to the previous Audit Register.

Mrs. Jill Ladbrook proposed and Mr. Richard Martin seconded that the Policy Register be approved.

14. VIREMENT OF FUNDS: WRITE-OFF OF ABORTIVE DEVELOPMENT COSTS AT CEMMAES

The Director of Finance introduced the paper. In response to a Member’s question, the Director explained that the trigger to write-off the costs has only just become clear in realising that the scheme is no longer viable. The Member asked about the potential risk of a claim from the contractor if the scheme does not go ahead, stating that it may be prudent to include the £150,000 claim for ‘lost profit’. The Director of Finance indicated that the Association still wishes to pursue a slightly

bigger development with the contractor and therefore discussions surrounding a claim for lost profit have not yet been held. However, he acknowledged the point regarding prudence and undertook to add a note to the accounts on contingent liability.

A Member asked for a report to Board on the claim against S.J. Roberts at the Red Bank development; it was noted that this was presented to the Board in September 2015.

In response to a Member's question about the future build proposal, the Director of New Business indicated that the Association is planning to build more than six properties but commented that there is no significant greater housing need in Cemmaes than that. Subject to Welsh Government approval, the Association is hoping to use the £0.5 million grant on another scheme and then reapply for Cemmaes.

The Director of New Business also explained that the reason for the abortive costs lies in issues surrounding the trunk road. All planning consents had been received.

Mr. Peter Bayliss proposed and Dr. Olivia Morris seconded that the virement of £129,145 be approved from rental income (higher income arising from the income compensation from Red Bank, being released from retention monies) and £26,455 from the finance contingency budget to write-off the current development costs at Cemmaes.

15. USE OF SEAL

The Use of Seal was tabled at the meeting. Mr. Nick Hoskins proposed and Mr. Peter Swanson seconded that the Use of Seal be ratified. All Members were in agreement.

Minutes of agenda items numbered 16-30 are recorded under the Confidential Minutes of the Board of Management Meeting held on 23rd March 2016.