

Minutes of the Saffron Housing Trust Ltd Board Meeting

17th February 2011

Present:

Board: Eloise Ellis (EE)
Graham Minshull (GM)
John Overton (JO)
Derek Player (DP)
Linda Sinclair (LS)
Arley Turner (AT)
Ken Warman (KGW)
Karen Wooddissee (KW; Chair)
Terry Woods (TW)

Apologies Michael Harrowven (MH)
David Frost (DF)
Peggy Phinn (PP)

Officers: Adam Ronaldson, Chief Executive (CE)
Steve Burns, Director of Asset Management (DAM)
Stephen Flowitt-Hill, Director of Housing and Finance (DHF)
John Whitelock, Director of New Business (DNB)
Rachael Trezise, PR Officer (PRO)
Pauline Hough, Assistant Director – Housing Management (ADHM)
Ruth Broome, Service Manager Housing Support (SMHS)

Observers: Gordon Collett (GC)
Sally Moore (SM)

KW opened the meeting and welcomed GC and SM to the meeting as observers from CAP, and the ADHM and SMHS

838. Standing Items

Declarations of Interest

TW, AT, GM and LS declared an interest in 846.
Each Board Member present declared in interest in item 850.

Minutes of Previous Meetings

LS noted that the word pipes should be inserted in 4th paragraph 4th bullet point on performance indicators.

It was then **RESOLVED:**

- That, with the correction explained above, the minutes of the meeting on 13th January 2010 were a true record of that meeting.

Matters Arising

Home Options. The CE updated the Board on progress with a further 2 meetings to be held in the coming week. The first a routine meeting of the Home Options Board. The second is to consider the high costs of the current Home Option service. The CE expressed frustration though with the lack of desire by one of the local authority partners to change the system. AT commented on the unreasonableness of the system and the lack of ability to challenge the high costs. DP suggested a direct approach should be made to the CLG requesting support, particularly when compared to the low cost of the Ipswich Borough Council system. The CE undertook to establish the right contact at the CLG. TW requested that payment be withheld

Performance Indicators

The CE introduced the performance indicators report and noted that the only red item for review was the improvements completed indicator. The DAM explained the shortfall was attributable to the doors and windows programme and he was meeting regularly with the contractors Norfolk Frames and they continue to assure him that the programme will complete the required numbers by the end of the financial year.

839. Development Approvals

Wacton & Ellingham

The DNB introduced the report and explained that these schemes had been advanced to take advantage of any slippage in grant funding by other Housing Associations and had one scheme in Wymondham that was looking unlikely to proceed with an existing grant allocation of £ . As a result was looking to take forward the scheme at Ellingham as part of a substitution package on behalf of Saffron.

The DNB noted that Ellingham had achieved planning permission on the 16.2.2010, however Wacton was not due to be heard by planning committee until early March. This made Wacton less attractive to as a substitution scheme. DP noted the lower HCA partner fee that was charging compared to .

The internal level of subsidy was highlighted by the DNB.

It was **RESOLVED**

to approve the following schemes;

- Mill Road, Ellingham for 7 dwellings
- Hall Road, Wacton for 7 dwellings
- Appoint as the HCA partner for Ellingham and to continue discussions over Wacton with a view to reaching a similar arrangement.

Purchase of 2 properties of the open market

The DNB explained that following discussions with the HCA it had been approved that Saffron could use the remaining grant left over from the original funding allocation to Carlton Rode towards the purchase of two properties off the open market, and a contribution of £11,000 towards the conversion of the staff accommodation at Ogden Close.

The DNB advised that two properties had been identified as suitable, subject to minor works being required to bring the properties up to HQI levels. In each case the properties had been bought under the RTB programme from South Norfolk Council and Saffron owns stock in the adjoining area.

It was **RESOLVED**

- To approve the purchase of 1 Wellhomes Close and 25 Townhouse Road at an internal subsidy rate of £30,066 per property.
- To note with grant obtained for the Ogden Close conversion.

840. Adoption of local standards

The ADHM introduced the paper and reminded members of the consultation that had taken place with CAP prior to the full exercise with all tenants, that was agreed by the Board on the 18.11.2010. The full consultation exercise though did not provide any further responses.

The SMHS highlighted the additional local standards that have been introduced for supported housing and the ADHM commented on the monitoring arrangements that have been put in place to review the standards.

SM confirmed CAP is happy with both the proposed standards and the monitoring arrangements.

Both AT & GM thanked CAP for their input into the standards and the work of the staff involved in putting the standards in place.

It was **RESOLVED**:

- To approve the proposed Local Standards and the arrangements for the monitoring, reporting and review of Local Standards.

841. Policy review – Services for Older People and those with Special Needs.

The SMHS introduced the paper and set out the stages of consultation the policy review had gone through and noted over 70 people had directly fed into the review. The amendments that resulted from this are reflected in the changes to the policy.

DP asked if the Local Standards just approved were reflected in this policy and the SMHS confirmed this was the case

It was **RESOLVED**:

- To approve the Older People and those with Special Needs policy.

842 Board Terms of Reference

The DAM highlighted the changes made to the terms of reference following the last Board meeting in sections 2.1, 2.5, 2.6 and 2.7

It was **RESOLVED**:

- To approve the Board Terms of Reference

843. Further work with Solo Housing

The DHF reminded the Board of the joint work already established with Solo Housing and the services that Solo provided to vulnerable and homeless people and explained the proposal built on this existing relationship.

LS questioned why rents could be set at levels higher than the local housing allowance. The DHF explained that local housing allowance was not applicable to housing associations and was used in the private rented sector.

AT asked about the implications of overspend on maintenance items and the DHF reassured that all maintenance costs would be recharged back to Solo.

It was **RESOLVED**:

- To enter into a lease agreement with Paul Davey
- To sub-contract the management of the 2 licences to Solo.

844. Approval of revision to loan terms

It was **RESOLVED**:

- To approve the amendment to the loan agreements.
- To authorise the relevant people to sign the letters of variation.
- To adopt the resolution in the format set out in the Board report.

845. Update on photo-voltaic panels

The DAM introduced this item explaining the background to the photo-voltaic panel project and the impact it would have on Saffron's finances, fuel poverty and carbon reduction. He reminded the Board that a tender process had been undertaken which had closed on February 7. Since then a detailed evaluation had taken place and the bids are being checked and ranked. More legal work has to be undertaken to confirm the situation before an order can be placed. Given the short time remaining to complete the project the DAM explained that the Board's agreement in principle was being sought now with a view to requesting an urgent decision from the Chair once the details of the preferred bidder are established. This urgent decision would then be reported to the next Board meeting.

The DAM went on to explain that the prices offered in the tender bids indicated that payback on Saffron's proposed £7million investment should occur in year 16 or 17 of the 25 years of the Feed In Tariffs. He said that the prices offered made it unlikely that Saffron would seek to undertake installation work with directly employed staff and he offered all Board members an opportunity to look at the details behind the financial projections. Finally he mentioned that there was the alternative option of renting Saffron's roofs to other companies who would then fit photo-voltaic panels and take all or most of the Feed In Tariff. However this option would not be as financially beneficial to Saffron in the long run and would be likely to cause Barclays to seek to renegotiate all of Saffron's loans.

EE asked the DAM to confirm the likely number of installations that will be completed and he confirmed 1,000.

GM said that he understood that Government had announced a review of the Feed In Tariff and the DAM confirmed that this was the case and that at present the grant was still available. He noted that the tender process allowed the contract to be terminated if the grant was removed at a later date.

KGW asked what would happen if the company installing the panels went into liquidation. The DAM explained that two contractors would be awarded contracts, but it would be structured so the best value contractor would be awarded all the work, with the second contractor being aware that they would only be used if the first company failed on performance grounds or were no longer able to deliver.

AT raised concerns about how the benefit of free electricity for some tenants would be explained to others who are not benefiting and suggested an increased rent may be an answer. The DHF explained this had been considered but felt that if rents were raised then it may be that tenants would resist having panels installed. Further that all of the properties were different in some way and we did not increase rents for properties that had just had a new energy efficient heating system installed which would be likely to save as much money for the tenant as PV panels would.

KW asked for CAPs view and SM noted that CAP had discussed this very issue and agreed with the DHF's view that all properties had different attributes that are not necessarily reflected in the actual rent charged and would be impossible to do so.

JO sought clarification on whether the panels would need planning permission and the DAM and the DNB confirmed that they would not, provided they did not protrude from the roof line and were not installed on listed properties.

GM asked if the extra requests for information about the panels from tenants would cause an issue for housing management and the ADHM confirmed that it could be managed. KW highlighted the need for a carefully structured PR exercise and the PRO agreed.

KGW requested to know the level of annual income through the Feed In Tariff that Saffron could expect. The DHF indicated that for each property it was likely that £600-900 per annum could be expected. DP commented that this could provide the future Board's of Saffron with a very strong financial position.

It was **RESOLVED:**

- To approve in principle a project costing in the region of £7 million to fit photo-voltaic panels to 1,000 of Saffron's properties during 2011/12.
- To note that an urgent decision to award a specific contract may be required.

846. Rent increase 2011/12

The DHF introduced the information paper on the proposed rent increases for 2011/12. He explained the rent setting process and the effect of target rents on Saffron. Further he noted that on average rents will increase by 5.6% across the stock and this will increase income by £1,045,980 pa.

TW pointed out that benefits are increased in line with CPI now not RPI and this may impact on rent arrears for people who are only in receipt of partial housing benefit.

847. Board weekend update

The CE summarised the work from the Board weekend and set out a draft timetable of actions to address the main points. KW thanked CAP and everyone for their input into the weekend and there was general agreement that it has been productive.

848. Enhanced housing management and Supporting People update

The DHF noted that the position on Supporting People funding continues to evolve and since the Board weekend the news had become less bad. The level of cuts being proposed has been reduced and the settlement for Norfolk had been better than anticipated. Further any change to existing contracts for support work by Saffron required six months notice by NCC. The picture though remained unclear and the DHF undertook to keep the Board informed of developments and to ensure that tenants are likewise informed as information becomes more certain.

The DHF then gave an overview of what enhanced housing management could be and the grey areas between housing management and supporting residents on sheltered housing schemes. He noted the approach that some councils in Suffolk are considering taking in replacing income lost through changes to Supporting People funding and introducing similar services funded through enhanced housing management.

849. HCA deal update

The DNB confirmed that the new proposed funding arrangement for affordable housing had been published on the 14.2.2011 and he would be bringing a paper to the March Board meeting to update members fully. However from first reading of the new framework the presentation provided at the Board weekend had covered the main areas. The timetable for implementation though had lengthened with the HCA now looking for initial proposals from associations by early May with contracts not being anticipated with associations until the summer.

KW requested that all members are supplied with a hard copy of the new framework agreement and the DNB undertook to provide.

850. Board member pay timetable

The DAM introduced a draft timetable as requested at the previous Board meeting. He explained that he had assumed a decision at each stage of the process to proceed only to enable the production of a full programme, however clearly there are a number of key dates involving consultation which may lead to a decision against Board member pay.

TW requested that he be involved in any proposed draft changes to the Articles of Association and it was agreed that there would be member involvement in this process.

851. Updates

Chair

KW had received the proposed changes to the Norfolk community health trust consultation processes and requested the Board's agreement to her completing the consultation on behalf of Saffron. This was agreed.

CE

The CE reported that the TSA had at last been in contact regarding the regulatory judgement visit carried out in November 2010 and that an on going conversation had commenced and he would update the Board as it progressed.

The CE then introduced an approach that the DAM had received concerning the potential installation of 15 metre high wind turbines around the main office site. There then followed a general discussion on the benefits of wind turbines, with KGW and TW indicating their

opposition to the claimed benefits of wind turbines. It was noted that some local consultation would be undertaken.

Board Feedback

TW: has been reading the new framework document on development and was concerned by what the HCA meant on “payment by results”.

AT: attended the ILF at The Dell and noted the hard work that is still needed to encourage residents to be more independent in the running of the communal areas.

GM: attended the National Housing Federation conference in Birmingham. He had also met with the HR Manager and the Princes Trust to look at how to provide training to young people and ex-offenders. Likewise he met with the DNB, ex Board member David Daniels, Bruce Tofield and Martin Ingham from the UEA to look at panelised construction methods and David Frost had been invited to join the meeting but could not make it on the first occasion. KW requested further details on the purpose of the group and their relationship to Saffron. The DNB explained it had come from a request concerning why this method of construction was viewed as costly at a recent Board tour of development sites. Both TW and KGW both expressed strong reservations about this method of construction and its costs. The DNB also stated that it was unclear at this point whether on sites that Saffron had control of that this method could deliver a successful planning decision as well and undertook to keep the Board informed.

JO: noted the recent planning decision that had been decided in favour of Saffron and explained the recent discussions between South Norfolk Council and Great Yarmouth BC on sharing resources.

LS: had also attended the National Housing Federation Board members’ conference. She had also attended the Information Exchange meeting along with Peggy Phinn and felt the meeting had been particularly good and benefited by from a good presentation on the allocation process by David Crawshaw from housing management.

KGW: had also attended the Information Exchange meeting and noted from its terms of reference that each Board member was expected to attend at least one meeting per year. He had also attended a seminar by Baker Tilley on social housing and gave members an update on the good work carried out in Brooke on the play park that Saffron had assisted with.

DP: requested reassurance that the on going problems with the lift access to the Saffron reception was going to be resolved, the CE undertook to ensure that the difficulties would be resolved.

CAP update:

- Two working party meetings on ASB and Development had taken place and both were viewed as positive.
- Attended the Board weekend and found the weekend very useful and was pleased to be included.

852. Minutes from Associated and Controlled bodies

SNHP Services Ltd

DP advised that in future SNHP Services was changing its name to Crocus Contractors and had agreed to take forward the developments of Carlton Rode, Tibenham, and Willbye Avenue. It had noted the completion of the development at Alington and that Ladbrooke

Close was still on target for practical completion by April despite the tight schedule. Denton likewise was due to complete on time but it was unlikely to have an electricity supply due to the lengthy hold up by UK Power Supplies.

EPC Board

The CE noted that the temporary Contracts Manager of EPC had been made permanent and although this would increase Saffron's cost by £2-3,000 per annum it would allow EPC to continue to grow and provide even better cost savings to Saffron in the future.

Remuneration Committee

KGW updated the Board on the committees work.

853. Information Items

- Development pipeline and progress. The DNB reported that the proposed scheme at Ellingham had received planning permission however the site at Tacolneston had been the subject of a Town and Village Green application. The development at Bunwell had been reforecast into early 2011/12 for completion and had been approved by the HCA. The funding for the scheme at The Canary pub site in Norwich had been approved by the HCA with a grant of over £1,000,000.
- Management accounts – The DHF updated the Board orally that the accounts were still heading for a good 2010/11.

854. Next Meetings

Thursday 24th March 2011

The meeting closed at 9.30pm