

## **Board Update**

### **November 2011.**

V2C's board met on Monday 14<sup>th</sup> November at the Bryncethin offices.

#### **Welfare Reform**

*Stephen Cook* (Chief Executive) gave a presentation to the Board on the implementation and possible implications of the proposed changes to the welfare benefits' system. In discussion it became clear that there would be significant impacts on customers, staff and the business itself as the changes were introduced between now and 2013. A working group has been established to review and respond to likely changes and a Board member will be on this group.

#### **Management Accounts**

*Alun Rawlins* (Finance Director) presented the half-year management accounts to the Board.

At the end of September the accounts were showing a surplus of £498,000, against a budgeted surplus of £931,000 – (£433,000 less than planned). The main reason for this was that work to improve the non-traditional houses is ahead of schedule and therefore more of the budget has been spent than had been predicted after 6 months of the year. It is anticipated that things will be back to plan by the end of the year.

The three key financial tests set by V2C's lenders were all met and the Board approved the accounts. As they relate to the half year position they must be sent to the Welsh Government as well as the lenders.

#### **Pensions**

*Alun Rawlins* (Finance Director) made the Board aware that V2C had received consultation papers on proposed changes to staff pension schemes from both the Local Government Pension Scheme (LGPS) and the Social Housing Pension Scheme (SHPS).

The proposals in both cases were seeking to address potential shortfalls in the funds due to individuals living longer and the value of pension fund investments decreasing as a result of a weakened stock market. The Board discussed the difficult balance that needed to be struck between offering a secure pension

scheme to staff and ensuring that liabilities to the company were managed effectively and within the business plan assumptions.

With regard to the LGPS proposals the Board was made aware that staff members belonging to Unison were being asked to take strike action on 30<sup>th</sup> November and that arrangements were being put in place to deliver as full a service as possible on this day.

## **Energy Efficiency & New Technology**

*Andrew Smith* (Head of Assets & Procurement) introduced this discussion paper setting out some of the issues facing both V2C and tenants as new technology is introduced to make homes more energy efficient.

Since the report had been written the UK Government had announced drastic cuts to the Feed In Tariff (FITs) programme that would certainly increase the costs of installing solar energy systems significantly.

The Board discussed its preferred option of planning and installing its own efficiency improvements, but making full use of external funding wherever possible to help make V2C's money go even further.

The Board was concerned about the risks associated with private deals (such as rent-a-roof for solar panels) and government initiatives (such as Green Deal) where V2C had no control over who owned, installed or maintained equipment within tenants' homes and agreed that wherever possible these would be avoided in favour of a V2C backed scheme.

## **Housing Repairs Service**

*Rob Thomas* (Head of Property Services) presented the performance data for the in-house Housing Repairs Service (HRS) at the half year point. Overall performance was good, with customer satisfaction returning to the year-end levels and gas safety work achieving new targets.

During the first six months the HRS returned a slight deficit on the trading account, mainly due to a decrease in activity on void improvement work and more use being made of sub-contract labour. With the Planned Works programme due to start soon these factors should readjust themselves by year end.

## **Board Approvals**

Two items were presented to the Board for approval, and these were:

- Use of the company seal for contracts signed
- Minutes of the previous meeting.

### **Items for Information**

The Board received three reports for information.

*Andrew Smith* (Head of Assets & Procurement) had prepared a report outlining progress against the Board's *New Build* programme. The Extra Care scheme at Llys Ton (Kenfig Hill) is nearly complete, all allocations have been made and tenants will be moving in in the New Year. The first phase of the redevelopment at Chelsea Avenue (Cefn Glas) is also nearing completion and these properties should be available before Christmas.

*David Stoneman* (Head of Finance) had prepared a report outlining activity under our Treasury Management policy. During the first six months of the year we paid £689,000 in interest on loans; (£17,000 less than expected as we had borrowed less than planned on a slightly better rate of interest). Over the same period we received £11,000 interest on short term investments, when we had expected to only receive £2,000. This was due to V2C receiving a large amount of government funding in advance of works actually commencing.

A report summarising the *Complaints & Compliments* received during the first half of the year had also been prepared for the Board. Three complaints had been progressed to the 'formal' stage: one of these was upheld, one partially upheld and one not upheld. In addition to these, 28 informal complaints (or concerns) had been raised - 22 of which were resolved by frontline staff promptly and to the customers' satisfaction.

**The meeting lasted approximately three and a half hours and finished at 9.30pm.**