

SOUTH DEVON RURAL ASSOCIATION LTD
**A meeting of the Board of Management will be held on
 Wednesday 26th October 2016 at South Devon House at 5 p.m.**

AGENDA

1	Apologies		
	Election of Officers		
2	Minutes of Previous Meeting: 20 July 2016		
3	Matters Arising Sovereign Transfer CAF Loan(s)		
4	Reports for decision		
	Financial Reports	B261016	(1)
	a) Q2 2016/17 Management accounts and Revised budgets 2016/17	B261016	(1a) + App 1
	b) Update on Brimhay Development	B261016	(1b) + App 1
	c) Brimhay Re-Development Risk Assessment (insert)	B261016	(1c)
5	Governance	B261016	(2)
	a) Code of Governance 2015 (Appendix 1)	B261016	(2a)
	b) Board champions e.g. Finance; Health and Safety; Care and Support; VFM (Appendix 1)	B261016	(2b)
	c) Corporate Risk Register (6 month review) (insert)	B261016	(2c)
6	Reports to Note		
	Corporate Diary (set dates for meetings in advance bring your diary)	B261016	(3)
	Payment of Board Members	B261016	(3a)
7	Finance	B261016	(4)
	a) Treasury Report	B261016	(4a)
	b) Capital Programme Report (Non components) (Appendix 1,2)	B261016	(4b)
8	Housing and Maintenance	B261016	(5)
	a) Performance Dashboard (Appendix 1)	B261016	(5a)
	b) Lettings Report	B261016	(5b)
	c) Capital Programme Components	B261016	(5c)
	Complaints and Anti Social Behaviour Monitoring	B261016	(6)
	a) ASB Monitoring Report	B261016	(6a)
	b) Policy Development Report	B261016	(6b)
9	Health and Safety	B261016	(7)
	a) Gas Servicing Report	B261016	(7a)
10	Care and Support	B261016	(8)
	Care Managers Report		(8a)
11	Development Report	B261016	(9)
12	Project Report	B271016	(10)
13	AOB		
14	DOM		

South Devon Rural Housing Association Ltd
Minutes of the Board of Management Wednesday 20th July 2016, at 5.00 pm
South Devon House Totnes

Present

Board
Members

Staff

Rod Hewett – Chairman (RH)
Prana Simon – Vice Chair (PS)
Jim Davis – (JD)
Charlotte Burrows (CB)

Steve Prime - SDR Chief Executive (SP)
Claire Barnett – Finance Director (CEB)
Julie Garner – Minutes (JG)

Prospective Board Member as observer:

Seb Stewart – (SS)

Stephanie (Auditor)

NO: Agenda Item

3208 Apologies

Francis Bourke – Operations Director (FB)

3209 Minutes

RH signed as a true record.
RH signed the CAF Bank minute extract as a true record.

3210 Matters Arising

PS brought up as a matter of interest that Wendy Harris has resigned from the board due to time restrictions and other commitments. RH informed the board WH had resigned from the board due to work and family commitments.

3211 Chairman's Action

RH declared an interest in Old Totnes Road.

Fresh Wharf Developments (FWD) who own a sister plot of building land at Buckfastleigh have notified SDR they wish to sell. Whilst SP did notify people who had knowledge of the site, that had not resulted in an offer to FWD. It was in SDR's interest to purchase the plot at an affordable price given the difficulties with the site. SP sought Vice Chair's action to offer £40,000, the offer has not yet been accepted.

Proposed: JD

Seconded: CB

The Board ratified the Chair's action.

Financial Reports**Annual Accounts:**

CEB advised the Board that this was the first set of accounts that are consolidated to include Rural Homes Ltd. There are differences to previous years to reflect the Accounting Direction for Private Registered Providers 2015. The changes are in the notes on the pages towards the end of the financial statements. CEB explained the changes in some detail and took the board through the key items. This included the change in the way grants are shown in the accounts – now amortised over the life of the asset they are linked to and that South Devon House has to be split for accounting purposes into the parts supporting the social housing area and the parts which are leased out which are deemed investment and shown in the financial statements separately and accounted for in different ways. CEB said we will need to look at the valuation of investment properties every year and review for security but that it is not an obligatory requirement under FRS102 to have a qualified valuer.

RH congratulated CEB on the successful preparation of the accounts under the new reporting requirements.

Audit Report and Audit Letter of Representation

CEB and Stephanie (Auditor) went through the audit report and explained in more detail the key issues and changes to presentation to previous years. There was a brief discussion explaining the classification and terminology of basic loans and financial instruments. Stephanie pointed out that the CEO had full access to all IT systems, which is not best practice. There were no other issues of concern raised. SP advised that SDR was changing its IT support company and a review of security issues would be discussed. Staff left the meeting to allow the board to speak freely to the auditor.

The Board noted the Audit Report and approved the Audit letter of Representation

The Board approved the annual accounts.

Proposed: PS

Seconded: JD

Proposed Stock Transfer (Sovereign Phase II) Update

SP advised that the valuations were now to hand and with the existing security charged to CAF for Loan B and the valuation on the stock to be acquired from Sovereign, the overall security will cover both facilities. Revised CAF Key Commercial Terms Letters noting this are shown with the proposed security. There are no further solutions required as the previous board meeting dealt with all eventualities. There is no need to offer the reserve list as additional security. The tenant consultation 2 weeks ago was very positive. There were no negative comments from Sovereign tenants.

The Board noted the update on the due diligence for the transfer and CAF

loans.

Q1 Management Accounts

CEB went through the Management accounts with the Board. SS asked what management income is. CEB explained SDR provide management services to other landlords, leasehold properties and properties leased from the local authority. This also included Service Charge administration fees. The proposed purchase of new properties and the budget implications were not in these management accounts and CEB said a revised budget would be available for the October board meeting.

The Board noted the Q1 Management Accounts

3213

Development Programme Report

Brimhay (verbal update)

The judicial review finished on 19th July 2016. The judge undertook to give a determination by next week. Feedback was that both sides put up a good case and it will be a very close decision. PS queried the section 38 tender of £8000. SP advised that a requirement of developing Brimhay will require a road designed to Section 38 standards, a highway standard which allows the finished road to be adopted and maintained by highways.

SP advised, as a matter of note, that one of our Brimhay tenants has died unfortunately, that there are only 6 or 7 original tenants remaining. SDR will continue to offer alternate accommodation as it becomes available. If the decision is made in SHDC favour, we believe there will be no further right of appeal.

Sec 106 Acquisitions

A revised report was distributed at the meeting, showing financial appraisals with varying inflation rates, both financial appraisals are positive. Sec 106 Acquisitions are sites where planning permission requires a certain amount of affordable housing is required. Developers approach Housing Associations to purchase units which will be then rented at 80% of market value. Associations effectively bid to purchase these units at below cost to build. SP advised that SDR have been approached on a number of sites where such units could be acquired quite quickly, subject to funding. If we are able to borrow at 3.85% there should be a positive outcome.

The Board has to recommend increasing borrowing for SDR at the AGM for planned growth and to give headroom in the future. Whilst the overall limit of borrowing is set at a general meeting or AGM. The Board then approves all borrowing based on the needs of the organisation. There was an open discussion about future development.

The Board to approve a motion to the AGM to agree to increase the overall borrowing limit to £25,000,000.

Proposed: CB

Seconded: JD

3214

Governance

Annual Report to Tenants

PS felt the Annual Report needs to be proof read before it is sent out to members and if possible in an editable format.

The Board approved the Annual Report.

Proposed: CB

Seconded: JD

Star Survey 2015 Action Plan

RH remarked on the improvement made. SP advised SDR previously had negative feedback on some areas of service delivery but the staff team had worked hard to improve service delivery in many areas. He did point out though, that there were inevitably some areas showing dissatisfaction at higher levels, which could not be justified. An example given was the cost of service charges on supported housing schemes but that supported housing doesn't pay the service charge. SP added that we understand the areas of dissatisfaction and are improving. Wee are never complacent and seek to improve further.

The Board noted the Star Survey

Policy Development Report

The Board noted the Policy Development Report

Joint Working – Joint Working Update

SP advised the Board that he has compiled a due diligence register towards potential partnership or merger which would include examining loans, liabilities, costs, potential savings etc. RH asked what is the list of benefits for a merger opposed to doing nothing. SP said Due Diligence Reports would provide information on the pros and cons of merger. He added that it is not a given that larger organisations are more cost effective than smaller organisations. He said SDR and SWHS are both financially secure and that this was not a motivating factor for merger. PS said she felt that there is a lack of recognition of 2 different view points. SP said that we have agreed to examine joint working with SWHS with regard to potentially delivering SDR repairs and drew the Board's attention to the timetable Appendix 1 (3d) which shows the progress made and the timescale for implementation. There was an open discussion about joint working and deadlines. SP advised the Board that it was planned for the CEO's to attend each others board meetings as observers. A discussion was held regarding the information the board felt it needed to be able to make a decision about the future of SDR. They felt a case would need to be made for merger and that at present they did not have sufficient information.

The Board agreed that it was premature for the CEO's of SDR and SWHS to be attending each others board meetings and to reconsider in January 2017 when more Information will be available to consider a case for merger.

Proposed: JD

Seconded: PS

Time Served On Board

SP advised the meeting that RH would have now spent 9 years on SDR Board. Our rules state that 9 years is the maximum allowed unless the board agree to an extension. RH is the champion for finance and we did not have a replacement on the board so his experience is vital in these matters. RH left the meeting briefly while the voting took place.

The Board approved the extension of RH's tenure on the Board for a further year from September, subject to him standing and being elected by shareholders at the AGM.

Proposed: JD

Seconded: PS

Approval of Shareholder

SP advised the board that applicant had the skills and experience required to be both a shareholder and board member.

3215 The Board approved the Shareholder application

Proposed: CB

Seconded: PS

SS left the meeting briefly.

SP advised that SS had undergone the first phase on induction to become a board member and had the required skills and experience needed on the board. SP advised if the board were minded to appoint SS today to the board, he would need to stand for re-election at the AGM.

The Board appointed SS to the Board

Proposed: PS

Seconded: CB

3216 Reports to Note

3217 Finance

Capital Programme Report (Non Components)

**The Board noted the Capital Programme Report (Non Components).
Treasury Report**

RH asked if the Board could look at the Lloyds TSB loan for £4,000,000 @ 5.495% for 30 years as the loan looks expensive. SP advised that at the time of negotiating the £4,000,000 Lloyds loan, it was to repay all existing SDR loans and 5.495% should be seen in the context that the average being paid by SDR at the time was over 7% one loan was at 11%. SDR average loan costs are now 4.4% and it should be noted current loans are on the basis of margin above base rate not LIBOR. Loans over 10 years are still difficult to source.

3218 **The Board noted the Treasury Report.**
Housing and Maintenance

3219 **Performance Dashboard Q1**

The Board noted the Performance Dashboard Q1.

Lettings Report

3220 **The Board noted the Lettings Report.**

Capital Programme (Components)

3221 **The Board noted the Capital Programme (Components).**

Complaints and Anti Social Behaviour Monitoring

ASB Monitoring Report

The Board noted the ASB Monitoring Report.

Health and Safety Report

Gas Servicing Report

3222 **The Board noted the Gas Servicing Report.**

Care and Support

Care Managers Report

The Board noted the Care Managers Report.

Project Report

The Board noted the Project Report.

Any Other Business

SP reminded the Board about the BBQ at Moreleigh 21st July at mid-day.

The AGM is on 7th September, the October Board will be on 19th October.

SP reminded the Board they were to discuss the possibility of moving future board meetings to 5:30pm as AV is finding it difficult to attend meetings at 5pm. RH will discuss this with AV.

SP thanked CEB for all her hard work and effort that has gone into preparing the accounts for Rural Homes, VAT, CIS and FRS102 a monumental task.

Date of Next Meeting:

The date of the next Board Meeting is Wednesday 19th Oct 2016.

The meeting closed at 7:40 pm.

Signed

Date

Financial Report

FOR APPROVAL

Purpose

To provide the Board with Q2 figures for 2016/17, including a revised budget for the revenue consequences of the Sovereign property transfer and a projected surplus for the year.

Report

The Association's budgeted revised surplus for the year 2016/17 is £279,598 and ££50,328 excluding sales. The Q2 actuals show a surplus of £79,148 compared to a Q2 budgeted surplus of £26,054. Excluding sales the budgeted surplus for Q2 is £16,054 with an actual surplus of £51,774.

The projected surplus for the year is currently the same as the Revised (Oct) budget. The interest cover gearing excluding sales is 162.41%. It has to be 110% or above.

The financial breakdown is shown in Appendix 1.

The main variances for Quarter 2 are listed below:-

General Housing

- The income for the year reflects the reduction in income from Brimhay. It was anticipated that more residents would still be living on the site and the new properties would be ready in February 2017 when the budget was first produced. The new rental income for the new properties in Totnes has been added in at £81,700 for the relevant part of the year.
- Expenditure is slightly lower than estimated, but no significant variances at this point. There are currently no bad debts.

SHIRE

- Due to the delay in handover of the Moreleigh properties there is a reduction in the rental income received.

Development Costs

- Costs associated with development work by RHL, some of which may be capitalised.

Forder Lane House

- Income has increased due to room rates increasing upon relet.
- Expenditure is lower, partly due to utility bills reducing for the PV panels and the seasonal nature of the bills.

South Devon House and Totnes Work Hub

- Work hub numbers are lower than expected so a small reduction in income.

Management

- The employee expenses have increased in line with board and senior management proposals.
- Additional computer and telephone costs due to change in supplier and paying off old

contracts.

Depreciation

- Updated for new year costs and grant write down. Due to the Moreleigh delay in hand over the depreciation to date is lower than expected on SHIRE properties.

Finance Costs

- The interest figures are below budget as the base rate has been reduced by a further 0.25%. When producing the budget the expectation was that the base rate would increase during 16/17. £15,000 has been recharged as capitalised interest to the Brimhay development budget.

Property Sales

- The sale of 6 Kings Orchard achieved a surplus of £14,608. 3 Shinnars Bridge is currently under offer and is expected to sell during this financial year.

Recommendations

Board members are recommended to approve the Revised budget (Oct) for 16/17 and note the Q2 figures and projections for 2016/17.

South Devon Rural Housing Association

Appendix 1 B261016 (1a)

	Revised (May) Budget 2016/17 £	Revised (Oct) Budget 2016/17 £	Q2 Budget 2016/17 £	Actual 2016/17 £	Variance To Budget £'000	Percentage of annual budget %
General Housing	1,005,444	1,079,103	497,830	503,023	5,193	50%
SHIRE	228,484	227,704	104,642	109,749	5,107	48%
ROC	-	-	-	-	0	
Forder Lane House	700,664	704,005	350,332	358,266	7,934	51%
Day Care	-	-	-	-	0	
South Devon House	77,529	76,698	38,764	36,619	(2,145)	47%
Management	49,498	53,687	24,749	26,855	2,106	54%
Total Income	2,061,618	2,141,197	1,016,317	1,034,512	18,195	50%
Expenditure						
General Housing	177,713	193,728	93,026	89,709	3,317	50%
SHIRE	17,709	16,723	8,855	10,734	(1,879)	61%
ROC	-	-	-	-	0	
Development Costs	10,000	10,000	5,000	6,171	(1,171)	62%
Forder Lane House	648,305	653,268	324,152	311,205	12,947	48%
Day Care	-	-	-	-	0	
South Devon House	59,199	61,686	29,600	28,923	677	49%
Management	390,507	429,576	195,254	204,264	(9,011)	52%
Total Expenditure	1,303,433	1,364,981	655,886	651,006	4,880	50%
Operating Surplus excluding depreciation & finance costs (A)	758,185	776,217	360,431	383,506	23,075	51%
Depreciation						
General Housing Properties	144,846	152,897	72,423	71,893	530	50%
Assets replaced earlier/new asset depreciation	69,220	12,619	-	-	0	0%
SHIRE properties	70,080	68,719	35,040	31,969	3,071	46%
Forder Lane House	34,283	34,283	17,142	17,142	(1)	50%
South Devon House	12,500	12,500	6,250	5,596	654	45%
ROC	-	-	-	-	0	
Vehicle Depreciation	2,277	3,400	1,139	1,138	1	50%
Equipment depreciation	23,552	23,558	11,776	10,744	1,032	46%
Total Depreciation	356,758	307,976	143,769	138,482	5,287	39%
Amortised Grant	(65,646)	(60,030)	(32,823)	(32,823)	0	
PPE/Investment Adjust	(760)	(760)	(380)	-	-	
Financial instruments adjust	0	-	-	-	-	
Operating Surplus including depreciation	467,073	528,271	249,485	277,847	28,362	59%
Surplus on disposal of assets	230,000	229,270	10,000	11,320	1,320	5%
Interest Payment & charges	467,362	479,743	233,681	211,366	22,315	45%
Interest Received	(500)	(1,800)	(250)	(1,347)	1,097	269%
Net Finance Costs (B)	466,862	477,943	233,431	210,019	23,412	45%
Surplus/(deficit)	230,211	279,598	26,054	79,148	53,094	34%
Interest Cover Calculation > 110% (A) divided by (B)	211.67%	210.38%		188.00%		
Surplus without sales	211	50,328	16,054	67,828	51,774	32086%
Interest cover excluding sales	162.40%	162.41%		182.61%		

Brimhay - Re-Development Options

Appendix 1 B261016 (1b)

Scenario	Site start months	Complete months	Capital Spend £'000	Capital Gain £'000	Net Capital Spend/-gain £'000	Losses/Write off £'000	"Net" Cash funding £'000	Max. Borrowing Need £'000	Borrowing Costs £'000	Future Income £/pa	NPV Future Income 20 yrs £'000	Comments
A Continue with current planning application	Jan-16	Mar-19	-2,115	1,570	-545	-55	-600	2,660	-125	56	594	Sale of land £1,080k, gift aid £490k
B Existing application by 6 flats become shared ownership	Jan-16	Mar-19	-2,115	2,065	-50	-55	-105	2,165	-124	40	424	Sale of land £1,080k, gift aid £490k, sale of shared ownership £405k, grant £90k
C The 12 flats replaced by 2 houses for sale and 4 shared ownership houses	Apr-18	Mar-19	-1,789	2,070	281	-191	90	2,165	-109	28	297	Sale of land £1,080k, gift aid £490k, sale of shared ownership £440k, grant £60k. Full loan required to cover RHL build costs too during the project
D Build 14 houses, 4 are shared ownership			-1,609	1,875	266	-474	-208	2,165	-105	13	138	Sale of land £1,080k, gift aid £295k, sale of shared ownership £440k, grant £60k. Full loan required to cover RHL build costs too during the project
E Sell site	-	Jan-17		625	625	-283	342	0	0	0	0	Assume money used on other social housing projects

Notes

All capital spend based on Randall Simmonds figures

Net cash is the cash outlay or return when the scheme has finished

Future income - this shows the income generation once the scheme is complete. Shared ownership generate rental income

NPV calculated with 5% discount ratio and assuming income starts in 3rd year from commencement

Risk Assessment

Category	Date Last Reviewed	Reviewer
Development – Brimhay Redevelopment Sheet 1	September January 2016	S Prime C Barnett

B261016 (1c)

No.	Risk	Impact			Probability	Mitigation Actions / Controls	Effectiveness and further action	Residual Risk	Person responsible
		Financial	Performance	Operations					
1	Lower than expected returns on market sales	M	L	L	M	Robust financial appraisals of new business opportunities; Financially strong; Not over ambitious; Stress testing shows limits of risk Exit strategy <u>Recent review of sales/land values</u>	Business plan and financials examined by external independent consultants. (Francis Clarke) <u>Ongoing market updates</u>	M	SP CB
2	Failure to win planned business on expected terms	H	M	H	M	Modest development programme Exit strategy for leased projects (ROC) – flexibility to change use – market rent, holiday accommodation, annex to Forder Lane House	For rental stock good evidence of sustainable need Exit strategy for leased developments	H	SP CB
3	Abortive costs higher than planned	H	M	L	M	Board limits on pre development costs Pragmatic approach that bigger projects require larger investment. <u>Revised FA due to delays market changes</u>	Maintain limits on exposure <u>Fully establish current abortive costs and implications</u>	M	SP CB
4	Inadequate performance management	M	H	H	L	Staff and consultants have good track record of delivery	Regular detailed reports to board	M	SP
5	Abnormals on site	H	M	L	L	All searches and investigations complete prior to contract Design and Build contracts	Examine all risk prior to awarding contracts Construction broken down into 3 contracts	M	SP CB
6	Contractor performance	H	M	M	M	D & B contract Performance bond Split redevelopment into separate contracts	Separate contracts limit risk in each phase Phase 1 delivers affordable first	M	SP
7	Adequate funds to complete project	H	M	M	M	Robust financial control. <u>Revised loan terms to give greater flexibility – long term financing</u>	Stress testing to ascertain the amount SDR willing/needs to subsidise scheme	M	CB SP
8	Post planning approval	H	M	M	H	Local protesters disrupt build process	Site security; CCTV Legal injunctions	H	SP
9	Market sales do not meet expectations or timescale for return	H	M	L	M	Consider market rent for unsold units Loan agreement in place for 10 years. <u>Other opportunities to reduce affordable element; change to shared ownership or other affordable product – Sell whole site</u>	<u>Revised financial appraisal undertaken September 16. Part repayment of loan to reduce effect on I&E. Further valuation shows increased sales value</u>	M	SP
10	Competition from other local market developments	H	M	M	M	Local experience is that developers house prices will be higher than those used by SDR in financial model. SDR properties in good location good size and gardens	Ensure SDR keeps in touch with market trends and prices Marketing strategy (<u>recently reviewed</u>)	M	SP
11	Transfer to another developer/sale/or Joint Venture	H	H	L	H	Outright sale or options agreement with capital amount to cover all SDR investment Reduced risk on sales RHL unable to set up trading credentials	<u>Investigate further</u> <u>Arrange for site to be commercially appraised for open market sale potential</u>	M	SP

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Board of Management

B261016 (2a)

Governance Review Progress Report:

FOR INFORMATION

Purpose

To update the board on the organisations progress in relation to SDR's Governance Review.

Report

Further to a review of the Code of Governance 2015, a gap analysis on compliance to the code has been compiled, and action plan developed and was agreed at May 2016's board.

The analysis demonstrates areas of the 2015 code where further work needs to be completed, to ensure full compliance. There are areas of the code which are not applicable to SDR, and there are a number of areas where SDR can evidence compliance.

SDR will be aiming to commission a consultant to support the Board to ensure compliance.

Please see action plan agreed at Mays board, (**appendix 1**) which relates too progress below, updated comments in red bold type.

Consideration should be given for the Board to address the gaps identified in the report, with an aim to demonstrate full compliance within the next three years.

Recommendations

Board members are recommended to approve further actions.

ACTION PLAN AGREED AT MAY BOARD

B261016 (2a) Appendix 1

PROVISION STATEMENT	EVIDENCE	COMPLIANCE	ACTION/BY Whom	Update and further actions April 2016
D1 Boards must have a strategy for their own renewal which is based on an agreed statement of the skills, qualifications and attributes required, and balances the need for experienced members with that for new thinking and independent challenge. This statement should be reviewed regularly, and whenever the organisation is about to undertake new activities or become exposed to new risks.	SDR sets out skills and BM requirements in AGM	Yes but strategy needs to be reviewed.	Review strategy Board – Supported by CEO	Chair to meet with Board Members and draft out revised (if needed) statement of the skills, qualifications and attributes required for future board requirements. APPENDIX 2 is the current statement which should be revised for AGM September 2016 Updated comments Oct Board: Still need action, consultant to support.
D2 Maximum tenure must be agreed for all non-executives which must in total be nine years or fewer, composed of two or more consecutive terms of office. This maximum tenure must apply to all board member service with an organisation or its predecessors or its subsidiaries.	Set out in Rules – matrix complied on length of service and attendance for Chair, exceptions reported and agreed by Board.	Yes but summary report should go to Board for scrutiny	CEO Prepare Summary report for Chair. Chair to present to Board	Current rules allow total of 9 years for board member and 3 years as chair. Board Members are elected for three years with a maximum of 9 years – can be some discretion to ensure the board skills and experience are maintained APPENDIX 3 shows board attendance to July 2016 along with a proposal for future terms of service. Updated comments Oct Board: Some work has been done, including a report to Board from SP. SP will provide a further report to board.

PROVISION STATEMENT	EVIDENCE	COMPLIANCE	ACTION/BY Whom	Update and further actions April 2016
<p>D3 Where a member comes to the end of an individual term of office and is eligible for reappointment, this must be subject to consideration of the member's appraised performance and skills, and to the wider needs of the board at that time.</p>	<p>Self appraisal process and other appraisal processes weak</p>	<p>Appraisal process needs review</p>	<p>Review Appraisal Process. Board Chair - CEO</p>	<p>Initially give existing procedure one more go all BM's must agree or seek outside consultant to work with BM's to establish best practice and agree formal appraisal systems – By September 2016.</p> <p>Existing format will be issued by email after the May Board meeting by the Chairman with a strict return date of 2 weeks. Feedback will be discussed at July Board Meeting.</p> <p>Updated comments Oct Board: Still needs action, consultant to support.</p>

<p>D5 In considering its composition and renewal the board must have regard to the need for a board which includes people from diverse backgrounds and with diverse attributes, to help ensure healthy debate and challenge, and a range of perspectives.</p> <p>Recruitment and retention</p>	<p>Equality and Diversity Monitored</p> <p>New thread</p>	<p>Yes but to improve need to review and perhaps set targets. Current targets on gender only (50/50)</p>	<p>Review and set new targets.</p> <p>Board Chair Supported by CEO</p>	<p>No formal targets set apart from 50/50 gender split. – for board discussion</p> <p>Updated comments Oct Board: Decision to be made regarding setting targets.</p> <p>New thread introduced – Payment of Board Members – Chair to lead discussion – Grant Thornton Annual Review of Governance Paper circulated to stimulate discussion.</p>
---	---	--	--	--

PROVISION STATEMENT	EVIDENCE	COMPLIANCE	ACTION/BY Whom	Update and further actions April 2016
<p>D8 So they can discharge their duties all new board members must receive a properly resourced induction, and ongoing learning and development during their tenure.</p>	<p>Induction/Offer of training, including conferences, webinars supported by a Budget provision</p>	<p>Yes – However no formal review of board training is currently in place – needs to be in place to assess effectiveness and take up of training and development in role</p>	<p>Carry out a review on training and develop a training plan for all board members.</p> <p>Board Chair - CEO</p>	<p>Chair and Board to agree an annual training plan and delegate volunteers sought or delegated by Chair.</p> <p>Staff team to provide support and identify opportunities. (Chair and CEO to draft list – debate format, type, sharing training with SWHS etc)</p> <p>Share training opportunities with other HA Boards</p> <p>Updated Comments Some progress, ongoing.</p>

D9 A full and rigorous appraisal process for the individual members of the board and its committees, including the chairs, must be carried out at least every two years.	An appraisal process exists but is not as effective as it could be	Yes – but needs to be reviewed	Review Appraisal Process Board Chair - CEO	Review with D3 To link to Board Away Day (Year 2) Updated comments Oct Board Still needs action, consultant to support.

PROVISION STATEMENT	EVIDENCE	COMPLIANCE	ACTION/BY Whom	Update and further actions April 2016
<p>E4 All boards and committees must consider their effectiveness annually and how they conduct their business, including:</p> <p>(1) their governing instruments, delegations, regulations, standing orders, structures, systems and other formal documentation;</p> <p>(2) the timing and frequency of meetings;</p> <p>(3) the format of their agendas, papers, minutes and communications;</p> <p>(4) their collective performance as a decision-making body; and</p> <p>(5) their compliance with this code and their legal duties.</p> <p>There must be a formal review of these matters at least every three years, to ensure best practice, and that documentation is compliant with the latest legislation and regulations.</p>	<p>Formal procedures in place for review.</p>	<p>Yes but board effectiveness is not robustly reviewed or discussed. This needs to be addressed.</p>	<p>Need to implement a review process and documentation of discussions.</p> <p>All board members</p>	<p>The board to meet and work as a team to review board effectiveness and provide report with recommendations for action if needed.</p> <p>Liaise with other HA Boards and share best practice.</p> <p>Summarise Actions vote and agree.</p> <p>Updated comments Oct Board:</p> <p>Still needs action, consultant to support. Target 2 years.</p>

PROVISION STATEMENT	EVIDENCE	COMPLIANCE	ACTION/BY Whom	
<p>F3 All but small non-developing organisations must have a committee primarily responsible for audit, and arrangements for an effective internal audit function. Other organisations must make effective arrangements for discharging these functions.</p>	<p>SDR does not have an Audit Committee as this has not been deemed necessary given size of operations and level of information provided at ordinary board meetings</p>	<p>No – need to review this decision</p>	<p>Board</p>	<p>For discussion at Board – Thereafter report every three years or triggered by growth or complexity of business.</p> <p>Updated comments Oct Board:</p> <p>Review in 2019 depending on growth.</p>

South Devon Rural Housing Association Limited

Authors (s) Francis Bourke

Board of
Management

B261016 (2b)

Board Champions

FOR DECISION

Purpose

To demonstrate the value of having Board Champions, and agreeing implementation.

Introducing Board Champions has been discussed previously at SDR Board meetings. The executive team are now encouraging implementation of Board Champions, whereupon a board member would champion a specific service area, e.g. Finance, Health & Safety, Asset Management or Equality & Diversity.

In addition to their responsibilities as a Board Member, the Board Champion will take a lead in an area of the business defined by the Board and work with the Executive Team and other staff to help develop strategy and policy

The role of the Board Champion is to provide a leadership role in a specialist topic and, in doing so, contribute to the achievement of SDR's aims and organisational objectives.

Having a board champion for a specific service area, gives an additional focus on a service area, and additional views from a professional in the field which is a valuable resource, as SDR continues to improve all services.

See **appendix 1** for Board Champion Job Description.

Report

Recommendation

Members are recommended to decide to appoint Board Champions in the relevant areas.



SOUTH DEVON RURAL

HOUSING ASSOCIATION LIMITED

B261016(2b) Appendix 1

Board Champions – Role Description

1 The principal responsibility of a Board Champion

1.1 In addition to their responsibilities as a Board Member, the Board Champion will take a lead in an area of the business defined by the Board and work with the Executive Team and other staff to help develop strategy and policy

1.2 The role of the Board Champion is to provide a leadership role in a specialist topic and, in doing so, contribute to the achievement of our Aim and Organisational Objectives.

2 Representing the Board

2.1 To take a lead responsibility in a defined cross cutting area of the business

2.2 To be consulted on the development of strategy and policy prior to consideration by the Board

2.3 To attend project Groups, working groups or action groups and offer a Board member's perspective to the meetings

2.4 To contribute to learning events

2.5 To be aware or be prepared to be aware of best practice and bring knowledge and expertise from outside the organisation

3 Working with Staff

3.1 To support the lead officer in the defined area of the business in the preparation of strategy and policy papers

3.2 To offer advanced level of scrutiny on proposals prior to consideration by the Board

3.3 To support joint working between Board members and staff

3.4 To ensure that Board members roles and responsibilities do not cross in to the operational duties of the staff

All Champions can do the following things:

- ✓ Be clear about their role
- ✓ Advise on best practice
- ✓ Review and influence
- ✓ Review policies and procedures
- ✓ Create awareness – internal / community
- ✓ Scrutinise / critique e.g. Board reports
- ✓ Raise standards on materials
- ✓ Target areas for review / promotional activity
- ✓ Keep their areas on the agenda at senior level
- ✓ Point of contact for support and advice
- ✓ Network – other organisation

Champions cannot do the following things:

- Change the law
- Change people
- Feel fully responsible for their area
- Be experts
- Make decisions for others
- Please everyone
- Solve all issues relating to their area
- Change things over night
- Provide legal advice
- Replace a policy

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	New 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 A Compile asset management strategy based on stock survey Robust Asset Register	PHAT 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 PHAT 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 PHAT 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

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.	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			
Business Objective	Risks Identified		Impact Analysis					Risk Management Strategy and Management	Effectiveness and further action	Person responsible and deadline	Current Risk
	Risk Ref		Financial	Performance	Operations	Probability	Gross 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
	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 Strong asset base	Robust financial appraisal of new projects on a like for like basis	SP CB	M
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 Meet new care standards 2009 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 <u>Consider acquisition of failing homes</u>	SP BVB <u>CB</u>	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 <u>PHHA</u>	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 <u>PHHA</u>	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 <u>Reviewed</u> terms and conditions <u>HR support Harris Law</u>	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 <u>New m</u> aintenance and support contracts in place	Consider efficiencies by upgrading – scanning etc Lap tops for off site business continuity Review effectiveness of main software suite <u>– training to make best use of functionality</u> <u>Review web site</u> <u>Web sites updated</u> Performance reporting software Data protection training – all staff <u>Adequate ICT support</u> <u>ICT support provider changed</u>	SMT	M

									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 – use of SDR opportunities to add access to ICT 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/ emittance remittance 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

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

Corporate Diary 2016 – 2017 B261016 (3)

Meeting Date	Start Time (circle preferred time)	Agenda Items	Comments
26 October 2016	5pm	Election of Officers Quarter 2 accounts Voids/lettings monitoring Policy updates	15 minute briefings to start meetings – from Officers/specialist/members Risk map update
25 January 2017	5pm	Budget Quarter 3 Accounts	
31 May 2017	5pm	Draft Accounts and Quarter 4 Management Accounts	Risk Review (Annual) Asset Register Review
19 July 2017	5pm	Approve Annual Accounts Annual Report	
13 September 2017	7pm (Venue?)	Annual General Meeting	

Deadlines:

Papers by	Send out	Board Date	Comments
7 th October	17 th October	26 October 2016	
13 th January	16 th January	31 January 2017	
19 May	22 nd May	31 May 2017	
14 th July	17 th July	31 July 2017	
14 th August	18 th August	9 September 2017	AGM
Awayday	March/June	TBA	Suggestions for topics

South Devon Rural Housing Association Limited

Board of
Management

B261016 (3a)

Payment of Board
Members

FOR INFORMATION

Purpose

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

Report

At the last (but 1) Board Meeting the subject of payment for Board Members was discussed. It was for the Chief Executive to research the constitutional issues to facilitate payments for Board Members.

The Rules of South Devon Housing Association Limited are silent on the subject of payments to Board Members.

The Standing Orders and Financial Regulations of South Devon Housing Association Limited state at section 8

'Members Interests'

8.2 'No board member, by virtue of office or employment, may accept any fee or reward for work undertaken on behalf of South Devon Rural Housing Association Limited without prior board approval.'

Therefore the board, has within its power, the ability to allow the payment of board members subject to the approval of the board.

Recommendation

Members are recommended to note the report.

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Board of Management

Author Claire Barnett

B261016 (4a)

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 4th October 2016

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	2,936,390	3.5	Repayments started April 2015
Totnes TT	40,000	5	To finance PV panel installations
Totnes TT	25,000	4	To finance PV panels at Sutcliffe Cl
CAF	276,800	3.25	2.75% above base rate for Brimhay. Maximum loan £1,750,000
CAF	735,000	2.5	2.25% above base rate
Total Borrowings	11,013,190		Rules allow up to £15,000,000
Rural Homes Ltd	12,000	6	Further advance of £2,000 made 13/9

Due to the base rate reduction the interest receivable rates have been reduced by CAF and Santander.

Summary of Accounts as at Tuesday 4th October 2016

Bank	Investment £	Terms	Rate%	Comments
CAF Platinum	26,706	30 day notice	0.40	Rate reducing on 17 th October to 0.15% - 30 day notice
CAF Gold	60,102	Deposit	0.20	Rate reducing on 17 th October to 0.05%
CAF current	45,398	Current	0.00	Main account
Santander	250,083	Call account	0.49	No notice required. Rate reduced 1/9/16
Lloyds TSB	11,970	Current	0.00	

Recommendations

To note the loans and balances held.

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD
Author Claire Barnett

Board of Management

B261016 (4b)

Capital Programme Report

FOR INFORMATION

Purpose

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

Report

Capital Programme 16/17 to 18/19

Appendix 1 shows all capital spend (excluding components) for 2016/17, and the budgets for 17/18 and 18/19.

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 3 financial years.

This shows that all the proposed schemes could be funded.

Recommendations

To note the capital expenditure and the cashflow for 16/17, 17/18 and 18/19.

	Scheme Budget	Prior Years Spend	Budget	Actual	Budget	Actual	Budget	Budget	Comments
	£	14/15	15/16	15/16	16/17	16/17	17/18	18/19	
		£	£'000	£'000	£'000	£'000	£'000	£'000	
Schemes completed by 15/16		22,120	162	941					
South Devon House works	10,000	5,093	10	15	15		10	10	Office refurbishment work including new windows
IT Upgrade	50,000	30,917	15	8	5	1			Software upgrades to omniledger
Other Fixed Assets replacements	-	11,457	10	13	10	3	10	10	New profiling bed for FLH and new tumble dryers as laundry relocated
Components replaced					140	7	120	120	See separate board report
New FLH Minibus					20	17			New minibus purchased June 16
Partnership South West Fees				5	5		6	6	To enable SDR to be part of the HCA 2016-21 programme
Thurlestone				15.15	-	4			Final payment of £8,000 made against a retention of £12,590. Legal fees £855
Old Totnes Road	62,382	62,197		-	185				Additional £45,000 included for land purchase and costs associated. Cost of Development has increased since first purchased so increased by £20,000
12 Market Street		80,113	6		6				Contracts completed and tenant has moved in however land parcel to be purchased
Teignbridge contribution	-	5,000							Teignbridge contribution
Brimhay Redevelopment	357,106	354,607	403	156		21	2,008	88	As per Oct board report. Does not include land sale for "ROC" area
	- 3,973					-	1,888	- 2,085	Sale of land and gift aid from RHL plus interest repayments
Lapford flat			70	7	64	3			Completed April 2016. Legal fees higher than anticipated due to change in free/leasehold
Morleigh	6,284	5,754	- 199	358	172	71	12		Work on site, scheme budget increased for legals, capitalised interest and consultants
SHDC equity contribution	- 40,000		- 40	- 40					SHDC grant paid in Feb 16
Broomborough & Kellock					2,100	231			Stock transfer of 42 units from Sovereign to be completed Sept/Oct 16
Palmorla Road						5			Transfer but costs to be funded by other provider
	441,798	544,344	437	1,479	2,721	356	278	- 1,851	

Cashflow Summary

Appendix 2 B220715(4b)

	Income £	Expenditure £	Total £
Balance at 31/3/14			636,621
New loans	500,000		
Non cash depreciation	235,522		As per draft financial statements
Profit 14/15	29,895		As per draft financial statements
Capital spend net of grant		544,344	
Sale of Car	13,500		
Components spend		34,233	see separate report
Balances at 31/3/15	<u>778,917</u>	<u>578,577</u>	<u>836,961</u>
15/16 capital spend net of grant		437	
Sale of Old Totnes Rd	180,000		
Non cash depreciation	237,045		
Loan received/paid out	1,750,000	605,000	
Loss 15/16		31,435	
Components		110,000	
Sale of 3 Shinnars Bridge	210,000		net of costs
Sale of 2 Shinnars Bridge	230,000		net of costs
Balances at 31/3/16	<u>2,607,045</u>	<u>746,872</u>	<u>2,697,135</u>
16/17 capital spend net of grant	-	2,721	
Non cash depreciation	234,519		
Loan received/paid out		1,750,000	
Loss 15/16		13,356	
Components		90,000	
Balances at 31/3/17	<u>231,798</u>	<u>1,853,356</u>	<u>1,075,576</u>

South Devon Rural Housing Association Limited

Author (s) Francis Bourke

Board of Management

B261016 (5a)

Performance Dashboard – Quarter 2

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.

261016 (5a) Appendix 1							
Performance Dashboard	Performance 2015/16	QTR 1	QTR 2	QTR 3	QTR 4	Target 2016-17	Commentary
ASSET MANAGEMENT							
Annual Gas Safety Checks Completed	100%	100%	100%			100%	
Emergency	100%	100%	100%			100%	
Urgent	98%	97%	95%			95%	
Contractor Satisfaction	96%					85%	
RENT ARREARS							
GN Tenant rent arrears as % of annual debit	0.57%	0.99%	0.67%			1.50%	
Forder Lane Gross rent arrears as % of annual debit	1.83%	1.47%	2.33%			4.00%	Gross performance includes social services debt
Shire/GN/Affordable Tenant Rent arrears as % of annual debit	New Indicator for 16/17	0.98%	0.60%			2.00%	
Total Rent amount written off as a % of rent debit	0.55%					1.00%	
ALLOCATION AND VOID MANAGEMENT							
Void loss on homes as a % of gross rent	0.18%	0.07%	0.12%			1.00%	
Average re-let time (including major works)(days)	15	7	19				
Average relet time (excluding major works)	15	7	19			14	Over target due to reduced notice period, as 2 properties, tenant died and 1 property delayed due to offering to Brimhay. 1 property in poor condition requiriung further remedial works.
Number Of Lettings	19	6	4				
% Of Lettings to BME Households		0	0				
ANTI SOCIAL BEHAVIOUR							
Total no of ASB Cases	14	0	1				
% Of ASB Actions Completed On Time	100.00%	N/A	100.00%			90.00%	
No of ASB cases open	2	0	1				

South Devon Rural Housing Association Limited

Author (s) Francis Bourke

Board of Management

B261016 (5b)

Lettings Report – Quarter 2

FOR INFORMATION

Purpose

To show the board all lettings activity in quarter 2, including Forder Lane House.
See attached table.

South Devon Rural Housing Association

Lettings Report Qtr 2

(B261016) 5b

Period:	01/07/2016	To:	30/9/2016			
Address	Property Type	Family Make Up	Void	Ethnicity	Date Let	Comments
18 Leechwell Street	3 bed house		23.5.16		N/A	South Hams Council leased property – the Council is withdrawing this property from the lease
30 Follaton	3 bed house	Single female, 1 daughter and 1 son	10.6.16	White British	22.8.16	South Hams Council leased property – the Council carried out void repairs so they are responsible for the long void period
17 Forder Lane House	Room in care home	Single female	27.6.16	White British	6.7.16	
20 Forder Lane House	Room in care home	Single female	25.7.16	White British	25.7.16	
16 Forder Lane House	Room in care home	Single male	8.7.16	White British	8.7.16	
6 Brimhay	1 bed bungalow		11.7.16		N/A	To be demolished
Flat 4 Western House	3 bed 2 nd floor flat	Single female and 2 sons	4.8.16	White British	22.8.16	
6 Forder Lane House	Room in care home	Single female	3.7.16	White British	8.7.16	
6 Forder Lane House	Room in care home	Single male	22.7.16	White British	1.8.16	
47 Huxhams Cross	2 bed bungalow	Single female	15.8.16	White British	5.9.16	Permanent decant from Brimhay
16 Forder Lane House	Room in care home	Single female	15.7.16	White British	29.8.16	
25 Forder Lane House	Room in care home	Single female	23.7.16	White British	1.8.16	

Address	Property Type	Family Make Up	Void	Ethnicity	Date Let	Comments
10 Church Park	2 bed bungalow	Couple	22.8.16	White British	12.9.16	
8 Brimhay	1 bed bungalow		5.9.16		N/A	To be demolished
13 Carrions	2 bed bungalow		20.9.16		TBA - advertised	Property undergoing repair
1 Moreleigh Heights	3 bed house	Couple and 2 daughters	30.9.16		10.10.16	New build SHIRE
2 Moreleigh Heights	3 bed house	Couple and 2 daughters	30.9.16		3.10.16	New build SHIRE
11 Moreleigh Heights	3 bed house	Couple and 2 sons and a daughter	30.9.16		3.10.16	New build SHIRE
12 Moreleigh Heights	3 bed house		30.9.16		TBA - advertised	New build SHIRE

Members are recommended to note the report.

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Board of Management

Authors Claire Barnett and Francis Bourke

B261016(5c)

Capital Programme (Components)

FOR INFORMATION

Purpose: To inform the Board of Management of progress on the capital programme for replacement components.

The table below shows the component replacements completed for 2016/17.

Components replaced to date	Number	Cost £	Comments
Grove Close doors	4	2,132	Doors replaced
Eco Heating system Church Park	1	5,215	
Total		7,347	
Budget		£140,000	

Projected Capital Component Works 2016/17

Component	Unit Numbers	Projected Cost
Kitchen	4	16,000
Bathroom	1	3,000
Heating	25	75,000
Windows/Doors	7	28,000
Roof	1	10,000
Contingency		8,000
Total Cost		£140,000

Recommendation

The Board are recommended to note the spend to date on components.

South Devon Rural Housing Association Limited

Authors (s) Francis Bourke

261016 (6)

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 01st July 2016 to 30th Sept 2016

Stage 1	Stage 2	Stage 3	Comments
1			

Board are recommended to note the report.

South Devon Rural Housing Association Limited

Authors (s) Francis Bourke

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 01/07/16 to 30/09/16**No complaints made in this period:**

Date Complaint Received	Target Response Date	Actual Response Date	Tenancy Type	Complaint Details	Actions Taken	Responsible Officer	Status: Open/Closed
8.8.16	9.8.16	8.8.16	SHIRE Assured Shorthold Tenancy	Noise nuisance	Complainant & alleged perpetrator residents spoken to and letters sent. Diary sheets issued. Regularly monitored. No recent events due to be closed.	PH	Open

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Authors (s) Francis Bourke

Board of Management

B261016 (6b)

Policy Development Programme

FOR INFORMATION

Purpose

To ensure the Association meets it's 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	November 2015	11/18	SP
Board Membership and Renewal	May 2014	05/17	SP
Tenant Board Membership	May 2014	05/17	SP
Admission of Shareholders	May 2014	05/17	SP
Communication plan	May 2014	07/17	FB – will merge with customer charter.
Complaints Policy	May 2014	07/17	FB
Whistleblowing	July 15	07/18	BB/FB
Equality and Diversity Policy	May 2014	07/17	FB SMT
No Smoking Policy	July 2014	07/17	SP
Motor Vehicle Policy	June 2011	03/18	CB – reviewed no changes
Resident Involvement and Co regulation Policy	January 2013	05/17	FB
Value for Money	July 2016	05/17	FB
CCTV	July 2014	07/17	SP
Finance			
Depreciation Policy	November 2013	11/16	CB
Financial Regulations and Standing Orders	January 2016	01/19	CB
Risk Management Policy	April 2014	04/17	FB/CB/SP/BVB

Subject Development/Policy Title	Date Last Reviewed	Review Due Date	Reviewed By
---	---------------------------	------------------------	--------------------

Human Resources			
HR Handbook	March 2014	05/17	FB/CB
Code of Conduct - Staff	March 2014	05/17	FB/CB
Lone Workers Policy	July 2015	07/18	FB

Maintenance and Development			
Maintenance Policy	November 14	11/17	FB
Tenants Improvements, etc.	November 14	11/17	FB

Housing Management			
Customer Charter	July 2014	07/17	FB
Anti-social Behaviour Policy	January 2015	11/17	FB
Lettings Policy	November 2013	01/17	FB
Lodgers & Sub-letting Policy	July 2015	07/18	FB
Parking Policy	New	01/17	FB
Overcrowding Policy	July 2015	07/18	FB
Compensation Policy	March 2014	10/17	FB/CB
Pets Policy	May 2014	10/17	FB
Succession Policy	July 2015	07/18	FB
Car Parking & Abandoned Vehicles Policy	March 2014	10/17	FB
Service Charge Policy	January 2015	01/18	FB/SP
Domestic Violence	September 2014	09/17	FB
Rent Increase Policy	Oct 15	10/18	FB/SP/CB
Rent Arrears Prevention and recovery Policy	November 2011	01/17	FB
Tenancy Management	January 2013	01/17	FB
Decanting Tenants	22 October 2014	10/17	FB

Support & Care Specific			
Safeguarding Adults	March 2015	03/18	BVB
Volunteer Policy	October 2015	10/18	BVB

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**01st July 2016 to 30th Sep 2016**

Number of Properties	Number Serviced to date	Number outstanding over 3 months	Comments
101	101	0	Servicing visits ongoing on schedule

The Board are recommended to note the report.

SOUTH DEVON RURAL HOUSING ASSOCIATION LTD

Board of Management

B261016(8a)

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.

In November Jonathan Cowen will be attending the IOSH Managing safely: (HSTIOSHMS) This 4 day externally accredited course will provide Jonathan with the knowledge and skills to work safely himself and to examine the issues, apply the techniques and processes involved in managing health and safety effectively, also considering the organisational implications and determine how to contribute to improved health and safety standards and performance within the organisation.

The Bradford Point System remains effective.

Staff Training and Development

Training Requirement	Statutory/Ordinary	Number of staff trained	Dates Of Training
Challenging Behaviour	Statutory	All Staff	15 th March 16 25 th May 16
Emergency First Aid At Work	Statutory	All staff /Residents	8 th June 16
People Moving and Positioning	Statutory	All Staff	23 rd June 16
Managing Challenging Behaviour (non intervention)	Statutory	All Staff	11 th August 16
Food Safety Level 2	Statutory	All Staff	11 th August 16
Alerters Safeguarding	Statutory	4 Staff	1 st November 16
Alerters Mental Capacity	Statutory	4 Staff	1 st November 16
IOSH (Institution of occupational Safety and Health)	Statutory	Deputy Manager (Jonathan Cowen)	2 nd November 16 3 rd November 16 9 th November 16 10 th November 16

Occupancy levels October 2016

Number of Rooms	Number Occupied	Comments
25	24	RM 7 void

Activities

The residents continue to attend Jenny's arm chair exercise, Yoga on a Wednesday and Tia Chie on a Friday. The seats on the mini bus have now been replaced and residents have enjoyed several trips To the Moors. The mini bus is also being used to take residents shopping and to medical appointments as hospital transport is very limited and the criteria has changed for residents needing to use this service.

Managers Report

Since August 2016 we have seen the arrival of several new residents all of which seemed to have settled in well to life at Forderlane House.

We have built up a very good relationship with staff and management at the Beech Unit which is part of Torbay Hospital and is run by Devon Partnership NHS Trust. It provides assessment and treatment for older people with severe mental health needs, such as depression, anxiety and psychosis. We currently have two residents from the Beech Unit and continue to receive referrals.

During the month of August we sent out our annual feedback questionnaires to all residents relatives, we received fifteen completed questionnaires and the feedback was very positive.

We had a successful garden party on the 20th August, where many residents, family members and friends enjoyed the entertainment including a pantomime, a musician with his dancing dog, a buffet and a barbecue using locally sourced sausages and burgers.

On the 12th October we were inspected by environmental health and were awarded a Food Hygiene rating of 5.

We are still waiting for our much anticipated CQC inspection and remain prepared for the unannounced inspection.

Hospital Admissions.

No hospital admissions

Health and Safety

Report

The Association monitors incidents, accidents and near misses

Monitoring Report

Records of accidents and near misses

July 2016-October 2016

Accident book entries	Accidents	Comments
15	15	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

None of the accidents were reportable under RIDDOR requirements.

Recommendations

Board Members are recommended to note the report

Development Report

FOR INFORMATION

Purpose

To ensure the Association meets it's 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 Redevelopment

Report in main papers.

Moreleigh Development

Development Phase 1 completed October.

Market Place, Wadebridge

Acquisition from Kindle Homes. The matter is with solicitors likely to be concluded before the next board meeting.

Management Agreement – SHIP Project

SHIP project Plymouth final management agreement reached anticipates signing shortly.

Current and Future Development Opportunities

(Development Services provided by Rural Homes Limited)

Project	Stage	Type	Units	Comments
New build Silverton Mid Devon	Turnkey development	Sec106 gain SDR funded	1 x 1 bed barn conversion + SDR as potential managing agent for development site	No progress
Old Totnes Road, Buckfastleigh	SDR	SDR	Development site for 2 x 3 bed new build.	Engineering issues – still working towards a cost effective solution on a difficult site. – Modular homes to quote for their factory built homes on the site
Thorverton	Negotiations	QSH	10+ units sec 106 gain	No progress
Marldon	Negotiations	QSH	10+ units on sec106	No progress
Wrangaton	Negotiations	Mixed funding	Up to 44 units potential partners QSH, SHDC, RHL,	Option to purchase being sought
The Mounts	Early negotiations	Mixed	Revised to 9	Negotiations ongoing – now unlikely to need SDR
Denbury	Negotiations	Exception site RHL to deliver for SWHS	Up to 10	Layouts commissioned and topographical survey. Consultation ongoing
South West Housing Society	Negotiations	SDR/RHL mixed funding	9 + build plot	SDR/RHL negotiating to provide Development Services from 2016
Brentor	Talks with landowner	Exception site future SDR funding required	Up to 9 – Dartmoor NP – great site would hope SDR can fund	Ongoing
Kingsbridge (New)	Early negotiations	Mixed – Future JV SDR/RHL + partner funding required	56 – now revised to 23 – potential for RHL to apply to HCA build fund	Negotiations
Branscombe	Early negotiations	Mixed – future SDR funding required	4 rent 2 shared ownership Sec 106 units	Parked
Exeter	Negotiations	Acquisition of property company from Kindle Homes	16 – SDR funded	Ongoing
Other sites being looked at by RHL for SDR	Colyton Kingsbridge Kingston Sec106 Refurbishment	Exception site Acquisitions Opportunities Will require future SDR funding	10 2/4 40 Various various	Early negotiations Early negotiations Ongoing ongoing

Recommendation:-

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

PROJECT REPORT – Consider Confidential

FOR INFORMATION

Purpose: To inform the Board of Management of progress on key and emerging projects.

1 Staffing Report

The Housing Manager left SDR on 13th October. Karen Murray (existing Housing Assistant) has been promoted on a temporary basis to Housing Officer. In the interim we will use the services of agency staff whilst the SMT review staffing requirements for the future. The current Finance Assistant, Nicki Proudman, left the organisation on 14th October, a replacement is sought.

2 Sub-Market Rental Scheme (SHIRE)

SP has approached SHDC to request Brimhay 'affordable rent apartments' be taken into the SHIRE scheme with an appropriate financial equity stake. (subject to further financial appraisal).

4 South Devon House

One office (smallest) empty – good waiting list but SDR may need the space as we are a bit cramped. We will review income from hot desks to establish if we can fit an extra office and reduce hot desks as they appear underused. The budget for new windows will not be used to fit new windows this year as it is likely that Babcock will not renew their lease which expires in April 2016. The management team will evaluate the cost effectiveness of leasing the whole of those offices as one or conversion to smaller offices. Rating information has been released for 2017 – increases of 20%+ - CB working through the assumptions.

5 New Business Opportunities

- I. Camphill Devon Community – SDR have been approached to lease Merryfield Farmhouse on a 25 year lease. A revised financial appraisal was included in January's board papers to denote the increased management charge applicable to the scheme. Negotiations ongoing. – Need to review due to rent controls confirming -1% if that affects supported housing. Lease drafted but awaiting amendment depending outcome of rent controls.
- II. SHDC do not appear to be able to progress build and lease projects.
- III. Rural Homes Limited are following a number of development opportunities for SDR.
- IV. Rural Homes Limited have signed a development agreement with SWHS.
- V. Initial talks with investors looking to enter property market are not now progressing.
- VI. CB and SP will be meeting with Lloyds Bank to discuss future borrowing requirements to fund further development opportunities.
- VII. SHDC are still considering lending to RP's to fund development through the Works and Pensions Board, talks painstakingly slow.

6 A second cottage at Shidders Bridge, Dartington, has been sold for £225,000.

Recommendations

Board Members are recommended to note the report.