

SOUTH DEVON RURAL ASSOCIATION LTD

A meeting of the Board of Management will be held on Wednesday 23rd May 2018
at the Sea Trout Inn, Staverton, Totnes TQ9 6PA at 5 p.m.

AGENDA

1	Apologies	
2	Minutes of Previous Meetings: Jan 2018 and March 22 nd Special Meeting	
3	Matters Arising:	
4	Declarations of Interest	
	Chairman's Action	
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Board meetings 25 July; 17 October. AGM (60 years) 12 September.

South Devon Rural Housing Association Ltd
Minutes of the Board of Management Wednesday 31st January 2018,
at 5.00 pm at Forder Lane House

Present

Board Members

Jim Davis – Chairman (JD)
Prana Simon (PS)
Rod Hewett (RH)
Sally Fairman (SF)
Martin Lightfoot (ML)

Staff

Steve Prime - SDR Chief Executive (SP)
Francis Bourke – Operations Director (FB)
Claire Barnett – Finance Director (CAB)
Elena Davis – Housing Officer (ED)
Julie Garner – Minutes (JG)

NO: Agenda Item

1 Apologies

Alec Munroe (AM) Sebastian Stewart (SS) Roger Hands (RH2)

2 Minutes for October 2017 Board

JD opened the meeting and welcomed everyone. There were no comments to note. JD signed as a true record.

The board approved the minutes to the October board meeting.

3 Matters Arising

Allotment of RHL shares

SP advised the allotment of RHL shares had taken place and the cash has been sent to RHL. The paperwork is now with SP and CAB.

SP advised the Board that there would be a private meeting for the Board members at the end of the board meeting with no staff present, this is an agenda item but was missed when putting the papers together.

SP advised the submission for the Lloyds loan has been submitted based on development assumptions for ROC Brimhay, Kingsbridge and Wrangaton reports.

4 Declaration of interests

ML declared his interest with regard to his employment with DCH.

5 Chief Executive's Report & appendix 1

SP advised the Board that he has produced an executive report which is a summary of the business and that he is looking to make this a regular feature in the board papers and board meetings subject to agreement. He said the Project Report did not really reflect all that was happening in the business.

RH referred to page 1 and queried the number of properties SDR held in 2013. SP advised figures are at the bottom of page 1 and were 291 units and that the figure of 377 relates to the projected figure for April 2018.

RH queried section 6 and the maximum period of 4 weeks for one to one care at Forder Lane House and asked if SDR charge extra for this service. SP advised this refers to the period of assessment and that there is no extra charge but that SDR are looking at pricing tools given how the market is changing. CB asked if there was any forward planning for the demand of rooms at Forder Lane House. SP advised that social services are now willing to pay our level of fees as people are coming to Forder Lane House at a later stage when their needs are greater. Social Services are putting pressure on Forder Lane House to take and care for residents which in the past could have been classed as needing nursing care. The care manager is aware of the requirements not to accept residents who may have needs higher than those we can provide and also when existing residents require more care than we can provide. SP added that care homes appear to be closing because they can't keep up with regulations and SDR are cautious about being expected to make decisions about clinical related care.

RH referred to appendix 1 of the Chief Executive's report and added that 98% tenant satisfaction on responsive repairs is a very good result. SP advised SDR have worked hard to improve repairs satisfaction and that satisfaction surveys are carried out by our contractors and by direct telephone follow up by SDR staff. RH queried how SDR collected 5% more rent and CAB advised the housing team has encouraged tenants to pay rent in advance as stated in their tenancy agreements. FB added this is good practice as the introduction of universal credit will mean there will be delays in some tenants receiving benefits, and being in advance will support tenants making the transition to Universal Credit.

RH referred to page 5 of 12 and the bed net rent for 1, 2 and 3 beds and queried the ranking. SP advised if the ranking was low it would mean SDR were charging a lower rent than the benchmarking group which could be seen as positive from a social point of view.

JD referred to SDR's rating 4th for number of repairs completed but that this was due to the small size of SDR as opposed to larger housing associations. It was commented that this should be compared to the number of properties held by the association where they are responsible for repairs, a percentage figure would be more comparable.

ML referred to the ransomware attack and asked if SDR are equipped to deal with this. SP replied yes, SDR updated all its hardware software and security systems when moving to a new provider in June 2017. Our new provider Omniledger provided excellent support dealing with the cyber attack and have checked IT systems thoroughly. All systems are up and running with no serious detriment to the business. SP informed that we were waiting for a report of how this had happened. SP advised that SDR has a current Business continuity plan which includes disaster recovery.

Reports for Decision

1
1a

Financial Reports

Q3 Management Accounts & Appendix 1

CAB advised she has separated the reports on the Q3 figures and budget figures for 2018/19 to make them easier to understand. There is a surplus on sales for the first tranche sale of the shared ownership property. CAB has looked at accounting guidance which states the first tranche sale of shared ownership properties is included in the income and expenditure account. CAB added that she will check with bench marking group and the auditors as she has not dealt with this before.

CAB advised that the utility bills for SDR and FLH have been sorted and reductions in costs for FLH made. RH said he felt the presentation level of the accounts is excellent. JD said he found 7 lots of appendix 1 confusing and PS added that this is the correct format. ML remarked that it would be beneficial to have a movement column so the Board can see what has changed since the last board meeting.

SP reminded the board that the Q2 income figures were higher than projected and that CAB had updated the board after the meeting regarding the reasons why rents figures were higher. RH queried the voids for Forder Lane House. CAB stated that the cost was £32,000 to the end of Q3 and she had projected 2 rooms empty for the remaining quarter at a total cost in the year of £41,000.

Board members noted the Q3 and projected outturn figures for 2017/18.

1b

Budget Proposal 17/18 & Appendix 1

CAB referred to the 3 year budget income projection and advised that rents are reducing by -1% until 2020. Rents at Forder Lane House are not subject to the -1% these are inflated to cover increases in employee expenses. CAB added that there is a balance with FLH staff with the minimum wage paid to housekeepers, which meant the pay gap with care staff was a risk and pay rates were carefully reviewed and advised that employee pension contributions are also increasing. RH queried staff numbers and SP advised staff numbers are being reviewed. RH queried staff numbers at South Devon House and SP advised that efficiency savings were being made in back room processes restraints with regard to VFM. RH queried the apprentice levy and whether SDR would be affected by this. CAB advised SDR are a small association and are not affected, however SDR did employ an apprentice in this financial year.

CAB referred to movement on variable rates for loans and said she has made the assumption that base rates may increase in October 2018 by 0.25% and that there are non-utilisation fees on the loan for Brimhay for 6 months only. The council tax is now being charged at 150% on properties at Brimhay whilst awaiting demolition. SP advised SDR are now paying capital back on the CAF and TRIODOS loans which is reflected in the cash flow.

JD queried the 1% base rate increase of £33,000 additional costs and the budgeted £16,000 surplus. CAB advised if SDR tip into a deficit SDR will still achieve the interest cover covenant. SP added that deficit does not mean SDR are not making money and that some larger housing associations use sales to boost surplus. ML queried management costs with regard to bench marking. CAB advised some costs could be taken out and that the main costs are staffing, office rental and office running costs. SP added CAB will review management costs within the next 12 months to ensure they are comparable to the benchmarking group.

ML queried the management costs increasing year on year in the budget figures. CAB advised that the original budget for 17/18 was £423,000, so comparably year on year the figures were not such a high increase. SP added that turnover had increased significantly with the acquisition of 54 units from Sovereign HA.

Board members are recommended to approve the rent reductions for housing rents in 2018/19.

Board members are recommended to approve the Forder Lane house room increase for 2018/19.

Board members are recommended to approve the annual budget for 2018/19 with a projected surplus of £16,953.

Proposed: RH

Seconded: PS

All in favour

1c Cash Flow & Appendix 1

CAB advised the business is viable for next 10 years. There have been no breaches of covenants and developments are going through. SP advised the FFR is the housing communities' standard and that if there were any issues with our accounts this is where they would look. JD asked if the figures for properties for sale for 2017 and 2018 were realistic? CAB confirmed they were realistic and advised these figures were not included in the fixed assets. SP added that Christina Park will be up for sale this week.

Board members are recommended to approve the cashflow.

Proposed: ML

Seconded: RH

All in favour

1d Capital Programme Components

FB asked the Board if they had any questions. SP reminded the Board about their commitment made a year ago of £1,000,000 over 4 years, for the Capital Components Programme and that any underspend should be carried forward. RH referred to the depreciation policy and queried if part of a kitchen is refurbished it is not referred to as a kitchen replacement.

SP added that if it is identified that a new kitchen or bathroom is required outside of the component programme this will be replaced. PS advised there is no cost shown for 1 The Orchard and wouldn't this affect the grand total? FB advised he would update this.

The Board are recommended to note the expenditure to date for 17/18 and approve the component spend of £250,000 for 2018/19, which includes a carry forward from 17/18

Proposed: SF

Seconded: CB

1e Capital Programme Report (Non-Components) & Appendix 1 & 2

CAB advised this was to show the Board what has been spent on the developments including the proposed phase 2 at Brimhay. RH queried the sinking fund referred to on appendix 2. CAB advised sinking funds held for Hartley Court and Western House properties have to be shown in SDR cash balances in the financial statements so it is shown in appendix 2 to allow the Board to cross check the board report to the financial statements. SF queried if adaptations at The Laurels had finished. SP advised the local authority were completing those works not SDR.

The Board to note the capital expenditure, the cashflow and approve the budgets for 17/18 and 18/19 including the carry forward on the Brimhay scheme.

Proposed: RH

Seconded: ML

All in favour

7 2 Development Programme Report

2a Brimhay Verbal Update

SP advised everyone that the board authorised the £123,000 for enabling works including demolition and drainage design to be carried out by Coydes. SP said that SDR are poised and ready to go should the Judicial Review fail. SP advised that if Brimhay goes to judicial review the delay could be up to 1 year. SP added that he has been approached by Dartington Parish Council regarding further talks. SP added that SDR had already had 3 meetings with the Parish Council and that DBDUC do not speak for all the community and are only interested in delaying SDR's development. A discussion took place on the pros and cons of a further meeting with the DPC and it was agreed that in view of the uncertainty of the JR, SDR would decline a meeting at this time.

SP also informed the board he had now met with Rob Hopkin who said he did not represent any particular group but thought he could help resolve issues at Brimhay. SP said that objectives have changed as we no longer need to decant 12 residents into the new flats as there are only 3 residents left on site. SP advised Rob that it was unlikely the board would want to get into another set of discussions on a new planning application, the main reasons being the amount of money already invested in our plans, the costs and delays in

submitting a new application and the fact that planning had been awarded twice. SP advised of the board's desire to maintain its core function and provide as much social benefit as possible on the site. SP suggested that the community brief would be slightly different if issued today, but a base requirement would be to cover SDR's costs to date and that SDR would need to approve the design. SP added he did not think SDR should get involved in around the table discussions on design. SDR had spent two years in the initial design stages using four architects to arrive at the current design. RH queried their funding as the application for legal aid had been refused and SP advised they are fundraising. PS queried where we are with the judicial review and SP advised that it is sitting with the judge, who has to decide whether the decision goes to the high court, and that we should hear the outcome shortly. SP advised that if SDR have to go back to planning costs will be too high to continue. CB advised that Parish Councils have a code of conduct and if they are not keeping to this code they can be reported to the Council. SP said that there are very few sanctions that the council can inflict and advised that he had previously had discussions with the SHDC Officer responsible for the code of contact. RH proposed that after the judicial review the Brimhay sub - committee will need to consider meeting with the Parish Council and that we will need clarity in the context of the meeting.

SP advised that the roofs went on this week at the Old Totnes Road development The transfer of Polmorla Road from Kindle homes should go through in the next 3 weeks. The SHIP project is going well and the latest projection for completion is 27th April 2018 and the marketing has been agreed.

2b Rural Homes Development Report

SP advised outline planning has been approved for the development at Kingsbridge with a possible profit of 1.6 million, subject to JV terms, for RHL and that outlined planning for Wrangaton has been approved. RH queried how to improve viability and SP replied possibly by detaching some units for higher value and added that a competitor in Ivybridge is selling for 5% higher. SP advised that new opportunities were few and that SDR need to find new business, particularly if Brimhay is delayed further.

The Board noted the Development and the future development report from Rural Homes Limited

8 3 Governance

3a Board Appraisal – verbal

SP advised that board appraisal needed to be implemented in accordance with the new policy as agreed and confirmed that JD has the process in hand. JD queried if the Chair and Vice Chair need to appraise all board members. SP confirmed this was the case but that this can be carried out in stages it was agreed previously that stage 1 should be carried out between January and May. JD asked for shareholder application sheets to be emailed.

3b Policy Development Report

At the last Board meeting in October 2017, the board requested an action plan on how the SMT will resolve the backlog of issue of policy review. Since the October Board meeting, the senior management team have reviewed 20 policies. A further 4 have been extended as these will need further input due to forthcoming legislation changes and SDR operational improvements. There are currently no policy reviews out of date.

RH queried if policies have to come to board and SP advised if there are no significant changes, i.e the policy remains the same, they do not have to be circulated. Policies such as lettings and rent arrears recovery where there are significant or legislative changes will be circulated for consultation in the usual way which includes stakeholders, tenants and Board Members on the consultation matrix.

A typo was identified for CCTV; date last reviewed should read Dec 2017. The Board noted the report.

3c Approved Contractors List

FB advised the Board that the approved contractor list has been reviewed and contractors not used for a year have been removed. FB added that WMS are the main contractor for SDR. JD remarked that the trade on some contractor details had not been included and that this will need updating and to remove the old contractors from the list.

FB will bring this list back to the next board meeting.

3d GDPR & Appendix 1

FB referred to the new data protection regulation that comes into effect on 25th May 2018 and that SDR have an action plan for implementation. SP advised consents are already in place at FLH. FB added that we will need permission to send out a newsletter to tenants and that the request has to be in writing. SP advised permission can be sought at sign up for new tenants. CAB added that where there is a business need, such as rent statements, it is acceptable to send correspondence to tenants. FB added that fines for breaking the regulations can be as much as £20,000,000, which was originally a maximum of £4,000,000. SP advised that SDR will need to cleanse our IT system with regard to former tenants and that CAB is working with Omni with proposals to comply with the new regulations. FB advised in the main, if SDR are compliant with the current data protection regulations, they should be compliant with the new regulations coming in. FB advised the ICO guidance is still in development, however SDR have a plan to ensure processes are in place to ensure compliance. CB asked why all target dates on the action plan have May 2018. FB advised that although some areas of the action plan may be completed before May 2018, the aim is to have all areas of the action plan completed by May 2018.

GDPR will be brought back to the next board meeting in May.

3e Corporate Risk Map – verbal

SMT reviewed all the original risk maps. There are around 89 categories of risk in these maps which feed into the corporate risk map. Refresher training is booked for March at the Board away day. The board can advise SP if they feel the process of risk mapping needs to be amended, following refresher training

3f Business Plan 2017 – 2022 Review 2017 (Previously circulated – for approval) – verbal

SP advised there were no significant change from what has been circulated and where appropriate feedback incorporated in the BP. SP advised the final plan was in the Board Member secure area of the Web Site.

Board members are recommended to approve the 2017 – 2021 business plan.

Proposed: CB

Seconded: PS

All in favour

9 Reports to Note

4 Finance

4a Treasury Report

The Board noted the loans and balances held.

10 5 Housing and Maintenance

5a Performance Dashboard & Appendix 1

FB referred to the red indicators for average re-let times. FB advised this was due to 1 property that SDR struggled to allocate. FB added that the property was advertised twice and that there were several cancellations from those that applied and the property was turned down for a variety of reasons but that the property has now been let. SP advised that if this keeps happening with a particular property then SDR may need to look at selling the asset. PS queried if someone repeatedly turns down properties are they refused further properties.

SP advised people can have their priority banding taken away by Devon Home Choice. SP advised a point worth noting is the void budget was under budget despite individual properties being out of target.

The Board noted the Performance Dashboard and Appendix 1.

5b Lettings Report

The Board noted the lettings report

5c Anti Social Behaviour Monitoring

The Board noted the ASB Monitoring Report

11 6 **Complaints**
The Board noted the report.

12 7 **Health and Safety Report**
The Board noted the report

7a Gas Servicing Report
The Board noted the gas servicing report.

13 8 **Any other Business**
There was no other business.
Staff left the meeting.

Date of Next Meeting: 23rd May 2018

The meeting closed at 7:00 pm

Signed.....

Date.....

Minutes of the special board meeting, 22nd March 2018 at Buckfast Abbey

Present: Rod Hewett; Roger Hands; Seb Stewart; Martin Lightfoot; Prana Simon (Chair)

Steve gave a brief update on the Brimhay project and answered a number of questions on timings and contractual arrangements.

Steve advised the board that circumstances had arisen where Rural Homes Limited (RHL) had to reduce the offer for the land at Brimhay, designated for market sales. Steve reminded the board that the original offer of £1.1 million was made on the basis that effectively the 12 market homes were fully serviced plots. The original costings for the scheme showed SDR providing all of the infrastructure. Following technical advice on Tax and VAT from Francis Clarke, it was advised that SDR should not do this as a tax liability could arise if SDR was seen to be enhancing the value of the land. Subsequent QS reports have transferred the cost of infrastructure to RHL. RHL figures have been reworked on this basis and if land was paid at the original figure this would be wrong for RHL to proceed with the development on that basis. RHL runs the risk of trading whilst insolvent and also not trading commercially. Broadly speaking the SDR scheme is still viable and apart from uplift in the budget for delays and build costs, the scheme essentially remains the same. The RHL cashflow provided to the Board show that RHL would make a profit with the reduced land value and it is intended that the profits be gifted to SDR after the accounts have reported a profit.

Steve advised that safeguards were in place regarding the transfer of the land as it was conditional on phased repayments to SDR on the sale of the first three houses. SDR have received advice from Francis Clark that a legal agreement can be in place for the sale of the land linked to the house sales and this was approved for HMRC purposes.

The motion was proposed by Rod Hewett

The motion was seconded by Seb Stewart

The board approved the sale of land to Rural Homes Limited for £800,000

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Board of Management

Author Steve Prime

Chief Executive's Report

FOR INFORMATION

Purpose: To provide the Board of Management an overview of the business.

1 Staffing Report

There are no issues to report.

2 Sub-Market Rental Scheme (SHIRE)

Negotiations are ongoing for SHDC to give SDR notice on the remaining 10 leased SHIRE units we manage. SDR have been approached to see if we would consider a sale and leaseback of certain properties by 3hYork (Formally QSH). Our SHIRE properties would be the best units to consider for such a deal. The leaseback would be funded by a pension fund investor on a 40 year full repairing lease with assets returning to SDR for £1 at the end. Properties used would be still available for affordable housing and linked only to CPI. The FD will prepare a full financial assessment and impact report for July's board meeting.

3 South Devon House

All offices let. An office has been created for the Finance Director with direct access to light and air, within the budget for the year 17/18.

5 New Business Opportunities

- Early negotiations for leaseback opportunities.
- Site at lifton (Reported in Development Report)
- Potential site at Malborough for 16 units (development report)
- RHL contracted to provide development services to Cornwall CLT for up to one year (approximately one day per week)
- Subject of confidential Report

6 Forder Lane House

The final QAIT inspection took place on 9th May and all identified improvements have been made.

A new CHEF has been employed and new menus introduced. More emphasis and information on nutritional values will be available to residents. These changes have allowed the current cook to return to caring duties and also as activities co-ordinator.

7 George Place, Plymouth (SHIP)

This first 5 phase 1 tenancies were let from 1 May with second phase targeted for 1 June. Advance rent and deposits have been received on 6 units so far. Other tenancies are about to be let, subject to referencing.

8 60th Anniversary Celebrations

A special newsletter was distributed in April to Mark the occasion.

8 Board Member Attendance



Board Members Meeting Attendance October 2017 July - 2018

Individual attendance target 75%

Present

Name	Oct	Jan	May	Jul	March	Individual	Away day March
Prana Simon	*	*					*
Seb Stewart	*	X					*
Roger Hands	*	X					*
Alec Munroe	X	X					X
Charlotte Burrows	*	*					*
Martin Lightfoot	*	*					*
Jim Davis	*	*					*
Rod Hewett	*	*					*
Sally Fairman	*	*					*
%attendance	100	66					89

KEY:

*	= Present
x	= Apologies
#	= As co-opted member
x	= did not attend - no apologies received
	Not a member in the period
	Observer

Recommendations

Board Members are recommended to note the report.

Q4 Management Accounts 2017/18 Report

FOR DECISION

PURPOSE

To present the draft figures for the financial year 2017/18.

REPORT

The draft figures – subject to audit detailed in Appendix 1 show a surplus of £113,606 (£113,590 excluding sales) against a budgeted surplus of £18,549 (£18,549 excluding sales).

The formal approval of the financial statements will be sought at the July board following completion of the external audit of the accounts.

Covenants

The interest cover in 17/18 is 167.36%. It has to be 110% or more.

The gearing covenant is 63%, this has to be below 65%.

Income Variances – an increase in income of £80,309.

Housing – £63,670 - rental income was £33,852 higher, £13,306 relates to Brimhay income not budgeted for due to the capital works planned. Rent reviews and new schemes generated an additional £20,546. Voids were lower than expected by £10,415. Feed in tariff an additional £3,115. Insurance claims and tenant recharges an additional £2,895. Service charge income is £13,393 higher. Broomborough and Kellock service charge income was not included in the budget and some scheme costs were higher than anticipated so this is accrued and recovered in 2019/20.

Forder Lane House – £6,303 – the main variances relate to room rate changes in the year, balances on former tenant accounts where Devon County Council paid a higher rate and applied an inflationary increase, when SDR didn't apply one generating an additional £16,090, this was offset by higher voids of £10,987. Void costs totalled £41,407 in 2017/18.

South Devon House - £1,825 – this relates to higher than anticipated recharges and service charges recoverable from tenants.

Management – £8,512 – the main variances were management fees recharged to others including RHL generated an additional £7,286 and an apprentice training grant of £1,500 not budgeted for.

Expenditure Variances and increase in spend of £77,133

Housing – £99,393 the main variance relates to repairs - see separate report regarding the £64,045 over spend. There are a further £17,477 void costs relating to Brimhay not budgeted for which are partially covered by the additional £13,306 income received. Service charge expenditure was £25,312 higher – Broomborough and Kellock were not in the budget. They are

fixed service charges and they not all the spend is recoverable as the spend was higher than the fixed charge by £7,800. Compensation, and printing costs were underspent.

Development – this reflects the work carried out by Rural Homes. The £7,000 additional spend is partly offset by the additional income recharged to Rural Homes of £4,700.

Forder Lane House – under spend of £26,310. The main variance relates to utility costs for the building of £21,468 and an underspend on staffing of £5,513.

South Devon House – £1,328 – main variances – the utilities were overspent by £5,748 relating to the electricity bills higher than expected, the broadband charges are £2,254 lower due to the change in contract, business rates costs were £1,064 lower due to the valuation office review of the building during the year. Air conditioning costs were £1,606 lower due to less maintenance works required and a delay in renewing the maintenance contract.

Depreciation – equipment depreciation is lower than expected. SDR had an invoice for software licences which was thought to be over 3 years, but was actually an annual bill now included in management expenditure.

Grant - £55,000 grant from SHDC towards the purchase of The Laurels – the auditor has agreed that there are no clauses relating to the payment of grant, therefore the whole amount can be taken as income in 2017/18.

Fair Value/Gain Loss – a new valuation was sought at year end. The market value for South Devon House has increased to £710,000 from £660,000, this has resulted in the investment part of the building having a higher value than held on the books so the “gain” of £15,858 is shown in the accounts. The investment part of the building has a value of £385,000.

Interest Payments – underspend by £18,263 - these are reduced by the recharges made for capitalised interest (£6,900). The remaining underspend relates to the 1% anticipated rate increase in the year, when they only changed by 0.25% in November 2017. Interest received was higher as the cash balances held were higher than anticipated.

Surplus on disposal of Assets – previously I have shown a surplus on the shared ownership sale. This has been reviewed by the auditors and the gain on this sale is £16, as I didn't include the cost of the part sold.

RECOMMENDATIONS

Board Members to approve the 2017/18 figures (subject to audit).

South Devon Rural Housing Association			2a Appendix 1
	Q4	Q4	
	Budget	Actual	Variance
	2017/18	2017/18	To Budget
	£	£	£'000
Housing	1,392,664	1,456,334	63,670
Forder Lane House	733,230	739,533	6,303
South Devon House	80,085	81,910	1,825
Management	54,401	62,913	8,512
Total Income	2,260,381	2,340,690	80,309
Expenditure			
Housing	274,220	373,613	(99,393)
Development Costs	20,000	27,000	(7,000)
Forder Lane House	663,890	637,580	26,310
South Devon House	61,668	62,996	(1,328)
Management	404,248	399,970	4,278
Total Expenditure	1,424,026	1,501,159	(77,133)
Operating Surplus excluding depreciation & finance costs (A)	836,355	839,531	3,176
Depreciation			
Housing Properties	280,193	279,643	550
Forder Lane House	34,283	34,283	0
South Devon House	12,500	12,500	0
Vehicle Depreciation	3,400	3,501	(101)
Equipment depreciation	26,959	26,157	802
Total Depreciation	357,335	356,084	1,251
Amortised Grant	(60,593)	(60,915)	322
Grant Received		(55,000)	
PPE/Investment Adjust	0		0
Fair Value Gain/loss		(15,858)	15,858
Financial instruments adjust	-		
Operating Surplus including depreciation	539,612	615,220	(11,753)
Surplus on disposal of assets	-	16	(16)
Interest Payment & charges	521,564	503,301	18,263
Interest Received	(500)	(1,671)	1,171
Net Finance Costs (B)	521,064	501,630	19,434
Surplus/(deficit)	18,549	113,606	(95,057)
Interest Cover Calculation > 110% (A) divided by (B)	160.51%	167.36%	
Surplus without sales	18,549	113,590	(95,041)
Interest cover excluding sales	160.51%	167.36%	

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Author Steve Prime, Claire Barnett

Board of Management

Agenda Item 2b

Approval of The Dennings, Kingsbridge scheme

FOR INFORMATION

Purpose

To approve the capital spend in relation to the scheme at The Dennings, Kingsbridge.

Report

Rural Homes Ltd (RHL) on behalf of South Devon Rural (SDR) has identified a scheme at The Dennings, Kingsbridge for development.

The scheme is a mixed scheme of 3 affordable for sale properties and 11 market for sale properties. Rural Homes Ltd would build and sell the market for sale properties and SDR would fund the affordable properties. The financing would be through Lloyds bank, who are happy for SDR to on-lend to RHL.

The scheme would be developed over a period of 11 months. It is anticipated that the land transfer will be completed by June 18. Start on site will be determined by the progress on Brimhay and funds available. The scheme will be phased in a similar way to Brimhay with 3 market for sale properties built and sold to minimise the loan requirement and risk. The affordables have to be completed before the market for sale properties as per planning requirements.

Total Scheme costs are estimated at £3,321,800 and totals sales are estimated at £4,413,000. Overall surplus of £1,091,200. Further detail is shown in **Appendix 1**.

RHL and SDR would have an agreement with regard gift aid of profits. It should be noted that RHL cannot guarantee to make a fixed gift aid payment.

Recommendations

Board members are recommended to approve the development of the Dennings, Kingsbridge.

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Author Steve Prime, Claire Barnett

Board of Management

Agenda Item 2c

Approval of Lloyds Loan Offer

FOR INFORMATION

Purpose

To ensure the Association complies with the Regulatory Code, Best Practice and promotes continuous improvement.

Report

Rural Homes Ltd have been working on a number of proposed development schemes for South Devon Rural. In order to be able to progress when the schemes are ready, discussions have been held with Lloyds Bank to ensure the finance is in place. Lloyds have been provided with the FFR cashflow information and financial appraisals of the scheme. They have now produced a formal offer to initially fund the purchase of land with a term loan of £600,000 and a further loan of £500,000 for works on the site.

Attached is the formal offer from Lloyds Bank to SDR at **Appendix 1**.

The security to be charged to the loan is shown at **Appendix 2**.

Recommendations

Board members are recommended to:-

Approve the Lloyds Loan and

To approve the security to be charged to the loan and

To delegate authority to The Chairman and Chief Executive to sign all documents relating to the loan. In the absence of the Chief Executive and or Chairman, delegated authority be given to the Finance Director and Vice Chair.

Lloyds Banking Group
2nd Floor
Bank House
Wine Street
Bristol
BS1 2AN

Tel +44(0) 772 544 7007
Email colin.vallance@lloydsbanking.com

Mr S Prime, Managing Director
South Devon Rural Housing Association Limited
PRIVATE & CONFIDENTIAL
South Devon House
Babbage Road
Totnes
TQ9 5JA

Dear Steve & Claire,

HEADS OF TERMS 3RD MAY 2018

I am delighted to confirm full credit sign-off for the following:

- A term loan of £600k, of up to 25 years, with up to 36 months Capital Repayment Holiday, - "CRH" during which time SDR would also be able to draw down the loan in tranches. Thus interest starts at nil, & rises as debt is drawn. Minimum draws say £10k. SDR would cover debit interest monthly from usual cashflow, rather than this roll up.
- Following the CRH period, 22 year repayments would commence, based on the amount drawn at the third anniversary. Capital & interest would be circa £36k p.a. at current base rate, a rise in base rate to 3.5% (which is what we "stress test" at) would give repayments of £48k p.a. We offer the full range of fixed rates etc. which would be fully discussed with you, prior to drawing up loan agreements, and we would generally be looking at 50% hedging/rate protection, or higher, but this depends of course depends on plans re. retaining the debt – this to be fully explored with a Lloyds financial markets specialist.
- The loan will be provided at 2.35% Over Base, with an Arrangement Fee of 1%.
- Automatic conversion from CRH to amortisation will not require further credit re-sign-off, and will be covered off in 1 single loan agreement (unless a split of fixed/floating taken)
- Security: First legal charges over 32 properties/units, as listed in Claire's email of 6/4/18. This will give sufficient coverage, with leeway, for up to a further £500k of debt; say for Dennings development costs, in addition to the £600k loan. We do not require professional valuation updates as this was completed in Summer 2017. Your lawyers would work in conjunction with bank-appointed lawyers, and you would be responsible for the fees for these 2 entities – Addleshaw Goddard, Bank lawyer's fee now quoted at £11,000 & VAT & Disbs – full details in email above.
- SDR will have the ability either to use funds provided to buy land and/or on-lend funds as required to RDL, subject to legal confirmation for our lawyers that such is within the powers/remit of SDR.
- The bank would not seek a first charge over the target development site, as we would be lending to SDR against the above housing stock security. If finance of the development costs were requested, & any long

www.lloydsbank.com/business

Please contact us if you'd like this in Braille, large print or audio tape.

Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

Lloyds Bank plc Registered office: 25 Gresham Street, London, EC2V 7HN. Registered in England and Wales no. 2065.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Licensed under the Consumer Credit Act 1974 under registration numbers 0004685. We subscribe to The Lending Code; copies of the Code can be obtained from www.lendingstandardsboard.org.uk

Lloyds Bank plc is covered by the Financial Services Compensation Scheme and the Financial Ombudsman Service.

(Please note that due to the schemes' eligibility criteria not all Lloyds Commercial customers will be covered by these schemes.)

term debt required did not fit our below-listed long term loan criteria, we may reserve the right to take a first charge if part of our debt were to be repaid in the short term from sales. We would not require independent monitoring of the build, merely to understand the broad details of phasing etc. as we are required to do from a regulatory point of view.

- We would not require the affordable units to be charged to us once built, unless such were to be needed to remain within the criteria as set out below.
- As far as looking at development finance at Dennings, we have discussed that there are too many variables to firm up on amounts/timings. I have however set out below broad indicatives as to what we would be looking for:
- Demonstration from you that the Post FRS 102 EBITDA, (ie Op Profit/surplus adding back depreciation) less capitalised major repairs less housing capital grant repaid are projected to be consistently greater than 110% of all capital and interest payments on all bank debt (whether Lloyds or elsewhere) on the basis of stressed base rate of 3.5% (on base rate linked loans).
- Gearing can be defined in different ways, currently your covenant is that Total Borrowings shall not exceed 65% of the Historic Cost of Housing Properties. We often now add in the Housing capital grant funding to total reserves, or look at total debt per housing stock unit held.
- In agreeing any covenant amendments, we are mindful of covenants of other lenders & the desire to harmonise these, so we can explore this with you.
- The above terms hold good for a 6 month period from the date of this letter, after which we reserve right to amend if not taken up, in light of any changes in market conditions.

I hope this covers off what you are looking for – do revert on any points as always

Kind regards, and thanks, for giving us this opportunity to work with you, in this project,

PP 

Colin Vallance
Relationship Director

www.lloydsbank.com/business

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(Please note that due to the schemes' eligibility criteria not all Lloyds Commercial customers will be covered by these schemes.)

Proposed Security for Lloyds Loan May 18					2c Appendix 2					
Address 1	Address 2	Town	Post Code	JLL	Property type	Beds	Rent	EUV-SH	MV-T	MV-VP
1	Crossways	Ipplepen	TQ12	5RA	Flats	1	70.34	31900	63100	90000
2	Crossways	Ipplepen	TQ12	5RA	Flats	1	66.08	29900	59300	90000
3	Crossways	Ipplepen	TQ12	5RA	Flats	1	72.94	33000	65400	90000
4	Crossways	Ipplepen	TQ12	5RA	Flats	1	65.73	29800	58900	90000
5	Crossways	Ipplepen	TQ12	5RA	Flats	1	68.16	30900	61100	90000
6	Crossways	Ipplepen	TQ12	5RA	Flats	1	72.94	33000	65400	90000
1	Simms View	Old Town Hill	Ilsington	TQ13 9RP	Flats	1	70.11	31800	62900	92000
2	Simms View	Old Town Hill	Ilsington	TQ13 9RP	Flats	1	72.72	32900	65200	92000
3	Simms View	Old Town Hill	Ilsington	TQ13 9RP	Flats	1	76.07	34400	68200	92000
4	Simms View	Old Town Hill	Ilsington	TQ13 9RP	Flats	1	72.44	32800	65000	92000
1	Friendship Court	Chapel Lane	Mary Tavy	PL19 9QY	Flats	1	68.61	31100	61500	120000
2	Friendship Court	Chapel Lane	Mary Tavy	PL19 9QY	Flats	1	67.74	30700	60700	120000
3	Friendship Court	Chapel Lane	Mary Tavy	PL19 9QY	Flats	1	68.61	31100	61500	120000
4	Friendship Court	Chapel Lane	Mary Tavy	PL19 9QY	Flats	1	68.61	31100	61500	120000
5	Friendship Court	Chapel Lane	Mary Tavy	PL19 9QY	Flats	1	68.61	31100	61500	120000
6	Friendship Court	Chapel Lane	Mary Tavy	PL19 9QY	Flats	1	69.3	31400	62100	120000
1	Royal Court	Station Road	Princetown	PL20 6QF	Flats	1	82.25	37200	73700	110000
2	Royal Court	Station Road	Princetown	PL20 6QF	Flats	1	82.25	37200	73700	110000
3	Royal Court	Station Road	Princetown	PL20 6QF	Flats	1	64.25	29100	57600	110000
4	Royal Court	Station Road	Princetown	PL20 6QF	Flats	1	82.25	37200	73700	110000
5	Royal Court	Station Road	Princetown	PL20 6QF	Flats	1	64.25	29100	57600	110000
6	Royal Court	Station Road	Princetown	PL20 6QF	Flats	1	64.25	29100	57600	110000
1	Braemar Apartments	4 Buckfast Road	Buckfastleigh	TQ11 0FH	Flats	1	93.24	54100	70700	87000
2	Braemar Apartments	4 Buckfast Road	Buckfastleigh	TQ11 0FH	Flats	1	93.24	54100	70700	87000
3	Braemar Apartments	4 Buckfast Road	Buckfastleigh	TQ11 0FH	Flats	2	103.68	59100	77200	95000
4	Braemar Apartments	4 Buckfast Road	Buckfastleigh	TQ11 0FH	Flats	2	103.68	59100	77200	95000
5	Braemar Apartments	4 Buckfast Road	Buckfastleigh	TQ11 0FH	Flats	2	103.68	59100	77200	95000
6	Braemar Apartments	4 Buckfast Road	Buckfastleigh	TQ11 0FH	Flats	2	103.68	59100	77200	95000
1	Merryfield Barns	Merrifield Road	Buckfastleigh	TQ11 0HE	Flats	1	93.24	54100	70700	87000
2	Merryfield Barns	Merrifield Road	Buckfastleigh	TQ11 0HE	Flats	1	93.24	54100	70700	87000
3	Merryfield Barns	Merrifield Road	Buckfastleigh	TQ11 0HE	Flats	1	93.24	54100	70700	87000
4	Merryfield Barns	Merrifield Road	Buckfastleigh	TQ11 0HE	Flats	1	93.24	54100	70700	87000
Totals								1,266,800	1,467,900	2,375,000

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Author Steve Prime, Claire Barnett

Board of Management

Agenda Item 2d

Approval of Brimhay Contract

FOR INFORMATION

Purpose

To ensure the Association complies with the Regulatory Code, Best Practice and promotes continuous improvement and Value for Money.

Report

Final negotiations have now concluded between Coyde Construction and South Devon Rural on the final contract price for the Brimhay Development.

The Final contract sum is £1,353,345 based on a design and build contract which excludes enabling works (approved at January board). The apportionment has been made in accordance with Homes England methodology and includes the infrastructure for the 12 affordable flats and ROC building in Phase II.

Attached is the updated Value For Money Report from Randall Simmonds Quantity Surveyors at **Appendix 1**.

Randall and Simmonds will act as Employers Agent.

Recommendations

Board members are recommended to:-

Approve the Contract Sum with Coyde Construction

Give delegated authority to Chief Executive to sign all documents relating to the contract. In the absence of the Chief Executive, delegated authority be given to the Finance Director.

**TENDER REPORT AND
VALUE FOR MONEY REVIEW**

On

BRIMHAY, DARTINGTON

For

**SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED**

AND

RURAL HOMES LIMITED

**MAY 2018
VERSION 3**

RANDALL SIMMONDS

**Devonshire House
28 Devon Square
Newton Abbot
Devon TQ12 2HH**

www.randallsimmonds.co.uk

CONTRACT REVIEW BRIMHAY, DARTINGTON

Introduction

This report provides an overview of the Construction Contract(s) proposed between South Devon Rural Housing (SDR) and Rural Homes Limited ('RHL') and Coyde Construction Limited ('CCL') for the demolition of the some of the existing buildings and the construction of 12 Affordable Apartments and 3 Houses for Sale with associated external works and infrastructure at Brimhay, Dartington.

Tender Received (2016)

The original Tenders were issued on 3rd December 2015 to five contractors

Classic Builders (Plymouth)
Pemberton Homes (Exeter)
Coyde Construction (Totnes)
Henry W Pollard & Sons (Plymouth)
Stewart S Smith Builders (Paignton)

During the tender process two tenderers withdrew, being Classic and Pollard, both citing insufficient capacity/information to complete their tenders.

The tenders received from the remaining tenderers on 12th February 2016 were:

Tenders (Feb 2016)	Apartments	Houses	Total
Coyde	1,518,308	1,809,390	3,327,698
Pemberton	1,530,816	1,920,857	3,451,673
SES	1,836,800		

Based on these tenders Coyde were selected as the preferred tenderer. Subsequently Pemberton Homes went into administration in early 2017.

In comparison with our Cost Estimate of October 2015, the lowest tender price was over 15% higher. This is partly explained by market conditions, over the 4th Quarter 2015 to 1st Quarter 2016 the Building Cost Information Service (BCIS) recorded a 4.2% jump in tender prices. The remaining difference comprises the higher preliminaries and OH&P allowances included by the tenderers for separate phases.

Tender Price Update

Following the interruption to the project awaiting a further planning decision, Coyde have been asked to update their tender pricing to complete the project based on a first phase of the 12 apartments and 3 houses, following an Enabling Works package, comprising demolition and fees.

A comparison of the Coyde's updated price received on 5th July 2017 and their original 2016 tender price, excluding demolition and fees is provided overleaf.

Overall the inflationary uplift for the period 1Q2016 to 2Q2017 is 5.7%, which compares with price inflation of 7% recorded in the Tender Price Index published by BCIS over the same period.

CONTRACT REVIEW BRIMHAY, DARTINGTON

Phase 1 (Apartments and 3 houses)

Comparison	Tender 2016 Total	Update 2017 Total	Variance
Substructure	131,900	125,400	-5%
Superstructure	980,715	1,003,672	2%
External Works	310,225	415,250	34%
Preliminaries	141,710	181,310	28%
OH&P	164,251	173,861	6%
Other	13,400	12,980	-3%
Total	1,742,201	1,912,473	9.8%

Notes:

1. The above excludes demolition and fees which are recorded separately below.
2. The allocation of the Phase 1 total between the open market and affordable units is to be determined by SDR / RHL.
3. Coyde have been asked to review target savings of £70,000 from above total by developing the design proposals for the drainage.

Phase 1 - Enabling Works

It is proposed to place an initial order for a Phase 1 - Enabling Works package with Coyde. Below we have compared the proposed order value of £123,178 with the amount included in the Coyde tender of February 2016.

Enabling Works	Tender(2016)	Revised (2017)
Demolition (Phase 1)	58,000	59,080
Preliminaries	20,000	18,746
Hoarding/Protection	10,000	13,055
Provisional Sums		
Asbestos	2,000	11,190
Service Diversion	-	10,000
OH&P	8,800	11,207
Total	98,800	123,278

Overall the costs for the demolition and management costs are comparable, taking into account the retained allowances for phase 2.

The actual cost of the Asbestos Removal is based on the recently provided reports; this is higher than the provisional sum contained in the original tender. The cost of the service diversion was excluded by Coyde from their original tender.

We would recommend that a further £20k provisional allowance should be added to this amount to include the provision of the 10nr additional car parking spaces.

Overall this appears to represent reasonable value for money for South Devon Rural/Rural Homes Limited.

CONTRACT REVIEW BRIMHAY, DARTINGTON

Design & Build Fees

It is proposed to place an initial order for the Design & Build fees with Coyde to allow the drawings to be developed to a point where the building works could commence on site in the autumn 2017.

Below we have compared the proposed order value of £57,145 (to be adjusted) with the amount included in the Coyde tender of February 2016. This is additional to the proposed Phase 1 contract amount.

Fees	Tender(2016)	Revised (2017)
Architect	66,600	19,750
Engineer	inc	19,200
Timber Frame	inc	7,000
Section Agreement	tbc	6,000
OH&P	6,660	5,195
Total	73,260	57,145

This amount includes any payments in connection with the Sectional Agreements etc.

Overall this expenditure appears to represent reasonable value for money for South Devon Rural and Rural Homes.

Contract Documents

The fixed price design and build contract includes the following contract documentation:-

Build Contract:	A JCT 2011 Design & Build Contract.
Employer's Requirements:	A project specific set of Employer's Requirements,
Contract Drawings:	The drawings included in the Contract are those submitted for planning and as prepared by Ashley Sodergren for the houses.
Contractor's Proposals:	The Contractor has confirmed confirm compliance with the Employer's Requirements and no divergences.
Contract Sum Analysis:	With interim monthly payments.

Contract Sum

The proposed Phase 1 Contract Values including Fees are

- £1,353,345 for South Devon Rural for construction of the Apartment Building
- £760,698 for Rural Homes Limited for construction of 3nr Houses and the serviced site.

This excludes any Client Contingency but includes provisional sums for quartz worktops and wood-burners to the three houses. All on costs with the exception of legal fees, Employers Agent and CDM fees are covered by the contract sum proposed.

It is proposed to provide PV's to the houses only. The design for the apartments has been checked for compliance with the HCA design and quality standards.

The Phase 2 contracts for the remaining houses will be subject to inflationary uplift and confirmation of building costs

CONTRACT REVIEW BRIMHAY, DARTINGTON

Payment Security and Retention

Payment security in the event of contractor insolvency is addressed with:-

- 10% NHBC contractor insolvency cover for the apartment building and externals.
- Interim payments on a monthly basis;
- No payments for materials on site;

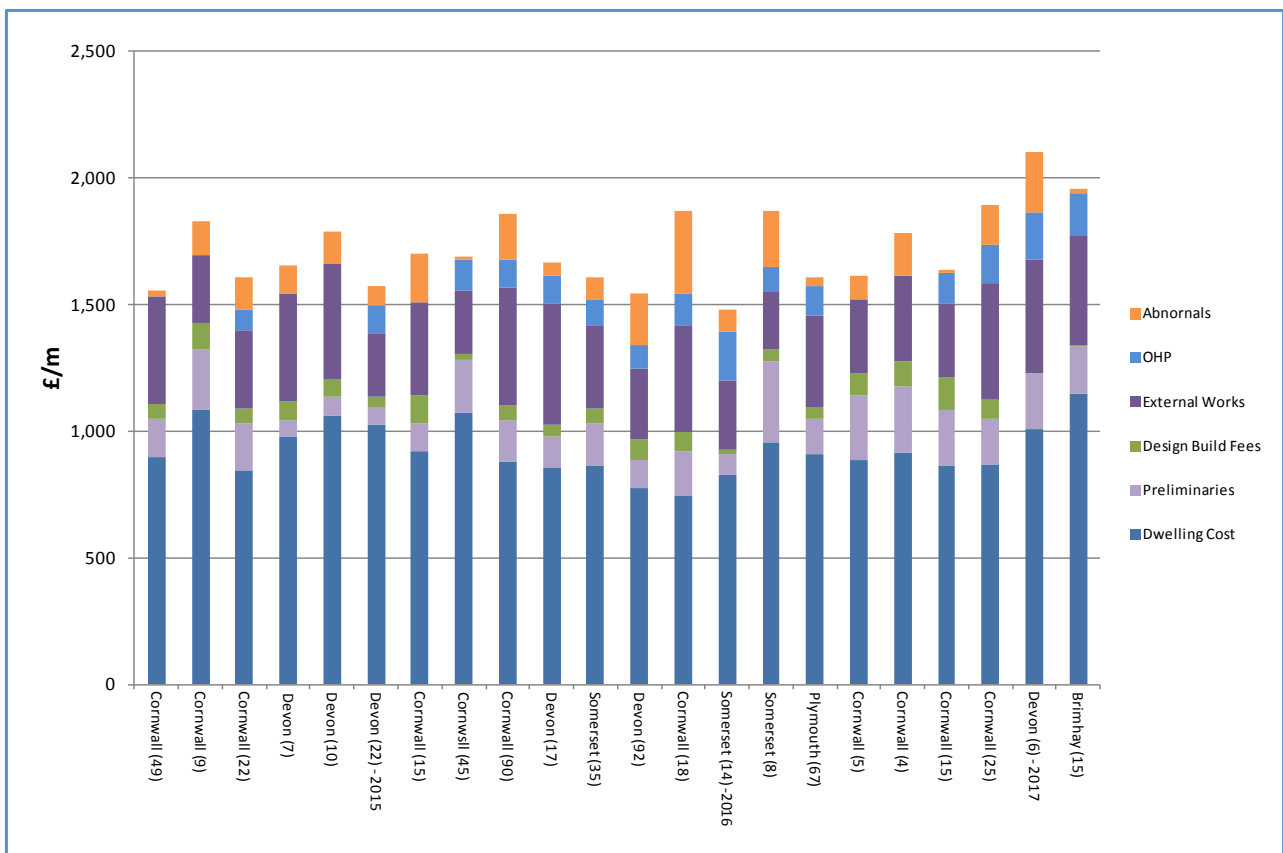
At this stage it is not proposed to have a separate performance bond for the construction of the three number houses, given that this is a relatively low value contract, which is being completed at the same time as the apartments. The insolvency cover on the apartments should be sufficient to cover the additional cost of employing a contractor to complete the Phase 1 scheme.

The level of retention for these Contracts will be 5% reducing to 2.5% at Practical Completion as set out in the Standard Form of Building Contract.

The contract programme dates are to be confirmed.

Value for Money

The combined Phase 1 contract amount, equates to a rate of £1,957/m² based on the total gross internal floor area, this is relatively high because it includes the roads and drainage associated with the entire development. It is also high because the £/m² cost for apartments is generally higher than houses, a brief comparison with recently tendered housing schemes is provided below:



CONTRACT REVIEW BRIMHAY, DARTINGTON

Recommendation

In summary, the build costs are comparable to our assessment and appear to deliver value for money for SDR and RHL. We would therefore recommend that SDR and RHL enter into contracts with Coyde, who are a local contractor with considerable experience in delivering this type of scheme.

Ben Randall
For Randall Simmonds LLP
14th May 2018

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Agenda Item 2e

Authors Claire Barnett and Francis Bourke

Board of Management

Capital Programme (Components)

FOR DECISION

Purpose: To inform the Board of Management of final spend on the capital programme for replacement components in 2017/18 and for 2018/19.

The table below shows the component replacements completed for 2017/18 and proposed spend 2018/19 of £246,391 – which includes the £46,391 underspend in 2017/18.

Components replaced in 17/18	Number	Cost £	Comments
Bramble Close Kitchens	8	£50,111	Funded from 16/17 carry forward May 17
Heating system 14 Church Park	1	£9,782	
Kitchen 14 Church Park	1	£6,626	
Heating System 2 The Orchard	1	£4,361	
Heating System 3 The Orchard	1	£7,312	
Kitchen & bathroom 31 Broomborough	2	£3,942	
Bathroom 2 Whiteley Avenue	1	£2,286	
Heating 1-4 Shinnars Dittisham	4	£17,993	
Boiler 3 Meadow Cottages	1	£2,685	
Kitchen 4 The Orchard	1	£5,396	
Heating 25, 26, 28 & 29 Broom Park	4	£14,228	
Kitchen 10 Church Park	1	£5,430	
Boiler 1 Spedding Cottages	1	£4,752	
Kitchen 20 Moor Road	1	£5,272	
Roof 53 Longfields	1	£7,900	
Boiler 4 Bramble Close	1	£1,860	
Boiler 17 Church Park	1	£2,796	
Kitchen 1 The Orchard	1	£5,496	
Kitchens Moor Road	3	£15,887	
Boiler 5 Hamilton Grove	1	£1,367	
Kitchen & Bathroom 17 Hartley Court	2	£9,393	
Total Spend 17/18		£184,875	
Budget 17/18		£231,266	
Carry forward to 2018/19		£46,391	
Proposed spend 2018/19			
Heating Systems	37	£150,000	
Kitchens c/fwd from qtr 4 17/18	10	£50,000	
To be allocated 2018/19		£46,391	
Total to spend 2018/19		£246,391	

Recommendation

The Board are recommended to note the expenditure to date for 17/18 and approve the component spend of £246,391 for 2018/19.

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD
Author Claire Barnett

Board of Management

Agenda Item 2f

Capital Programme Report

FOR DECISION

Purpose

To update the board on the capital programme progress and expenditure to date and available cash for future schemes.

Report

Capital Programme 17/18 to 20/21

Appendix 1 shows all capital spend for 2017/18, and the budgets for 18/19, 19/20 and 20/21.

Appendix 2 shows a simple cashflow statement stating available cash once all the cash transactions for the financial year have been processed, which shows the position at the end of the next 2 financial years.

This shows that all the proposed schemes could be funded.

Recommendations

To note the capital expenditure, the cashflow and approve the budgets for 18/19 including the carry forward on the Brimhay scheme.

South Devon Rural Housing Association Limited

Author (s) Francis Bourke

Board of Management

Agenda Item 2g

Overspend on Responsive Repairs Budget 2017/18

FOR INFORMATION

Purpose

To advise the board of reasons for budget overspend, and actions taken to aim to keep 18/19 budget within target.

The 17/18 responsive repairs budget was set at £171,451, the actual spend is £235,496, giving a budget overspend of £64,045.

Table below shows overview of repairs budget and spend from 2012/13

						Revised		
Budgets	12/13	13/14	14/15	15/16	16/17	16/17	17/18	18/19
Majors	20,000	13,000	20,000	20,000	20,000	20,000	30,000	30,000
Cyclical	25,000	32,000	22,500	24,500	25,000	25,000	26,081	55,000
Day to Day	75,000	76,000	76,320	79,935	79,935	86,235	105,671	106,056
Voids	-	4,000	8,160	9,323	9,490	9,490	9,699	9,659
Total	120,000	125,000	126,980	133,758	134,425	140,725	171,452	200,715
Increase £		5,000	1,980	6,778	667	6,300	30,727	29,263
Increase %		4.17%	1.58%	5.34%	0.50%		21.83%	17.07%
Actuals								
Majors	14,734	18,833	19,162	21,307	27,001	27,001	42,343	
Cyclical	20,858	34,044	26,805	14,595	22,612	22,612	26,447	
Day to Day	69,536	70,878	79,855	84,893	83,657	83,657	150,347	
Voids	4,051	12,958	10,750	6,978	10,137	10,137	16,360	
Total	109,179	136,713	136,572	127,773	143,407	143,407	235,497	-
Increase £		27,534	- 141	- 8,799	15,634	-	92,090	
Increase %		25.22%	-0.10%	-6.44%	12.24%		64.22%	
Under/(Over) spend	10,821	(11,713)	(9,592)	5,985	(8,982)	(2,682)	(64,045)	

Main areas of overspend:

Major Works:

These are all works with a cost over £500.00. The volume of jobs have increased with a cost increase from 16/17 of £14,833. Around £10,000 of this has been spent at Broomborough Court, which included a complex underground leak, drainage issues and intercom system.

Cyclical Works:

These are works, carried out on a cyclical basis, type of work would normally be external painting, gutters and fascias. In the past, all Health & Safety works have also been included in this budget, eg electrical checks & remedial works, gas safety checks, EPC's and asbestos checks. For year 18/19, these works will be allocated to a separate H & S budget, and the cyclical budget will be used for external decorations. Cost has increased in the cyclical budget from 2016/17 by £1,618.

Void Works:

Void spend has increased by £5,815 from 2016/17. Number of voids in the period are similar, however. Above average spend on properties in 17/18 at Hartley Court and Broomborough Court, in particular 31 Broomborough Court.

Day to Day responsive repairs:

These are jobs that are at a cost of £500.00 or less and make up the bulk of the repairs budget, and the significant factor in the overspend. This has increased by £63,539 from 2016/17. In 2016/17 1265 repairs were carried out, this increased by 268 in 17/18 to 1533.

Table showing Average Costs Per Property:

	12/13	13/14	14/15	15/16	16/17	17/18
Majors	63.24	75.03	73.98	78.62	85.45	134.00
Cyclical	89.52	135.63	103.49	53.86	71.56	83.69
Day to Day	298.44	282.38	308.32	313.26	264.74	475.78
Voids	17.39	51.63	41.51	25.75	32.08	51.77

After analysing all jobs raised and cost thoroughly, the main reasons identified for this overspend are:

- 1) Catch up of invoices from qtr 4 16/17. Processed in Qtr 2 of 17/18.
- 2) Continuous delays in invoicing from WMS, throughout the year, causing spikes in jobs and costs, more difficult to monitor and manage despite being raised at management level.
- 3) A full year of repair costs at Broomborough Court, there has been significant spend in the region of £41K, compared with just under £10k in 16/17, from when SDR took over in October 2016. This gives a clearer picture of potential annual costs for Broomborough Court. Comparisons with similar schemes on volume of jobs, total costs and average cost per job, shows Broomborough Court significantly high in this area. In addition some major works totalling around 10K were taken out a Broomborough Court.

Table comparison of Broomborough Court with similar schemes:

	35 Units	8 Units	43 Units	20 Units	10 Units	18 Units	21 Units
	Broomborough	Kellock	Total	Grove	Tollit	Church Park	Bramble
Jobs	218	27	236	62	56	68	102
Costs	38,40	3008.47	41,411	6725	7269	11,148	9937
Ave per job	183.75	111.42	175.47	108.47	129.8	163.94	97.42

- 4) Maintenance Inspector role has developed, hours have increased, and all costs relating to this go through the repairs budget, this cost has increased by **£3,757** from 16/17.
- 5) Increase in void spend, due to increased void costs on properties at Hartley Court and Broomborough Court. Increase in Cyclical spend, due to plan to update electrical/asbestos and EPC programme, remedial fire safety works, which had been allocated to the cyclical budget. (This budget has been separated to a H & S budget for 2018/19, with an increase to support this programme.)
- 6) WMS having full control over all jobs under £500.00, which is the main area of increase in job numbers and costs.

During qtr 2,3 & 4, this has seen a significant increase in volumes of jobs. All jobs are reported directly from tenant to WMS. All jobs under £500.00 are authorised and processed by WMS. Any jobs over £500.00 are passed to SDR for authorisation. In addition to an increase of major jobs (Over £500.00) in the year, there has been a significant increase in volume of jobs processed under £500.00 which has led to increase in costs.

After further analysis of individual jobs, there are no significant issues of types of jobs or costs of jobs which causes concern, mainly more volume. The jobs raised look like reasonable job requests and costs.

This increase could be due to customers getting used to WMS accepting calls and job requests and carrying out works without further question, scrutiny or investigation. After reviewing all day to day jobs, there is no significant trend which would indicate an obvious reason for this increase. A small number of jobs have been identified as tenant responsibility and are rechargeable. This has been raised with the WMS Call Centre team, who diagnose fault on taking calls from customers.

Actions taken by SDR to resolve these issues:

- 1) Early last year SDR's Chief Executive and Operations Director, met with WMS's senior management team to discuss operational issues, including invoicing delays, description or repairs, and diagnostics. SDR were assured of improvements in these areas going forward.
- 2) At Qtr 2, 17/18, whereupon overspend was clear, further meetings were held with WMS management to discuss the difficulty, delays in invoicing causes.
- 3) At Qtr 3, 17/18, due to budget overspend, all major jobs were put on hold unless urgent.
- 4) During Qtr 4, all jobs were put on hold or put through for further inspection. Only emergency jobs were carried out.
- 5) Within the repairs strategy, the next step was to give WMS access to SDR's repairs housing management system, giving WMS more control. However due to the above, this was postponed.

Immediate actions taken by SDR going forward:

- 1) Advising WMS that any invoice over 45 days old will not be paid.
- 2) Close scrutiny of all jobs raised and invoiced for the next two months.
- 3) Review all service options moving forward including.
 - a) Whether to continue with WMS.
 - b) Reduce work given to WMS and use other contractors in addition.
 - c) Outsource to another contractor.
 - d) Bring the service back in house.
 - e) Benchmark WMS costs with other contractor.
- 4) Although a number of meetings have been held with SDR and WMS management raising operational issues, specifically invoicing, WMS invoicing process is not satisfactory. SDR have previously asked for estimated costs (commitments) on a monthly basis, if invoices cannot be provided in satisfactory timescales. SDR have made clear to WMS at their highest level that the current situation is not acceptable.
- 5) Insisting on WMS providing monthly estimate of costs on outstanding jobs not invoiced.
- 6) Trial Broomborough as separate project, having all jobs referred to SDR staff for authorisation.
- 7) At least monthly operational meetings, with SDR and WMS management.
- 8) Further analysis and monitoring of Broomborough Court Costs
- 9) Further analysis and monitoring of void repairs
- 10) Review allocated responsive budget, in line with historic spend and potential future spend
- 11) Ensure recharge processes are followed.

Board members are recommended to note the repairs report

Board of Management

Development Report

TO NOTE

Purpose

To ensure the Association meets its regulatory and legal obligations, promotes continuous improvement and value for money. Updating members on progress and agreeing key areas for review.

Development Progress Report

Brimhay

Old Totnes Road 2 Units Market Sales

Construction going well – completion expected Q2 2018/19.

Market Place, Wadebridge Acquisition, 10 units shared equity.

Completed 4th May 2018

Management Agreement – SHIP Project 11 units Rent to buy.

SHIP project Plymouth, handover has taken place, 6 flats let in first tranche and two prospective tenants are being referenced. One is being used as a show flat and further marketing ongoing. A launch event is being planned for 15th June 2018, with SDR, QSH, Plymouth City Council, Maitlands and Classic builders.

Current and Future Development Opportunities Report

(Development Services provided by Rural Homes Limited)

Project	Stage	Type	Units	Comments
Kingsbridge	Purchase land	Now sole purchase SDR	14 – units	FA in main board report
Wrangaton	Negotiations	Mixed funding £1.5million	Up to 32 units potential partners RHL	Option to purchase being sought @ £450,000 – planning issues – on hold
Other sites	Kingsbridge	The Mounts	10	Early negotiations – planning issues
Lifton	With planning	SDR/RHL	20 (8 affordable)	Land for sale
Malborough	Early negotiations	SDR/RHL	16 (8 affordable)	Negotiations possible JV
Development Services (RHL)	Talks	SWHS require further development services	Various	RHL negotiating fees
Cornwall CLT	Interim development support RHL	Contracted services with Service Level Agreement	Minimum 52 days over 52 weeks.	Value c£35k+
East Devon DC	Various rural sites	Small rural sites	Variable	No progress
Teignbridge	SDR to join as preferred partner	No sites yet	HE/SDR/TDC	Application submitted
Project Chistina Park	Complete	SDR funded	1	Complete – sale agreed @£298,000 – c £27,000 surplus

Recommendation:-

Note the Development Report and the future development report from Rural Homes Limited

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Board of Management
Author Steve Prime

Agenda Item 3b

Confidential Report

FOR INFORMATION

Purpose: To advise the board of a new business opportunity.

Background

The Chief Executive was recently contacted to establish if SDR would be interested in taking up the opportunity of a 25 year full repairing lease on a portfolio of properties across Devon. The opportunity has arisen following the decision of another organisation not to continue with the deal.

It will be no surprise to board members that the Housing Association Sector is attracting a lot of interest from REITs, Ethical Investors and Corporate Investors such as Pension Funds. Intermediaries like QSH are working to match Investors with housing providers to facilitate these deals, which vary in structure from lease back, development funding and lease back, or lease/management contracts. Indeed SDR considered such deals from QSH (now 3hYork) and we have just completed our first management rent deal in Plymouth on 11 units.

Some time ago the board agreed a broad strategy of accommodating such deals on the basis they did not exceed 100 units in total (estimated to be 25% of our total housing stock) although this was limited to market and affordable units.

The Offer

An intermediary, who has previously put together investment property portfolio's similar to the one subject of this report, has approached SDR with a proposal. The outline of the offer is relating to supported housing and care for people with learning difficulties or mental health problems. SDR would take out a full repairing lease on around 48 units providing 243 shared or self contained accommodation to tenants with learning disabilities or mental health issues. SDR would provide full tenancy and property management services working with a large support provider under a service level agreement. The enterprise has a potential total income of over £3 million to SDR (but much of that going out in core rent guarantee). Claire has formulated an estimate of how this would look based on the information we have to date. This is shown in **Appendix 1**. There are four current support and care providers, providing services to c243 people. I am advised the current providers wish to retire or leave the sector. If SDR move forward, the estimate will be revised to show the actuals on a scheme by scheme basis. Further to the core rent estimates, it will be possible to negotiate a lower rent if the core rent is not accepted by the local authority. Most core rents have been accepted by Devon Local Authorities.

The intermediary has undertaken to pay for SDR's Initial due diligence costs and ARK Consultancy has been engaged to give initial advice on deals of this nature. ARK is a nationally renowned consultancy specialising in social housing and property. Their initial report is shown at **Appendix 2**.

Discussions are continuing with the intermediary. It has been suggested that the proposal could be reduced to either 143 units of the properties as a portfolio. A verbal update will be given at the Board meeting.

The CEO discussed the matter with the Chairman and it was decided to ask two board members, Rod and Martin, to form a sub-committee to work with Steve to support decision making at board level.

Rod and Steve met with the proposed care and support provider Etos on 8th May 2018.

In terms of Devon County Council strategy for commissioning support and care services for learning disabilities, I understand their preference is to work with larger providers. Nationally it is understood that social investment into this sector via housing associations is low or non-existent. Given that the government have not finalised funding for the sector that is no surprise. SDR have already invested in the sector with our development at Braemar and Merryfield Barns, which is seen as a success. Let in January 2012 not a single tenancy has failed. However, the strategy followed at this development was based on affordable rent and not shared accommodation. SDR is also working with ROC (now United Response) on Brimhay, the final mix on this scheme has not yet been finalised but is likely to be based on affordable rent.

An interim Risk Map has been compiled to assist decision making at **Appendix 3**.

A copy of Living well in Devon, a report commissioned by Devon County Council, can be found on SDR web site in the secure board area of the site.

Recommendations

Board Members are recommended to determine the next steps to consider the opportunity further or dismiss the approach.

SDR Analysis based on intermediary information			
Income pa			Assumptions
Housing Management income		78,300.00	
Voids on rent		145,591.02	5% which is higher than SDR current average due to client group
Insurance income		39,150.00	This will be based on the actual cost - shown below
Gas servicing income		7,830.00	This will be based on the actual cost - shown below
Repairs income		130,500.00	This is much higher (due to client group) than our current experience on general stock
Management overhead on eligible service charges		86,821.39	15% management charge on service charges
Voids on eligible service charges		33,281.53	5% allowed for the voids service charge not recovered
Total gross income to SDR		521,473.94	
excluding voids	A	342,601.39	
Head office costs			
Surveyor		54,900.00	New post
Housing Manager		41,480.00	New post
Admin		24,400.00	New post
Insurance costs		39,150.00	This is again higher than an current expenditure so would be adjusted to reflect actual
Gas servicing costs		7,830.00	This is again higher than an current expenditure so would be adjusted to reflect actual
Repairs costs		130,500.00	This is again higher than an current expenditure so would be adjusted to reflect actual
Total annual expenditure	B	298,260.00	
"Surplus" pa		44,341.39	A - B
Sinking Fund			
		77,360.40	This is part of the service charge which would be ring fenced
Total sinking fund contributions		1,934,010	Total contributions over the 25 year lease
Capital contribution		1,100,000	Initial contribution from the funder towards the sinking fund
Total sinking fund over the 25 years		3,034,010	Total funds towards any sinking fund items
spend per year		121,360	Total sinking fund divided by 25 years
Total Spend per property over 25 years		63,208.54	Total sinking fund divided by 48 properties
no of properties	48		
Component		Av Cost (£)	
kitchen	20	5000	
bathroom	20	3000	
boiler	15	2000	
windows and doors	15	5000	
		15000	

3b Appendix 3

Category	Date Last Reviewed	Reviewer
Leased Supported Housing	May 2018	S Prime C Barnett

No.	Risk	Impact			Probability	Mitigation Actions / Controls	Effectiveness and further action	Residual Risk	Person responsible
		Financial	Performance	Operations					
1	Changes in funding for support and care (government)	H	H	L	M	The sector requires adequate funding to survive and the existence of already established 'Exempt' rents should cover the core lease rent. Follow a strategy of ring fencing the surplus and utilisation of capitalised rent	Further due diligence required	H	SP CB
2	Changes in Housing Benefit Rules	H	H	M	M	Housing benefit currently provides for shared accommodation shared services. SDR runs open book on service charges and reconciles accounts making annual adjustments based on actuals so are transparent and unlikely to be challenged. Caution regarding Universal Credit – funding for supporting people not yet determined. Government strategy to reduce residential care.	Open book accounting – fees reasonable. Higher forms of accommodation more expensive – i.e residential care.	H	SP CB
3	Support Provider fails	H	M	L	M	Other providers well established locally and nationally – likely local staff employed and could continue services whilst replacement found	Maintain limits on exposure	M	SP CB
4	Inadequate performance	M	M	M	L	Staff and consultants have good track record of delivery	Regular detailed reports to board	M	SP

	management								
5	Low uptake	H	M	L	L	Growth in the need for supported accommodation is increasing. Choice for service users in support provider. Strategy to rely less on registered residential care provision.	Ensure effective working relationship with support provider	M	SP CB
6	Excessive Void Loss	H	M	M	M	Ensure regular contact through support provider with commissioners. Marketing and demonstrated good performance. Cap on void loss with service provider.	Regular meetings with support provider monitoring performance	M	SP
7	Excessive repair costs	H	M	M	M	Working with good contractors – establish caretaking service through employed staff. Good levels of re investment. Portfolio to be surveyed and brought up to standard prior to contract.	Ensure good network of contractors – consider local contractor network	M	CB SP

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Authors (s) Francis Bourke

Board of Management

Agenda Item 4b

Policy Development Programme

FOR INFORMATION

Purpose

To ensure the Association meets its regulatory and legal obligations, promotes continuous improvement and value for money services. Updating members on progress and agreeing key areas for review.

Key Policies and Development Areas:

Subject Development/Policy Title	Date Last Reviewed	Review Due Date	Reviewed By
Corporate & Governance			
Board Members' Handbook	Dec 2017	12/20	SP (Updated 11/16)
Board Membership and Renewal	Dec 2017	12/20	SP
Tenant Board Membership	Dec 2017	12/20	SP
Admission of Shareholders	Dec 2017	12/20	SP
Complaints Policy	Nov 2017	11/20	FB
Whistleblowing	July 15	07/18	BB/FB
Equality and Diversity Policy	May 2014	08/18	FB SMT
No Smoking Policy	Dec 17	12/21	SP
Motor Vehicle Policy	June 2015	03/18	CB
Resident Involvement and Co regulation Policy	Jan 2013	12/18	FB
Value for Money	July 2017	05/18	FB
CCTV	Dec 2018	12/20	SP
Finance			
Depreciation Policy	Nov 2013	02/18	CB
Financial Regulations and Standing Orders	July 2017	07/19	CB
Risk Management Policy	Jan 2018	01/20	FB/CB/SP/BVB

Subject Development/Policy Title	Date Last Reviewed	Review Due Date	Reviewed By
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Human Resources			
HR Handbook	Nov 2017	03/21	FB/CB
Code of Conduct - Staff	Nov 2017	03/21	FB/CB
Lone Workers Policy	July 2015	07/18	FB

Maintenance and Development			
Maintenance Policy	Dec 17	06/21	FB
Tenants Improvements, etc.	Dec 17	06/21	FB

Housing Management			
Customer Charter and Communication Plans	July 2014	10/18	FB
Anti-social Behaviour Policy	Dec 2017	04/21	FB
Lettings Policy	Nov 2013	10/18	FB
Lodgers & Sub-letting Policy	July 2015	07/18	FB
Overcrowding Policy	July 2015	07/18	FB
Compensation Policy	Jan 2018	01/21	FB/CB
Pets Policy	Nov 2017	11/21	FB
Succession Policy	July 2015	07/18	FB
Car Parking & Abandoned Vehicles Policy	Dec 2017	05/21	FB
Service Charge Policy	Jan 2018	01/21	FB/SP
Domestic Violence	Nov 2017	11/21	FB
Rent Increase Policy	Oct 15	10/18	FB/SP/CB
Rent Arrears Prevention and recovery Policy	Nov 2011	09/18	FB
Tenancy Management	Dec 2017	12/21	FB
Decanting Tenants	Dec 2017	05/21	FB

Support & Care Specific			
Safeguarding Adults	October 2017	10/20	BVB
Volunteer Policy	Oct 2015	10/18	BVB

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Author (s) Francis Bourke

Board of Management

Agenda Item 4c

Appointment of Approved Contractors and Consultants

FOR DECISION

Purpose

To ensure the Association complies with the Regulatory Code, Best Practice and promotes continuous improvement.

Report

This is a periodic report confirming existing contractors and consultants and approving new contractors and consultants to the association's Approved Contractor List shown at **Appendix 1**.

This report was brought to January 2018 Board meeting, which showed contractors, that had been removed. The Board requested the revised version with those contractors removed to be brought back to May board meeting.

Where a contractors insurance is out of date and a new insurance certificate not produced, works orders are not raised against the particular contractor.

Recommendations

Board members are recommended to approve the contractors and consultants listed.

Approved Contractor List	4c Appendix 1
Supplier Name	Trade
A J Paine & Son	Tree Fellers
Aid Call	Supported Living Equipment
Air Management Solutions	Air Con
Arjo Med. A.B. Ltd	Bath Lift
ASHLEY SODERGREN	Architect
B & P Buswells Ltd	Gas Engineers
Assa Abloy Entrance Systems Ltd	Auto Doors
Birbeck Landscapes *	Landscaping
Blue Ocean (SW) Ltd	Ventilation Systems
Briggs Fire & Security Ltd	Fire & Security
Bruton Knowles	Property Consultants
Bush & Co Chartered Accou	Accountants
C.I.O.H.	Information/training
Carr Consulting	Consultant
Chris Wright Associates	Consultant
Chubb Electronic Security	Security
Churchill Cleaning Servic	Cleaner
Cleansing Service Group	Septic tank
Clive Turpin Ltd	Roofing Contractor
Cobalt Communications	telephones
Coyde Construction	Builders
Countrywide Grounds Maintenance	Grounds maintenance
Cuming Containers	Skips
D Farnham Electrical	Electricians
Danwood Group Ltd	photocopier
Dart Fire	Fire equipment
David Archer	
Day Signs	signs
E C Surveyors LLP	Ed Chamberlain
Evans And Co	Gas Plumber
ExJet Services	Drainage
FireMaster (South West) L	Fire Risk
G S Engineering	Engineering Company
Green Orchards	Lansdcapers
Grove Digital	Satelite
GutterVax	Gutter cleaning
Hafele	Door ironmongary
Haldons Surveyors	surveyors
Halls Builders	Maintenance Services
Heritage Preservation	Damp surveying
Heighway Field	Architect
ID&H	Web sites
Imagine	Stationary
Ivybridge Carpet Centre	Flooring
JACKSON LIFT GROUP	Lifts
Jazzpower Ltd	supplies
Jeffs Cleaning Services	Cleaner
John Garland	graphic design
Kee Services Ltd	Septic tank
Keys And Locks Direct Ltd	locksmith
L Hodsdon	gardener

Approved Contractor List	4c Appendix 1
Supplier Name	Trade
Martin Luck	stationery
Mike Bond & Co	gardener
Minster Cleaning	Cleaner
Moore & Moore	Cleaner
Moorland Garden Maintenance	
Mr A Curgenvan & Mr J Bridgman T/ as J & A security Systems	Door Entry/Security
Mr R Northmore	gardener
Omniledger Limited	software
Orona Ltd	Lifts
P Novis Cleaning Services	Cleaner
Paul LLOYD	Electricians
PCM Pest Control	Pest Control
Rainbow International	industrial cleaners
Randall & Simmonds	Consultant
Ricoh Capital Ltd	photocopier
Roberts Flooring	Flooring
Roger Bastin	gardener
S & P Window Cleaners	Window Cleaners
Sherwoods	Building Contractors
South Hams Aerials	TV Aerials
Southfield Windows	Window and Doors
Square 1	Cleaner
Stephens Scown Solicitors	legal services
Terence Webster	Asbestos Contractor
The Cleaning Machine	Cleaning company
Toby's Sheds Ltd	shed and fences
Torbay Aerial Services	tv aerial
Torbay Bin Cleaning	Bin Cleaning
Total Cleaning	Cleaner
Totnes Solar	Solar panels
Tower Scaffolding (South West) Limited	Scaffolding Company
Tozers Solicitors	solicitor
Trent Valley Fascias	fascias and soffet
Tresoc	Environmental Projects
Trowers & Hamlins	legal services
TTI Environmental Ltd	Environmental Projects
Vance Briggs & Co Ltd	fire alarms
Veaseys	printer
Vent Clenz	vent cleaners
Vent Engineering	fire alarms
Walker Newton Architects	Architect
Wendy Harris (Harris Law)	HR Consultant
Westcountry Maintenance	general and out of hours
William And Triggs	stonemasons
Windeatts Solicitors	solicitor
Windows 2 You Ltd	Window and Doors
Writestuff	Communications

South Devon Rural Housing Association Limited

Authors (s) Francis Bourke

Board of Management

General Data Protection Regulation

GDPR Action Plan

For Approval

Task	Actions	Target Date	May 2018 Update
Organisation Awareness	In House workshops, guidance, possible further external training.	May 2018	Ongoing
Information held	Audit of personal data held, where it comes from and who we share it with.	May 2018	Completed
Individuals Rights	Ensure procedures cover all the rights individuals have, including how we delete personal data, and provide data electronically.	May 2018	Within draft policy circulated
Subject Access Requests	Ensure procedures in place on handling requests within new timescales.	May 2018	Within draft policy circulated
Consent	Review how SDR seek, record and manage consent.	May 2018	Within draft policy circulated
Data Breaches	Ensure procedure in place to detect, report and investigate a personal data breach.	May 2018	Within draft policy circulated
Policy and Procedure	Ensure SDR have an up to date policy and procedure incorporating the new regulation.	May 2018	Within draft policy circulated

In addition to the updated action plan, further tasks have been carried out, including:

- Identifying data surplus on former tenants, and arranging shredding of this data.
- Identifying next phase, looking at current tenants.
- A privacy statement has been sent to all customers and employees.
- Reviewing and implementing software to compliment these processes and the GDPR policy going forward.

The Board are recommended to approve the updated action Plan.

South Devon Rural Housing Association Limited

Authors (s) Francis Bourke

Board of
Management

General Data
Protection Regulation

(GDPR)

FOR APPROVAL

Purpose

To provide board members an update on SDR actions, as per action plan brought to January 2018 Board Meeting.

The new General Data Protection Regulation (GDPR) will apply from 25th May 2018. In addition to current data protection regulation, this new regulation has additional areas that organisations need to comply with. A draft policy has been circulated to board members,

SDR will need to have a good understanding of these principles and how it may impact the organisation. To achieve this, in addition to the updated action plan (**Appendix 1**), SDR will continue to monitor performance against requirements set out in the new regulation. The Regulator for GDPR is the Independent Commissioners Officer (ICO), which has guidelines for organisations on managing the new regulation.

A number of SDR staff and board members, attending GDPR training in October 2017, and SDR continue to build knowledge and understanding from this training. Further training and guidance is planned throughout the year.

Some of the key areas of change include, how we manage, and distribute personal data, right to access information, breach notification & penalty.

The Board are recommended to approve the action plan and policy.

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Author Steve Prime, Claire Barnett

Board of Management

Agenda Item 4e

Review the Corporate Risk Register

FOR INFORMATION

Purpose

To review the Corporate Risk Register.

Report

This item was deferred from the October 2017 Board due to the requirement for Board training before this task could be completed.

Training was provided in March 2018, so the item is being considered at this Board.

The supporting papers are included in this pack as a separate insert on A3.

Recommendations

Board members are recommended to review the Corporate Risk Register.

Business Objective	RISKS		Impact Analysis					Risk Management Strategy and Management	RISK MANAGEMENT Effectiveness and further action	Person responsible and deadline	Current Risk
			Financial	Performance	Operations	Probability	Gross Risk				
Development To develop and manage sustainable, community based, affordable housing and related services for South Devon and surrounding areas, (Existing operations are in South Hams, Teignbridge, West Devon, East Devon, Mid Devon, Plymouth and Exeter.) where there is a proven need and good strategic fit or there is opportunity for strategic growth.	Risk Ref										
	LG2	Lack of capacity of senior management	H	H	H	M	H	Good HR & recruitment Annual appraisals Deputy CEO	SMT in place provides adequate deputation RHL provide development service	SMT	M
	D1	Development costs greater than planned	H	H	H	M	H	PSW partner Good consultants Small programme Driven by efficiency not growth	Specialise in rural areas Small schemes Robust financial appraisals Use of DCHA employer requirements	SP CB	M
	D2	Programme curtailed or not delivered on time	M	M	M	M	M	Strength of PSW Support from other developing 'smalls' HCA Audit No HCA funding	Retain small programme Good relations other RSL's, land owners and LA's	SP	M
	F1	Breach of loan covenants and financing	H	H	H	M	H	Reports to Board Close monitoring Flexibility Review procedures	Clear documentation and procedure Improve return on available assets	SP CB	M
	New	Lack of development opportunities	M	M	M	M	M	Continue market search, partnerships, opportunities through asset management (SDR existing sites/assets)	Strong record of achievement. Partners bringing opportunities to SDR. Open to joint ventures.	SMT	M
Asset Management To have well maintained properties that meet or exceed the Decent Homes Standard and which are cost effective to manage	RM 10	Deterioration of asset value	H	H	H	M	H	What do you want surveys Post works satisfaction Surveying/Inspection regime	Act on surveys Technical input Asset management strategy based on stock survey Robust Asset Register	PH SP CB FB	H
	HM 5	Landlords duty for Health and Safety breached	H	H	H	L	H	Good monitoring processes Stock condition survey Major works prioritise risk areas Regular assessment	Review procedures Hard wire battery alarms 100% CO2/CO detectors in gas properties Compliance audits Staff training	SP PH FB	M
	HM 9	Poor performance and economic decline	H	H	M	M	H	Low reliance on sales Diversified operations Good income stream Good financial performance Review poor performing assets – more business analysis.	Best use of loans Other business opportunities Regular review of Business Plan – keep real. Quality Management Award Information on repair costs.	CB PH SP FB	M
	New	Property type/location/performance	H	H	H	L	M	Monitor lettings/voids and rent levels/asset performance	Consider sale/Improvement	SMT	L

		RISKS					RISK MANAGEMENT					Current Risk
Business Objective	Risks Identified	Financial	Performance	Operations	Probability	Gross Risk	Risk Management Strategy and Management	Effectiveness and further action	Person responsible and deadline	Current Risk		
Housing Management To provide a housing management service that is cost effective, customer focussed, responsive to resident influence, and achieves a high rate of tenant satisfaction. Ensure staff are knowledgeable of stock, type and local, through training and site visits.	<u>New</u> <u>Controls on allowing conversion from social/affordable rents in times of downturn</u>	<u>M</u>	<u>M</u>	<u>M</u>	<u>H</u>	<u>M</u>	<u>Labour propose sweeping changes to housing law and regulation</u>	<u>Include modelling for this scenario in stress testing</u>		<u>M</u>		
	QPM 1 Inadequate performance management	M	H	H	L	H	Good communications Quality imbedded in organisation Benchmarking club Staff training	Implement Quality Management System Service reviews Monitoring at board level Handy man service	SMT	M		
	HM 2 Tenant Satisfaction low	M	H	M	L	M	Survey tenants on major works and repairs STAR survey -bi annually Monthly visits to schemes	Annual inspections New STAR surveys Involve tenants in monthly scheme visits	FB	L		
	HM7 ASB/Nuisance not dealt with adequately	H	H	H	L	H	Good policy procedure Interagency working Follow up	Specialist solicitors Case Review Staff training	FB	L		

		RISKS					RISK MANAGEMENT					Current Risk
Business Objective	Risks Identified	Financial	Performance	Operations	Probability	Gross Risk	Risk Management Strategy and Management	Effectiveness and further action	Person responsible and deadline	Current Risk		
Finance To be a financially stable organisation. Ensure the organisation is able to grow organically as well as funded and through future borrowings identified in strategic plans approved by the Board.	F1 Breach of loan covenants	H	H	H	M	H	Reports to Board Close monitoring Flexibility	Clear documentation and procedure Improve return on available assets	SP CB	H		
	F4 Inflation/deflation	H	H	M	H	H	Financial models to assess impact inflation/deflation has – linked to cashflows	Monitoring Rent restructuring model Stress testing	SP CB	M		
	F5 Budgets	H	H	H	L	H	Accurate coding and recording Business plan with clear objectives Board approval and monitoring	Cashflow monitoring Financial appraisals on new projects Financial briefings for managers Review and benchmark contractor costs Allocation of management overhead – introduce time sheets Monitoring and recharge of business services	CB	M		
	<u>New</u> <u>Further restrictions on ability to increase rents or convert social to affordable</u>	<u>M</u>	<u>M</u>	<u>M</u>	<u>H</u>	<u>M</u>	<u>If labour govern they have announced controls on rents in social housing</u>	<u>Include in stress testing</u>	<u>CB</u> <u>SP</u>	<u>M</u>		
	R3 Viability	H	H	H	M	H	Loan covenants monitored Not subject to right to buy/acquire sales High demand for housing Acceptable operating margins Good reputation Regular reporting to board	Robust financial appraisal of new projects on a like for like basis	SP CB	M		

Corporate Risk Register

261016(2c)

								Strong asset base			
Services for older and vulnerable people To provide, in partnership with other providers, care and support services that meet the requirements of residents and comply with regulatory requirements.	FLH 15	Breakdown with key agencies (CQC – Devon Social Services)	H	H	H	M	H	Comply with standards aim to exceed Good communications Current rating good Continue to develop good relationships	Follow care standards Continuous improvement Aim to meet highest standard rating	BVB SP CB FB	H
	HFLH 3	Market conditions	H	H	H	M	H	Upgraded rooms Good reputation/service Remain financially viable	Improve CQC grade Improve communications on contracts Promote and market services Regular audits Marketing	SP BVB	H
	NB 2	Failure to win planned new/existing business	H	M	H	M	H	Bid on good fit businesses Contracts with exit strategy Not dependent on growth – growth for efficiency Modest business development (development) programme	Ensure adequate supply dwellings for older people Develop exit strategy Consider acquisition of failing homes	SP BVB CB	H
	HM 2	Tenant Satisfaction low	M	H	M	L	M	Survey tenants on major works and repairs Status survey annually Monthly visits to schemes	Annual inspections Improvement plans	FB PH	L
	HM7	ASB/Nuisance not dealt with adequately	H	H	H	L	H	Good policy procedure Interagency working Follow up	Specialist solicitors Case Review Staff training	FB PH	L

		RISKS						RISK MANAGEMENT			
Business Objective	Risks Identified		Impact Analysis					Risk Management Strategy and Management	Effectiveness and further action	Person responsible and deadline	Current Risk
			Financial	Performance	Operations	Probability	Gross Risk				
Human Resources To recruit and retain well trained and motivated staff.	HR 1 and HR 2	Staff Recruitment and Retention	H	H	H	M	H	Good procedures Links with agencies Staff flexibility re cover Staff appraisals good terms and conditions Investor in people	Small company skills rest with few people Reviewed terms and conditions HR support Harris Law	CB SP	M
	HR 7	Loss of key staff	H	H	H	M	H	Flexible working Good terms Training	Review terms and conditions	SMT	M
Information and Communication Technology To have an IT strategy to meet the current and future needs of the association.	IT 1	ICT systems do not meet the needs of the business	H	H	M	M	H	Periodic review of IT Annual review of IT needs New maintenance and support contracts in place	Consider efficiencies by upgrading – scanning etc Lap tops for off site business continuity Review effectiveness of main software suite – training to make best use of functionality Web sites updated Performance reporting software	SMT	M

									Data protection training – all staff ICT support provider changed Remote working hand held systems		
	IT 3	Poor Internal and External communications	H	H	M	M	H	Board papers Web site Leaflets and newsletters Team meetings	Service reviews Staff meetings Survey tenant ICT capacity – upgrading digital engagement – SDR App – Mobile web – On line tenant accounts	SP CB FB	M
	New	Contacts and CMS	M	M	M	L	L	Tenant profiling Direct Debits e-mail and text contacts reporting tools	Increase tenant profiling Collate and review preferred contact methods Annual review of knowledge of tenant/occupancy status e-mail invoices/statements/r emittance New comms system to integrate with main software for CMS	FB SMT	L
Tenant Involvement To develop and implement a tenant involvement and tenant scrutiny strategy (including input to quality assurance).	LG 4	Lack of opportunity for tenants to influence management	M	H	M	M	M	Tenant Board Members Consultation embedded in organisation’s culture Complaints procedure Access to senior staff	Develop involvement policy Promote tenant scrutiny Tenants on Board Tenant Panel	SP Board FB	M

Corporate Risk Register

261016(2c)

Governance To ensure effective governance and clear accountability for the association, and maintain probity in its direction	LG 1	Failure of CEO and or the board to give effective leadership and control	H	H	H	M	H	Ensure board/CEO have appropriate skill sets through recruitment, induction and ongoing training. Staff and Board Member appraisal process	Regular review Board Member Handbook Recruit new board members Board training Attend sector seminars Adequate budget provision Effective appraisal Chair and Board	SP Board	M
	LG 2	Lack of capacity of senior management team	H	H	H	M	H	Good HR & recruitment Annual appraisals Deputy CEO	SMT in place provides adequate deputation SMT training	SMT	M
	LG 3	Management Information – poor or insufficient	M	M	M	L	M	Benchmarking club IT support contracts IT outputs user friendly Subscription services HR and Health and Safety	Internal Audit Good internal controls Policy reviews Good performance indicators QA systems (PICASSO)	SMT	M

South Devon Rural Housing Association Limited

Authors (s) Francis Bourke

Board of Management

Value For Money

(VFM)

FOR INFORMATION

Purpose

To provide board members an update on Value For Money (VFM), in line with new regulatory requirements and revised VFM Standard which took effect from 1st April 2018.

The new standard moves the focus of the regulatory approach away from providing the self assessment document, to include focused reporting by providers on targets including a suite of metrics . Registered providers must annually publish evidence in the statutory accounts to enable stakeholders to understand the providers:

- a) Performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers.
- b) Measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

The regulators metrics that SDR will report against are:

Metric 1: Reinvestment

This metric looks at the investment in properties (existing stock as well as New Supply) as a percentage of the value of total properties held.

Metric 2 – New supply delivered %

The New supply metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.

Registered providers will report on two New supply delivered ratios:

- A. New supply delivered (Social housing units)
- B. New supply delivered (Non-social housing units)

Metric 3 – Gearing %

This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth.

Metric 4 – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

Metric 5 – Headline social housing cost per unit

The unit cost metric assesses the headline social housing cost per unit as defined by the regulator. The cost measures set out in the metric are unchanged from the metric used in the regulator's 2016 publication Delivering better value for money however, the denominator has been changed from units managed to units owned and/or managed.

Metric 6 – Operating Margin %

The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. Increasing margins are one way to improve the financial efficiency of a business. In assessing this ratio, it is important that consideration is given to registered providers' purpose and objectives (including their social objectives). Further consideration should also be given to specialist providers who tend to have lower margins than average.

Registered providers will report on two Operating Margin ratios:

A. Operating Margin (social housing lettings only)

B. Operating Margin (overall)

Metric 7 – Return on capital employed (ROCE) %

This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ROCE metric would support registered providers with a wide range of capital investment programmes.

The new standard focuses on outcomes, it places value for money at the heart of the organisation requiring registered providers to have an agreed approach to achieving value for money in meeting their strategic objectives.

Building on from the 2012 standard the regulators objectives for revising the standard are:

- Continue to drive improvements in value for money in the sector
- Ensure a strategic approach to delivering value for money is embedded within businesses
- Encourage investment in existing homes and new housing supply
- Enhance the consistency, comparability and transparency of value for money reporting

Within the new standard the registered provider must demonstrate the outcomes below:

- Clearly articulate their strategic objectives
- Have an approach agreed by their board to achieving value for money in meeting these objectives and demonstrate their delivery of value for money to stakeholders
- Through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs
- Ensure the optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives

The Board are recommended to note the report.

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Board of Management

Author Claire Barnett

Agenda Item (5a)

Treasury Report

FOR INFORMATION

Purpose

To ensure the Association complies with the Regulatory Code, Best Practice and promotes continuous improvement.

Report

The tables below show South Devon Rural Loans and cash balances held in various bank accounts.

Summary of Loans Received and Made as at 11th May 2018

Bank	Amount £	Rate %	
Lloyds TSB	4,000,000	5.495	30 years to Sept 2037
Lloyds TSB	3,000,000	3.565	25 ½ years to Sept 2037
Triodos	2,706,946	3.5	Repayments started April 2015
Totnes TT	30,000	5	To finance PV panel installations
Totnes TT	8,334	4	To finance PV panels at Sutcliffe CI
CAF Loan A 10111545	815,877	2.75	2.25% above base rate Maximum loan £2,165,000 non utilisation fee 1.125% pa
CAF Bramble	682,440	2.75	2.25% above base rate
CAF Loan B 10112560	2,008,541	2.75	£2.1m Loan for the purchase of Broomborough and Kellock Drive 2.25% above base rate, min 2.25%
Total Borrowings	13,252,138		Rules allow up to £25,000,000
Rural Homes Ltd	15,000	3.5	New loan agreement agreed 26 th July with new interest rate at 1% above SDR charge

Total principal to be repaid in 18/19 is £216,433.

Summary of Accounts as at 11th May 2018

Bank	Investment £	Terms	Rate%	Comments
CAF Gold	142,529	Deposit	0.05	
CAF current	51,017	Current	0.00	Main account
Santander	2,053	Call account	0.74	No notice required.
Lloyds TSB	5,534	Current	0.00	Cash & Cheques banked at Lloyds
Lloyds 32 day notice	60,228	32 day notice	0.57	New deposit placed June 17

Recommendations

To note the loans and balances held.

South Devon Rural Housing Association Limited

Author (s) Francis Bourke

Board of Management

Agenda Item (6a)

Performance Dashboard – Quarter 4

FOR INFORMATION

Purpose

To ensure the association monitors performance in key service areas, and advises the board of progress, improvements and areas that may need improving.

SDR monitor performance in a number of ways, to ensure quality of customer service and value for money. One of the ways SDR monitors performance is by using Key Performance Indicators (KPI's). This performance, is monitored, analysed and acted on by the management team.

The performance dashboard (**Appendix 1**) show how SDR are doing on some of the main KPI's. Green indicators show we are meeting or exceeding targets, amber indicators shows we are within 5% of targets, and a red indicator shows we are out of target and need to improve.

Agenda Item 6a Appendix 1							
Performance Dashboard	Performance 2016/17	QTR 1	QTR 2	QTR 3	QTR 4	Target 2017-18	Commentary
ASSET MANAGEMENT							
Annual Gas Safety Checks Completed	100%	100%	100%	100%	100%	100%	
Emergency	100%	100%	100%	100%	100%	100%	
Urgent	100%	95%	98%	97%	100%	95%	
Contractor Satisfaction	98%				98%	90%	
RENT ARREARS							
GN Tenant rent arrears as % of annual debit	0.59%	0.58%	0.58%	0.66%	0.79%	1.25%	
Forder Lane resident rent arrears as % of annual debit	1.20%	0.99%	1.15%	1.16%	1.11%	3.00%	
Total Rent amount written off as a % of rent debit	0.08%					1.00%	
ALLOCATION AND VOID MANAGEMENT							
Void loss on homes as a % of gross rent	0.07%	0.21%	0.18%	0.08%	0.34%	1.00%	
Average re-let time (including major works)(days)	15	19	26	35	26		
Average relet time (excluding major works)	13	16	26	42	25	14	Performance has improved significantly from last qtr. However still not met target due to, delay in allocating a property due to facilitating a transfer. Two other properties had to be readvertised, which delayed their allocation.
Number Of Lettings	18	9	6	3	9		
% Of Lettings to BME Households		0	0	0	0		
ANTI SOCIAL BEHAVIOUR							
Total no of ASB Cases	4	0	2	4	2		
% Of ASB Actions Completed On Time	100.00%	N/A	100.00%	100.00%	100.00%	90.00%	
No of ASB cases open	2	0	2	3	2		

South Devon Rural Housing Association Limited

Author (s) Francis Bourke

Board of Management

Agenda Item 6b

Lettings Report – Quarter 4

FOR INFORMATION

Purpose

To show the board all lettings activity in quarter 4, including Forder Lane House.
See attached table.

South Devon Rural Housing Association

Lettings Report Qtr 4

Agenda Item 6b

Period:	01/01/2018	To:	31/03/2018			
Address	Property Type	Family Make Up	Void	Ethnicity	Date Let	Comments
5 Avondale	Semi detached 4 bed house	Female 5 children	05/02/2018	White	25/02/2018	
27 Broom Park	2 bed bungalow	Female and male	15/01/2018	White	11/02/2018	
29 Broomborough Court	1 bed 1st floor flat	Male	19/02/2018	White	04/03/2018	
1 Crossways	1 bed bungalow	Female	05/02/2018	White	25/03/2018	
3 Crossways	1 bed bungalow	Female	29/01/2018	White	04/02/2018	
2 Hartley	2 bed ground floor flat	Female and male	04/03/2018	White	09/04/18	
17 Hartley	2 bed 2 nd floor flat	Female	20/11/2017	White	14/01/2018	
1 Forder Lane House	Room in Care Home	Female	03/02/2018	White	05/02/2018	Internal move
2 Forder Lane House	Room in Care Home	Female	01/01/2018	White	05/01/2018	Internal move
2 Forder Lane House	Room in Care Home	Female	16/02/2018	White	16/02/2018	Internal move
4 Forder Lane House	Room in Care Home	Female	03/01/2018	White	07/01/2018	
4 Forder Lane House	Room in Care Home	Male	14/03/2018	White	15/03/2018	
4 Forder Lane House	Room in Care Home	Female	24/03/2018	White		Not re-let
16 Forder Lane House	Room in Care Home	Female	02/01/2018	White	11/01/2018	
16 Forder Lane House	Room in Care Home	Male	31/01/2018	White	13/02/2018	
19 Forder Lane House	Room in Care Home	Female	17/02/2018	White	19/02/2018	

Address	Property Type	Family Make Up	Void	Ethnicity	Date Let	Comments
21 Forder Lane House	Room in Care Home	Male	04/12/2017	White	17/01/2018	
21 Forder Lane House	Room in Care Home	Male	29/01/2018	White	30/01/2018	
21 Forder Lane House	Room in Care Home	Female	22/02/2018	White	07/03/2018	
21 Forder Lane House	Room in Care Home	Female	14/03/2018	White	15/03/2018	
22 Forder Lane House	Room in Care Home	Male	23/01/2018	White	26/01/2018	
22 Forder Lane House	Room in Care Home	Female	08/02/2018	White	17/02/2018	
22 Forder Lane House	Room in Care Home		04/03/2018			Not re-let
25 Forder Lane House	Room in Care Home	Female	09/01/2018	White	26/01/2018	
25 Forder Lane House	Room in Care Home	Female	13/02/2018	White	27/02/2018	
4 Orchard	3 bed house	Male Female 2 children	18/02/2018	White	19/02/2018	Mutual Exchange
6 Tollit Gardens	1 bed 1 st floor flat	Single Female	26/02/2018	White	25/03/2018	

Members are recommended to note the report.

South Devon Rural Housing Association Limited

Authors (s) Francis Bourke

Agenda Item (6c)

Board of Management

Anti Social Behaviour Monitoring

FOR INFORMATION

Recommendation

That the board note details and actions taken regarding anti social behaviour cases.

The Association maintains a register monitoring reports and incidents of harassment and anti social behaviour and as part of its desire to promote continuous improvement. The outcomes help to develop and improve service delivery.

Anti Social Behaviour and Harassment Monitoring Period 01/01/2018 to 31/03/2018

05/12/2017			Assured	Altercation involving a knife took place at the property. GBH Crime recorded as Section 18 (Wounding). Victim did not press charges. Details confirmed by PCSO. Neighbours witnessed events. Tenant continues to keep property unclean and in poor decorative state. Tenant has confirmed visitor's Class A drug use has continued in the property.	<ul style="list-style-type: none"> • Notice of Intention to Seek Possession issued on 30/01/18 • Will continue to work jointly with CPN. • In process of applying for Possession Via Court. 	Elena Davis	Open WALN04
22/12/2017	22/12/2017	22/12/2017	Assured	Incident reported at property by neighbour and relative of neighbour. Alleged heated argument, aggressive behaviour and swearing.	<ul style="list-style-type: none"> • Statements requested from those involved and witnesses. • Operations Director looking into matter. • Arranged meeting and perpetrator served with ASB warning letter. 	Samantha McNamee	Closed CROS06
23/01/2017	30/01/2018	29/01/2018	Assured	Parking inconsiderately, questioning visitors, offensive letters are being left on visitors vehicles	<ul style="list-style-type: none"> • Letter sent to complainant and to one of alleged perpetrator • Management to arrange visit to scheme to discuss. • Visited Scheme, discussed parking options and rights with all residents, and issues seem to have been resolved. 	Samantha McNamee	Closed SUTC01 SUTC06

29/01/2018	30/01/2018		Periodic Shires	Cannabis use reported again in Western House Building. Informant advised it could be coming from a different property this time	<ul style="list-style-type: none">• Letter to all occupants 2-4 reminding them Cannabis use is an illegal activity and doing so in the property is a breach of their tenancy.	Samantha McNamee	Closed WEHO04 WEHO02
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South Devon Rural Housing Association Limited

Authors (s) Francis Bourke

Agenda Item (7)

Board of Management

Complaints Monitoring

FOR INFORMATION

Purpose

That the Board note complaints and actions taken. The Association maintains a complaints monitoring register and as part of its desire to promote continuous improvement, the Board receives regular reports on complaints the Association has received. The outcomes help to develop and improve service delivery.

Complaints Monitoring

All complaints received by the Association are recorded. All complaints at stage 2 and above are reported upon in this report in more detail. All complaints which progress to stage 3 will be the subject of a separate written report in accordance with the Association's policy.

Record of complaints in the period 1st January 2018 - 31st March 2018

Stage 1	Stage 2	Stage 3	Comments

Board are recommended to note the report.

South Devon Rural Housing Association Limited

Authors (s) Francis Bourke

Board of Management

Gas Servicing Report

FOR INFORMATION

Purpose

To provide board members information on the management of gas servicing.

The Association maintains a Gas Servicing register and as part of its desire to promote continuous improvement, the Board receives regular reports on progress on the delivery of the Gas Safety and Servicing Contract. The current contract is placed with Evans & Co. Where individual properties have not had their annual service and are 3 months or more overdue, an action plan to ensure servicing is carried out will be reported upon below.

Monitoring Report

Records of all SDRHA's properties with gas appliances are kept along with current service records in accordance with the Gas Safety and Servicing Policy and Procedure.

Records of Servicing/Safety Checks

01/01/18 – 31/03/18

Number of Properties	Number Serviced to date	Number outstanding over 3 months	Comments
108	108	0	Servicing visits ongoing on schedule

The Board are recommended to note the report.

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Board of Management

Item 9

Care and Support

FOR INFORMATION

Purpose: To inform the Board of Management of the performance and monitoring of Forder Lane House Care Home, Day Care and Support Projects.

Staffing Report

Staffing remains stable.

The new deputy manager Claire Harrison has settled in well as has our senior carer Kyri Kyriacou. We have a newly appointed qualified chef Danny Easton who commenced employment with us in April. The staff sickness continues to be monitored with the Bradford point system.

Staff Training and Development

Training Requirement	Statutory/Ordinary	Number of staff trained	Dates Of Training
Moving and Handling	Statutory	All Staff	12 th December 17
Adult Safeguarding	Statutory	All staff	12 th December 17
Medication Safe Handling Awareness	Statutory	All Staff	18 th January 2018
Food Hygiene	Statutory	All staff	21 st February 2018
Health and Safety	Statutory	All staff	21 st February 2018
Report and record Keeping	Statutory	All staff	3 rd May 2018
People moving and Handling Trainer /Assessor Course	Statutory	Deputy Manager – Claire Harrison	2 nd 9 th 16 th and 23 th May 18
Fire Safety	Statutory	All Staff	9 th May 2018
Tissue viability / Waterlows/MUST and application of creams	Statutory	All Staff	29 th May 2018
Activity Co Coordinator	Statutory	2 x Staff	6 th July 2018

Occupancy levels May 2018

Number of Rooms	Number Occupied	Comments
25	20	

Activities

The residents continue to attend Tai Chi on a Friday, Arm chair exercises are back in place and we also have a Jazz singer that comes in every Thursday. We have bingo every Sunday and the mini bus is back in action. Last week ten residents went on a trip to Dartmoor and the feedback was so positive that we have now agreed with the residents to put on a bus trip once a week on a Saturday afternoon. Every Tuesday starting from the 15th May a masseuse will be providing the residents with hand, legs and foot massages.

On the 19th May we will be holding a party at Forderlane for the Royal wedding; we will be decorating the home and offering a variety of refreshments throughout the day as well as a buffet. Our garden party will be held on Saturday 21st July, we are hoping to have a variety of entertainment, stalls and plenty of food including a barbecue.

Managers Report

We continue to experience a high turnover of residents, many residents coming to Forderlane for respite. We have had a gentlemen move in last week, aged 105, who unfortunately lost his wife very recently and on the other hand a resident who had been with us for six months and in her 90's returned home with a full package of care.

We are balancing the need to fill rooms whilst ensuring that we are able to provide adequate care without draining the staffing resources. We often receive referrals where the person concerned requires double handed care which often boarders on nursing care, so unfortunately these placements have to be refused. We continue to have strong relationships with the Intermediate Care Team and the local authority. We have been working closely with QUAIT (Quality Assurance Improvement Team) due to specific allegations raised by an anonymous whistle blower.

We have worked hard on improving our paperwork systems and have changed the format of our care plans as advised by QUAIT. We have had to introduce more paper work for example staff are now required to complete Waterlow and MUST charts on a weekly basis, the aim of these tools is to assist us to assess the risk of a residents developing a pressure sore/ulcer, whilst considering build, weight, height, visual assessment of skin, sex, age, continence, mobility and appetite.

We have also been given guidance and inspected several times since January on our medication management, record keeping and internal audits and am pleased to report that our inspector completed her final visit on the 9th May.

The pressure remains on the management as well as the staff to continually evidence everything that we do in the home, the emphasis being on the paper work and the saying from CQC, "if its not documented it didn't happen".

The experience of working alongside QUAIT has been very positive and ultimately beneficial to not only the management but to the home in general.

Hospital Admissions

1 hospital admission

Health and Safety

Report

The Association monitors incidents, accidents and near misses

Monitoring Report

Records of accidents and near misses

January 18 – May 2018

Accident book entries	Accidents	Comments
8	8	Most falls minor/skin flaps or no injury
CQC reported	0	Person hospitalised broken leg/ head injury
Ambulance called	1	Treated at scene minor injury

0 Accidents were reported under RIDDOR requirements.

1 Resident referred to the falls clinic – due to number of falls, in a short period of time

Recommendations

Board Members are recommended to note the report