

**MINUTES OF THE BOARD OF MANAGEMENT MEETING OF
MID-WALES HOUSING ASSOCIATION HELD AT TY CANOL HOUSE,
NEWTOWN ON WEDNESDAY, 6TH DECEMBER 2017**

- Present:** Mr. Peter Swanson (Chair), Mr. Richard Martin (Deputy Chair), Mr. Vic Brown (via conference call), Dr. Olivia Morris, Ms. Joy Garfitt, Ms. Liz Jenkins, Mrs. Pamela Smith, Mrs. Morag Bailey, Ms. Elenor Bonner-Evans and Mr. Tony Bowron.
- Observer:** Cllr. J. M. Williams (Powys County Council).
- Visitors:** Ms. Elinor Savage (Housing Regulation Manager) and Ms. Patricia McCabe (Central Consultancy).
- Officers:** Mr. Charles Brotherton (Director of Finance and Company Secretary), Mr. Alex Dawson (Senior Development Officer – items 1-7 only) and Mrs. Janet Price (Governance Officer – minute taker).

The Chair welcomed to the meeting Ms. Elinor Savage, the Association's newly appointed Housing Regulation Manager to her first MWAHA Board meeting, Ms. Patricia McCabe of Central Consultancy, Cllr. J. Michael Williams of Powys County Council and Mr. Alex Dawson, the Association's Senior Development Officer.

1. APOLOGIES	ACTION
Apologies were received from Mr. Daniel Lewis and Ms. Susan Havard (Board Members), Mr. Shane Perkins (Chief Executive), Mrs. Sian Howells (Director of New Business), Mr. Aidan Ackerman (Director of Customer Services) and Mrs. Anna Orton (Director of Care & Repair in Powys).	
2. DECLARATIONS OF INTEREST	
Mr. Peter Swanson, Chair, declared an interest in any discussion regarding EOM, as he has recently found out his wife's nephew is an employee of the company. Mrs. Morag Bailey, Mrs. Pamela Smith and Mr. Vic Brown declared an interest in item 9 – Rent Setting Policy – as they are tenants of the Association.	
3. MINUTES OF THE BOARD OF MANAGEMENT MEETING HELD ON 20TH SEPTEMBER 2017	

<p>Mr. Richard Martin proposed and Mrs. Pamela Smith seconded that the minutes of the Board of Management Meeting held on 20th September 2017 be approved as a true record.</p>	
<p>4. MATTERS ARISING</p> <p>Members accepted the paper for information.</p>	
<p>5. APPOINTMENT OF NEW BOARD MEMBERS</p> <p>Members heard that four candidates had been interviewed, all of whom were appointable, which had led to a very difficult choice.</p> <p>After some discussion about skills and other diversity issues, Ms. Liz Jenkins proposed and Mr. Peter Swanson seconded that Mr. Alex Gambroudes and Mr. Mark Roberts be invited to join the Board of Management as co-opted Board Members with effect from the next Board meeting on 24th January 2018. All Members were in agreement.</p> <p>The Governance Officer was requested to write to the two other candidates to encourage them to remain interested in the Association given that further vacancies may arise later in the year.</p>	<p>GO</p> <p>GO</p>
<p>6. CHANGE OF COMPANY SECRETARY – CARE & REPAIR IN POWYS</p> <p>Mrs. Morag Bailey proposed and Mr. Tony Bowron seconded that:</p> <ul style="list-style-type: none"> a) Mr. Shane Perkins's resignation as Company Secretary to Care & Repair in Powys is accepted; and b) Mr. Charles Brotherton be nominated to the Board of Care & Repair in Powys as Company Secretary of the Agency. 	<p>Co. Sec.</p>
<p>7. BOARD WORK PLAN 2018-19</p> <p>Members were advised that the Organisational Development Committee had been unable to discuss this as their meeting in November had been cancelled due to not being quorate. Members heard that the idea of a Governance Day of Board meetings was dependent on a review of delegations and the wider governance arrangements within the Association; greater delegation to Committees would result in fewer papers submitted to Board for discussion.</p> <p>However, several Members voiced concern at the potential heavy demand on the time and energy of Members and Officers who may be involved in two Board Meetings on one day.</p>	

<p>Members noted the information and requested that it be discussed further at the routine Organisational Development Committee meeting on January 10th 2018.</p>	<p>Co. Sec.</p>
<p>8. DEVELOPMENT POLICY</p> <p>The Association’s Senior Development Officer (SDO) introduced the policy and welcomed questions from Members.</p> <p>A Member queried the Association’s policy on wifi connectivity for new homes; whilst the Association is mindful to keep pace with technology, there is no specific resource available to add ducting and electric car charging points, for example. Other Members asked about the impact of leaving the EU and the provision of outline planning consent for land-banking which it was agreed would be added to section 3.3. Members were also advised that housing need is refreshed by consulting the Common Housing Register at the point when a scheme is nearing completion and to inform size, type and tenure mix for future developments, (though data inaccuracies within the Register were noted).</p> <p>The SDO undertook to rewrite the penultimate bulletpoint under section 3.2 as it was repetitive. In addition, the final bulletpoint under section 3.5 is to be amended to read: <i>“Approval must be recorded by the Director of Finance and one of three other Directors”</i>.</p> <p>A Member commented that she had been unable to find the minutes of the Tenants’ and Residents’ Forum (TaRF) which had considered a revision to this policy and the Director of Finance undertook to append them to the matters arising for the next meeting. Members requested that the TaRF minutes should be placed on the MWAHA website.</p> <p>Mr. Richard Martin proposed and Mrs. Pamela Smith seconded that, taking into account the above comments, the Development Policy be approved.</p> <p>The SDO left the meeting at this point.</p>	<p>DoF</p>
<p>9. RENT SETTING POLICY</p> <p>The Director of Finance (DoF) gave a PowerPoint presentation on Rent Setting and explained that the Association is free to determine the basis of setting rent within the policy introduced by the Welsh Government in 2013.</p> <p>In response to a Member’s question, the DoF confirmed that the main driver for rent setting was the rebalancing of differentials over a period of time rather than individual property or tenant affordability. Members</p>	

felt that the 4.5% increase proposed was a large one and that families are being heavily impacted. Given that this increase is likely to affect tenants who will experience difficulties from the benefit cap, it was felt that the Association could be putting them in a difficult financial situation; the DoF acknowledged this point but emphasised that the illustrations within the presentation still showed that rents were affordable. However, Members still felt that a family living in a four-bedroom house will struggle to afford the rent. Once again, the DoF acknowledged these points but replied that TaRF representatives had felt it was a fair balance of increases.

Members noted the dilemma of whether the Association should focus more on keeping rents low for working families in larger properties or for those individuals struggling in single person flats on low wages and consigning them further to the benefit trap? The DoF said that he hoped many tenants would be pleased that the increase was not inflationary and therefore should enable people to remain living in their homes.

Members were concerned about tenants paying the same for a two-bedroom bungalow as those living in a four-bedroom house, whilst accepting that it fulfils the policy objective set; a Member asked whether tenants will be advised that this is likely to be the final year of rebalancing and why the Association has adopted its approach? The DoF said he would be happy to follow that suggestion.

Members noted that the 4.5% proposed increase will apply to three-bedroom properties also and the DoF acknowledged that it would be useful to have information on the typical earnings of the Association's tenants in order to inform the affordability.

A Member summed up the discussion by reminding her colleagues that the Association is able to increase rents by more than it is proposing; it is having to cover a large variety of different property types and we have to meet the 2.9% increase as stated in the Business Plan. Tenants will have to make choices how they spend their money; this is a sensible approach, she added, and is the least 'painful' way to achieve what we need to achieve, given there is no 'right answer'.

However, a Member still felt that such a big increase for three- and four-bedroom properties was too great in the current economic climate. The DoF replied by re-emphasising that the Association is proposing to increase its rents by less than permitted by the Welsh Government and it is in a minority of associations in not maximising the rent. He suggested that it could be sensible – as a risk mitigation measure – to take the maximum increase now in case of potential future rent policy decreases! Affordability needs to be reflected into existing rents.

DoF

Mr. Richard Martin proposed and Mrs. Morag Bailey seconded that the following be approved:

- a) Maintaining alignment rents of sheltered housing properties to the equivalent general needs property;
- b) Maintaining alignment of rents of supported housing properties with the equivalent general needs property;
- c) Increasing rents of one-bed flats by 1.5% acknowledging these rents are already at LHA levels;
- d) Increasing rents of two-bed flats by 3.0% (CPI only) to create a more appropriate rent differential between one- and two-bed flats (c£8 per week);
- e) Increasing rents of one-bed general needs houses 3.0% (CPI only) to maintain the differential to one-bed flats (c19% higher); acknowledging these rents are above the LHA levels;
- f) Increasing rents of two-bed houses by 3.5% (CPI +0.5%) to create more appropriate differential to one bed houses (c£10 per week), acknowledging these rents would be at cLHA level;
- g) Increasing rents of three-bed general needs houses by 4.5% (CPI +1.5%) to create a more appropriate differential to two-bed houses (c£8 per week);
- h) Increasing rents of four-bed general needs houses by 4.5% (CPI +1.5%) to create a more appropriate differential to three-bed houses (c£10 per week);
- i) Increasing rents of five+bed general needs houses by 4.5% (CPI +1.5%);
- j) Freezing rents for intermediate property rents; reflecting the lack of increase in the private market rents, subject to confirmation by Morris, Marshall and Poole (MMP);
- k) Freezing rents for market property rents; reflecting the lack of increase in the private market rents, subject to confirmation by Morris Marshall and Poole (MMP);
- l) Endorsing the use of SAP scores as the basis of setting 'exception' rents especially new build properties;
- m) Endorsing the use of the 40th percentile of gross earnings in Mid-Wales as a measure of affordability, ensuring the rent of a two-bed house does not represent more than 30% of the 40th percentile of gross earnings;
- n) Endorsing the use of the additional cost of construction to assess the additional level of rent for the larger properties; and
- o) Reviewing the basis of setting rents when the Wels Government announces any changes to the Rent Policy.

All Members were in favour except for one Member, who abstained from voting.

10. RECOMMENDATIONS FROM AUDIT & SCRUTINY COMMITTEE

<p>In the absence of the Director of Customer Services, the Governance Officer introduced the report.</p> <p>Mr. Richard Martin proposed and Dr. Olivia Morris seconded that Members approve:</p> <ul style="list-style-type: none"> a) The Quarter 2 Key Performance Indicators; and b) The Audit Register. <p>All Members were in agreement.</p>	
<p>11. RECOMMENDATIONS FROM FINANCE & RISK COMMITTEE</p> <p>The Director of Finance (DoF) advised Members that the Committee had received a presentation from a Treasury Adviser of the David Tolson Partnership, at its Special meeting in November, who has subsequently been asked to review the Association's Treasury Strategy and loan portfolio.</p> <p>The DoF commented that financial markets are likely to become increasingly nervous the nearer Britain gets to leave the EU and therefore refinancing the Association's loans will need to be undertaken soon.</p> <p>The Chair of the Finance & Risk Committee stated that the Association is on target to meet the budgeted surplus and staff are working well in meeting these budgetary pressures.</p> <p>The DoF advised Members that the loan with GB Social Housing (GBSH) had been finalised at 3.64% interest rate.</p> <p>Mrs. Morag Bailey proposed and Mr. Tony Bowron seconded that the following be approved:</p> <ul style="list-style-type: none"> a) The Quarter 2 Management Accounts; b) The Quarter 2 Treasury Management Report; and c) The Strategic Risk Map. 	
<p>12. AUTHORISED SIGNATORIES AND UPDATE TO FINANCIAL REGULATIONS</p> <p>The report was presented as a revision to the current Authorised Signatories to cover the absences of the Chief Executive and Director of Customer Services, together with a clarification of the levels for approving payments.</p> <p>Mr. Richard Martin proposed and Mrs. Pamela Smith seconded that the following be approved:</p>	

<p>a) The temporary authorisation of signatories, as follows:</p> <ul style="list-style-type: none"> • The Income Management Team Leader to act as the Director of Customer Services for authorising orders/invoices and releasing payments relating to Customer Services; • The HR Manager to act as Chief Executive for authorising orders/invoices and releasing payments relating to HR, PR, Marketing and offices; <p>b) The reaffirmation of the requirement in the Financial Regulations that all individual payments £50,000 and above need to be signed off by a Director.</p> <p>All Members were in agreement.</p>	
<p>13. USE OF SEAL</p> <p>The Use of Seal was tabled at the meeting.</p> <p>Dr. Olivia Morris proposed and Mrs. Pamela Smith seconded that the Use of Seal be ratified.</p>	

Cllr. Mike Williams left the meeting ahead of the discussion of confidential agenda items. He commented that he had been impressed with the quality of the debate at tonight’s meeting, showing the benefit of choosing Board Members from within the community the Association serves. He was thanked for his attendance.

Agenda items 14 to 21 are recorded under the Confidential Minutes of the Board of Management of Mid-Wales Housing Association held on 6th December 2017.