

Board Update

March 2010.

V2C's board met on Monday 15th March at the Bryncethin offices.

Budget 2010/11

The Board approved the Budget for 2010/11. Alun Rawlins (Finance Director) gave a presentation highlighting some of the key aspects of the Budget.

The budgeted Income and Expenditure for the forthcoming year has been forecast as:

<i>Property Revenue Account</i>	
Total Income	£19,901,000
Total Expenditure	£19,895,000
Surplus	£6,000
Sales of Properties	£527,000
Other Expenditure	-£56,000
Surplus for the Year	£477,000

The expenditure on maintenance and improvements is budgeted at nearly £20m and is nearly £5m more than the 5 Year Financial Plan, showing our continuing commitment to improve our homes. However, our Loan Debt is expected to peak at £30.5m in March 2011, which is nearly a £500,000 less than we had forecast in our 5 Year Financial Plan. This means the interest we will pay on our loans will also be less at £1.2m instead of the £1.5m originally forecast: a saving of £260,000.

Void Review

Andrew Alsept (Business Improvement Manager) updated the Board on the progress the Voids Working Group was having, both in terms of turning properties around more quickly and reducing the number of long-term empty homes. The highlights of a very well received report were that:

- Low cost, (routine) voids were now being turned around in 9 days as compared to 27 days in November
- Better use of the notice period meant that 45% of voids were now being pre-allocated before the repairs were completed

- All active, high-cost voids have now been programmed with agreed completion dates. By 31st March this number should have reduced to 42 from the 55 at the end of February, with a target of only 10 outstanding at the end of June 2010.

The report also referred to five void properties requiring major investment in an area of very low demand. The Board approved the sale of these properties by auction.

The impact of meeting the void targets and of sustaining/improving the current performance is massive: allowing next year's budget to assume Void Loss at around 1% rather than just over 2%. This equates to an extra £330,000 of income to the business.

Review of External Operating Environment

This is a standing item on the Board Agenda giving Board Members the opportunity to discuss the impact external factors might have on the business. It is an important part of the ongoing reviews of risk and the relevance of the Strategic Plan.

Items discussed at this meeting included the likely growth in the Welsh stock-transfer housing association sector, the impact of the UK General Election and public sector budget cuts.

Review of Strategic Risk Map

Following on from the discussion on the external environment, the Board contributed to the on-going review of the business' key strategic risks. Discussion centred on some new risks that had emerged since the review last year:

- Information Management
- Change of UK Government
- Economic Recession and Consequent Public Sector Cuts
- The two large capital schemes being undertaken during 2010/11 (*arbed* and the Extra-Care Scheme)

It was agreed that the Executive Management Team would re-plot the emerging Strategic Risks on the new Risk Matrix, and that this would serve as a useful introduction to the review of the Strategic Plan at the April/May meeting.

WAG Energy Efficiency Programme

Andrew Smith (Head of Assets & Procurement) informed the Board of V2C's successful bids for funding under the *arbed* scheme.

We have been awarded a total of £2.5m to be spent in three geographically defined areas installing energy saving measures and renewable/sustainable solutions, including:

- External Wall Insulation
- Air Source Heat Pumps
- Solar Heating and Power Generation

This investment will tackle fuel poverty, reducing residents' fuel bills significantly, whilst also reducing the carbon emissions from these homes. Most of these works will be available to owner-occupiers on the estates as well, ensuring that some of the poorest communities benefit as a whole regardless of tenure.

Plans will now be drawn up to start these works, as a condition of WAG funding is that they are fully completed by the end of March 2011.

Planned Maintenance & Asset Management Strategy Update

This report had been prepared to advise the Board on proposals to deal with non-responsive repair works to tenants' homes.

Most repairs reported by tenants were dealt with as a responsive repair, but certain jobs either due to the time required to organise/complete them or the scale/cost of the work were assessed and held pending a programme.

Rob Thomas (Head of Property Services) advised the Board that there were currently 250 such jobs on 'assessed', with a value of £569,000. (All of these works were external and mainly related to rendering, rain water goods or roofing repairs.) Over the past three years we have spent approximately £200,000 each year on the 'assessed' works on an ad hoc basis but now need to tackle this type of repair in a more organised manner.

During February and March tenant consultation meetings in various locations across the Borough discussed how such a programme might be formulated, with overall support for a one-visit / whole-house approach, and general acceptance that the worst areas should be tackled first. Adding to this, the criteria that external works should follow the internal Main Improvement Plan, a five year rolling plan for external works was agreed at an estimated cost of £1.4m.

WAG Consultation on Financial Viability

As part of the new regulatory regime WAG is consulting housing associations on how it should monitor their financial viability.

The consultation period ends on 26th March and the Board discussed whether the proposals really would enable WAG to understand how an association was performing financially and whether it was proposing to collect the right data to give it enough warning that an organisation was in trouble.

Alun Rawlins (Finance Director) was delegated to respond to the paper on V2C's behalf.

Share Member Applications

The Board approved three applications from tenants to become Share Members.

Code of Conduct for Board Members

Stephen Cook (Chief Executive) presented the Board with a revised and updated Code of Conduct for Board Members. The existing Code of Conduct had been drawn up in 2003 at the time of transfer, and the new document reflected the governance expectations of Board Members following a number of external reviews and the introduction of WAG's new regulatory regime.

The Board approved the new Code of Conduct and all Board Members will now be required to sign and return copies of the new document.

Approvals

In addition to the Code of Conduct, the Board also approved the revised Risk Management Policy, the amended Terms of Reference for the Audit & Remuneration Committee and the Minutes of the previous Board Meeting.

Items for Information

The Board had also received a number of reports in advance for information only and these included: the Management Accounts for the Third Quarter, Minutes of the Governance Working Group and Audit & Remuneration meetings and Matters Arising from the previous Board Meeting.

The meeting lasted 2 ¾ hours and finished at 8.45pm.