



Performance Standards Compliance Report

Agenda Item 6c

As at 30th June 2018

Each year Mid-Wales Housing Association prepares a Business Plan outlining its priorities for the following five years. The priorities are:

- Governance
- Financial Sustainability
- Growth
- EOM
- Tai Ceredigion
- Asset Management
- Affordability
- Service Review Improvement

The Welsh Government Ministers expect all Welsh Housing Associations to be:

- Well governed
- Financially viable
- Provide good quality services

Each Housing Association needs to provide the following stakeholders with reassurance that they can do this:

- Tenants
- Board of Management
- Lenders and external customers
- Welsh Government

Mid-Wales Housing Association provides this reassurance by:

- Producing an annual Business Plan
- The actions are entered into a performance and planning tool known as Pentana
- The actions are regularly updated within Pentana
- The attached document is a collective achievement of those actions including the data which drives the attached.

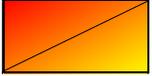
PERFORMANCE STANDARDS COMPLIANCE REPORT - Q1 2018-19

Performance Standards (2018)-

The “Standards of Performance” are set by the Welsh Ministers in accordance with section 33A of the Housing Act 1996. Failure to meet a “performance standard” is potentially a ground for exercising regulatory powers including a revised Co-regulation status and can lead to exercising enforcement powers contained in the Housing Act 1996.

Performance Standards					
Code & Title	Gauge	Value	Target	History	
✓ PI18PS001 Performance Standard PS.1 (Effective Board & Executive)		91.00%	100.00%		
✓ PI18PS002 Performance Standard PS.2 (Effective Tenant Involvement)		81.00%	100.00%		
✓ PI18PS003 Performance Standard PS.3 (Current & Emerging Risks)		91.00%	100.00%		
⚠ PI18PS004 Performance Standard PS.4 (Evidenced Self Evaluation)		80.00%	100.00%		
✓ PI18PS005 Performance Standard PS.5 (Achieving Positive Outcomes)		85.00%	100.00%		
✓ PI18PS006 Performance Standard PS.6 (Delivering Value For Money)		90.00%	100.00%		
✓ PI18PS007 Performance Standard PS.7 (Regulatory & Statutory Compliance)		84.00%	100.00%		
✓ PI18PS008 Performance Standard PS.8 (Effective Financial Plan)		85.00%	100.00%		
✓ PI18PS009 Performance Standard PS.9 (Effective Treasury Management)		85.00%	100.00%		
✓ PI18PS010 Performance Standard PS.10 (Liabilities & Asset Performance)		87.00%	100.00%		

← 1 of 1 →

PS.1 (Effective Board and Executive)	Compliance:	Yes	Related Risks:		Current Business Plan Performance Status	
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The Business Plan is divided into eight business areas which are monitored within Pentana through Actions, Performance Indicators and Risks. Board and Executive Group are provided with a clear vision and compliance for the Association. This is evidenced by the following

- 5 year rolling Business Plan reviewed annually
- 35 year Financial Plans reviewed as part of Business Planning
- Clear Board Membership Policy; Committee Structure and terms of delegation
- Intercompany Agreement with Subsidiary (Care & Repair in Powys)
- Adoption of Community Housing Cymru Code of Governance
- Annual Compliance Statements from Directors as part of Annual Account Process
- TIAA Internal Audit programme
- Governance Development Plan
- Board Appraisal process undertaken annually independently appraisal triennially
- Regular Performance Reports

Actions undertaken:

The Business Plan actions and KPI's have been uploaded into Pentana. Employees are commencing work on them and Performance continues to be reported to and monitored by Board Members and Teams.

The annual programme of internal audits has commenced.

The Audit and Scrutiny Committee meeting held in June considered the following annual compliance statements on internal controls :

- From Directors as part of the Annual Accounts

- Upon Health and Safety
- With Code of Governance
- With Performance Standards

The Governance Development Plan (GDP) now includes actions from the Whistle Blowing action plan, outstanding actions from Care and Repair GDP for 2017-18 and current actions for MWA and CRP for 2018-2021. It was approved at the Organisational Development Committee (ODC) in May 2018 and CRP Board in July 2018 who delegated authority to ODC for further monitoring at their routine meetings.

Deputy Chair steps down from Board "by rule" at this AGM. To date informal discussions by Members have not identified a clear successor.

The purchase of EOM is progressing and will be discussed at a special Board Meeting scheduled for August.

The Pentana system has now been fully configured for the 2018/2019 year for both Mid-Wales Housing Association and Care & Repair in Powys. This includes Business Action Plans, Reviewed PIs and the Latest Risk Maps. New portals have been provided for external users such as Board of Management.

PS. 2 (Effective Tenant Involvement)	Compliance	Yes	Related Risks:		Current Business Plan Performance Status	
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The Business Plan is divided into eight business areas which are monitored within Pentana (formerly Covalent) through Actions, Performance Indicators and Risks. Effective and appropriate tenant involvement and high quality and improving services can be evidenced by the following

- Tenants' and Residents' Forum (TaRF)
- Regular Chips and Chat events
- Service Reviews
- Tenant Board Members
- Feedback from tenant surveys

- Trends from Benchmarking
- KPI Dashboard

Actions undertaken:

The service review of Remote Working was put on hold initially as a result of the Whistle Blowing allegations. However, the Association has agreed to the purchase of Total Mobile, as a means of enabling visiting officers to work remotely, thus reducing time having to be spent in the office on administration duties following visits.

The Community Participation Officer continues to engage with tenants through the regular T&RF and Chips and Chat meetings. The annual canal boat trips have been scheduled with staff in attendance. It is planned to look at other ways of engaging with tenants during the year. Staff from the Finance Team meet with Leasehold residents annually and send information on a quarterly basis.

The Association remains in the top quartile of Housemark when benchmarking the results of the annual tenant satisfaction survey.

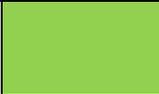
Performance information and all other relevant information continues to be reported to tenants through the regular publication of the LOOK Magazine.

A letter promoting the Experian Rental Exchange has been issued to all tenants and will be issued to all new tenants, explaining the advantages of having their data shared with Experian in order to obtain the benefits of having a credit rating. Some tenants (4%) have chosen to opt out of this offer.

The Renting Homes (Wales) Act will be impacting on the Association which will involve a large piece of work being completed within the Community Housing Team. This is scheduled to take place during the year.

Welfare Benefit Reform Strategy has been reviewed and approved by Board on 11th July. Strategy shared with all staff and especially with the Income Management Team Leader and her team to update the action plan that flows from the strategy.

The acquisition of stock from another Housing Association is progressing, meetings have been held between tenants and staff. It is disappointing to note that of 39 properties only representatives from 5 households attended.

PS. 3 (Current and Emerging Risks)	Compliance	Yes	Related Risks:		Current Business Plan Performance Status	
<p>The Business Plan is divided into eight business areas which are monitored within Pentana through Actions, Performance Indicators and Risks. Comprehensive assessment of risks is identified within the compliance report which illustrates the risks attached to each Performance Standard where appropriate. New business development opportunities and risk management can be evidenced by the following</p> <ul style="list-style-type: none"> - Approved Risk Map; - Quarterly review of risk by Finance & Risk Committee; - Annual review or risk by Finance & Risk Committee. - Stress testing of Financial Plans - Development of Cumulative Impact Reporting - Use of Member Task & Finish Groups to scrutinise major projects - TIAA Internal Audits <p>Actions undertaken:</p> <p>The Risk Map is routinely updated and has now been split into Strategic and Operational Risks, with Team Leaders having the responsibility for updating the Operational Risks. Risks are being reported as part of this report, the reporting has been refined this year to better reflect the position in relation to the Performance Standards.</p> <p>Two internal audits have been carried out by TIAA, A compliance Review of Fire Safety and an Assurance Review of Development Contract Management. Both audits were awarded Reasonable assurance.</p> <p>Ceredigion County Council have started the process of looking to retender Supported Living and Bespoke packages of care. Supported Living providers will be prepared for the procurement exercise and notice given in September. The Dynamic Purchasing System and Innovation Partnership is expected to be in place by December 2018. Met with Adrian Jones Supporting People Manager to discuss risks to our schemes.</p>						

A review of Operational Risk Checking is scheduled to take place during the current year and will focus on Welfare Reform Mitigation and Affordability of Rents.

MWHA Properties

All Fire Risk Assessments (FRA's) to properties where the Association has direct control are complete with June's and July's FRA's ongoing.

Managed Properties

Community Housing have worked hard with support providers to retrieve FRA's for managed properties. We are now in receipt of all FRA's with the exception of 3 properties, which are being progressed by Community Housing. June's / July's FRA's are also been progressed with the service providers by Community Housing.

A considerable amount of remedial work resulting from Fire Risk Assessments has been completed at Association properties such as replacement of fire doors extension of smoke detection and the fitting of smoke seals.

PS. 4 (Evidence Of Self Evaluation)	Compliance	Yes	Related Risks:		Current Business Plan Performance Status	
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The Business Plan is divided into eight business areas which are monitored within Pentana through Actions, Performance Indicators and Risks. The Self Evaluation is clearly evidenced in the report attached at appendix 1. The performance progress against business targets is reflected in the traffic light system in the Compliance Report. Evidence of compliance is as follows:

- Linking of all business plan actions to delivery outcomes;
- Quarterly review of Self-Evaluation report from Pentana by Audit and Scrutiny Committee;
- Annual review of Self-Evaluation report from Pentana by Board.
- Publication in Newsletter and on web site

Actions undertaken:

A quarterly Self Evaluation Report is produced from the Performance Management System. The details are included within the Performance Standards in this report and is attached at appendix 1. This is reported quarterly to Board Members and is published on the website as

information for tenants and the wider public. Several KPI's were showing amber or red at the time of the report which has influenced the current performance status.

PS. 5 (Achieving Positive Outcomes)	Compliance	Yes	Related Risks:		Current Business Plan Performance Status	
<p>The Business Plan is divided into eight business areas which are monitored within Pentana through Actions, Performance Indicators and Risks. The Association has a track record in place of achieving outcomes and responding to new challenges and performance issues. This can be evidenced by the following</p> <ul style="list-style-type: none"> · Use of Pentana for all actions and monitoring; · Quarterly review of reports from Pentana by Audit & Scrutiny Committee; · Delivery of TIAA internal audit recommendations as detailed in 'Follow-up' and 'Annual reports'; · Reports to Organisational Development Committee concerning performance including Housemark benchmark data · Agreement to award a Performance Award to staff for above median performance. · Engagement with Powys County Council and Ceredigion County Council Common Housing Registers · Properties adapted to reflect need (PAGs) <p>Actions undertaken:</p> <p>Performance reports are produced quarterly and reviewed by Audit and Scrutiny committee. Board Members are now accessing Pentana remotely for up to date performance information, this has resulted in a saving on time and printing costs.</p> <p>A considerable amount of work is still in place around the Common Housing Register in Powys and its lack of efficiency. An investigation and report has been written by an independent organisation for Powys County Council which is scheduled to be published in July 2018.</p> <p>The annual employee appraisals have been completed. Actions and objectives have been set and will be monitored by Team Leaders during the year.</p> <p>Work continues with adaptations. Employees work closely with staff from Care and Repair to complete the repairs within target.</p>						

An internal audit of Voids and Lettings is scheduled to take place during Q2, it will focus on the reduction of void loss costs.

PS. 6 (Delivering Value For Money)	Compliance	Yes	Related Risks:		Current Business Plan Performance Status	
<p>The Business Plan is divided into eight business areas which are monitored within Pentana (formerly Covalent) through Actions, Performance Indicators and Risks. Value for Money across the business can be evidenced by the following:</p> <ul style="list-style-type: none"> · Value for Money (VfM) Policy · Monitoring a comprehensive suite of indicators that demonstrate VfM; · Quarterly review of VfM reports from Pentana by Audit & Scrutiny Committee; · Annual report of Value for Money in Annual Statutory Accounts · TIAA internal audit. · Annual Benchmarking Report to Audit and Scrutiny Committee <p>Actions undertaken</p> <p>Value for Money is always considered within any reports written for Board Members. A Value For Money Matrix is also completed as a means of transparency for any tender exercises at the Association.</p> <p>Value for Money KPI's are set within Pentana and reviewed every 6 months or annually as agreed with Board.</p>						

PS. 7 (Regulatory and Statutory Compliance)	Compliance	Yes	Related Risks:		Current Business Plan Performance Status	
<p>The Business Plan is divided into eight business areas which are monitored within Pentana (formerly Covalent) through Actions, Performance Indicators and Risks. Compliance with regulatory and statutory requirements and guidance can be evidenced by the following</p>						

- Welsh Government Regulator has unfettered access to Pentana performance management tool
- Welsh Government Regulator Receives all Board Papers
- Routine meetings between Welsh Government Regulatory team and Senior Officers of Association
- Statutory Gas, Smoke and Electrical safety checks take place and are monitored at weekly Performance meetings

Actions undertaken:

Tai Ceredigion and Mid Wales Housing have commenced the collaborative working project. A Joint Steering Group has been established which includes Executive Team Members and Board Members from each organisation, a Joint Project Group has also been established which is made up of Executive Team Members and staff from each organisation. Savills have been appointed to lead on the project. The selection process for financial and Legal services has commenced. Welsh Government, tenants and Key Stakeholders will be kept updated.

A Senior Maintenance and Health and Safety Officer has been recruited, the role will be to focus on all aspects of Health and Safety for tenants, staff and contractors.

Board received annual compliance reports on:

- Health and Safety
- Code of Governance
- Performance Standards

PS. 8 (Effective Financial Plan)	Compliance	Yes	Related Risks:		Current Business Plan Performance Status	
<p>The Business Plan is divided into eight business areas which are monitored within Pentana (formerly Covalent) through Actions, Performance Indicators and Risks. A financial plan is in place to support the business plan along with effective monitoring of performance. This can be evidenced by the following:</p> <ul style="list-style-type: none"> · Annual approval of financial forecasts including sensitivity testing; · Detailed financial assessment of any major project upon the financial forecasts, including the impact of ‘multiple’ projects; 						

- Annual approval of development scheme viability assumptions with basis of assumptions explained;
- Annual approval of budget parameters;
- TIAA internal audit reports upon financial plans;
- Feedback from funders upon the financial forecasts;
- Financial comparisons with other housing associations and 'Global Accounts'.

Actions undertaken:

An internal audit of Key Financial Controls takes place annually and is scheduled to take place in Q4. This audit has received substantial assurance during the previous 3 years.

Financial information is routinely shared with Board Members.

Financial plans are in place for the four major projects currently taking place at Mid-Wales Housing, Cylch Caron Extra Care Scheme, proposed purchase of EOM, purchase of the properties from another Housing association and the collaborative project with Tai Ceredigion.

The Finance and Risk Committee members received at a special meeting a Financial Booklet outlining detailed financial plans and assumptions for the Cylch Caron Project and proposed purchase of EOM. These booklets will be updated for members when significant information changes.

All financial loan requirements have been completed for Q1.

PS. 9 (Effective Treasury Management)	Compliance	Yes	Related Risks:		Current Business Plan Performance Status	
<p>The Business Plan is divided into eight business areas which are monitored within Pentana through Actions, Performance Indicators and Risks. Effective management of treasury operations ensuring sufficient liquidity at all times can be evidenced by the following</p> <ul style="list-style-type: none"> - TIAA report upon Treasury function; 						

- Quarterly Treasury reports review by Finance & Risk Committee;
- Appointment of specialist Treasury Advisors;
- Up-to-date Treasury Management Policy and Strategy.

Agreed actions:

An internal audit of Key Financial Controls takes place annually and is scheduled to take place in Q4. This audit has received substantial assurance during the previous 3 years.

Work has commenced to consider Private Placement for Loan Finance. Solicitors have been appointed to draft Note Purchase Agreement and undertake the property security work. The properties to be secured have been identified and solicitors agreeing test with funders. Training on the Private Placement is arranged for 2nd August with the Finance and Risk Committee.

The restated Revolving Loan Facility with Barclays Bank was completed on 24th July. This now provides an £8 million facility to fund the Associations development programme during its construction phase. This loan has up to date financial covenants giving the flexibility required.

PS.10 (Liabilities and Asset Performance)	Compliance	Yes	Related Risks:		Current Business Plan Performance Status	
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The Business Plan is divided into eight business areas which are monitored within Pentana through Actions, Performance Indicators and Risks. Asset and liabilities performance can be evidenced by the following

- WHQS programme in place
- Review of Asset and Liability Register Compliance Statement by Audit & Scrutiny Committee.
- TIAA report upon Asset Management;

Agreed actions:

WHQS Works progressing well with approximately 65% of the programme complete. EOM have advised the resource will be diverted from WHQS to the bathroom programme which we have agreed. The remainder of the programme will commence later in the year.

Number of fully compliant properties as at 31/03/18 = 639 which re

presents a 12.9% increase in fully compliant properties since last reported to Welsh Government in March 2017.

Number of compliant properties subject to acceptable fails = 761, of which 314 properties have SAP rating below 65. Average SAP rating overall = 70.6. Planned replacement of doors/windows and boiler replacements prioritised in order to increase energy efficiency ratings in 29 of these properties.

The Voids Team processes have been reviewed and a contractor is now working 35 hours per week in the Voids Team to maintain the service. A key priority has been to implement the recharge process for responsive repairs and voids. This is currently being implemented.

This statement of compliance was approved by the Board of Management on:Agenda item:.....

Signed:

Chair of Board of Management:..... Chief Executive:.....