

Minutes of the Saffron Housing Trust Ltd Board Meeting

24th November 2011

Present:

Board: David Frost (DF)
Michael Harrowven (MH; Vice Chair)
Graham Minshull (GM)
John Overton (JO)
Tony Palmer (TP)
Peggy Phinn (PP)
Derek Player (DP)
Linda Sinclair (LS)
Arley Turner (AT)
Ken Warman (KGW)
Karen Wooddissee (KW; Chair)
Terry Woods (TW)

Apologies None

Officers: Adam Ronaldson, Chief Executive (CE)
Stephen Flowitt-Hill, Director of Housing & Finance (DHF)
John Whitelock, Director of New Business (DNB)
Stuart Tinkler, Company Secretary (CS)
Pauline Hough, Assistant Director – Housing Management (ADHM)
Mick Loftus, Assistant Director – Construction & Project Management (ADCPM)
Tim Betts, Head of Contracting Services (HCS)

In attendance: Barbara McLellan, Regulation Manager, TSA (BM)

Observers: Janice Cox (JC)
Violet Sizeland (VS)

KW opened the meeting and welcomed BM on her first visit to Saffron, JC and VS as observers from CAP and the ADHM and HCS. KW informed the meeting DP and ML would be attending in due course. There were no apologies. The attendees introduced themselves to BM.

951. Standing Items

Declarations of Interest

JO and TP declared an interest in Agenda Item 14 - SNC Update.
All Tenant Board Members declared an interest in agenda item 4 – Rent Increases.

Minutes of Previous Meetings

It was **RESOLVED:**

- That the minutes of the meeting on 20th October 2011 were a true record of that meeting.

Matters Arising

There were no matters arising

Performance Indicators

The CE introduced the performance indicators report for October and noted the majority were green, with the exception of Completions and Homes with PV panels, which will be included as part of agenda item 7. The CE commented completions were expected to turn green following the Willbye Avenue completions and the achievement of the target was on course for the end of the year, subject to any adverse weather preventing prohibiting on-site progress. CE stated that the Management Team meet monthly to review progress and was confident the targets will be achieved.

The CE stated progress with solid wall insulations had been slow as a result of the time it has taken to achieve planning permission, but from April 2012 an enhanced programme is planned. The question of why it was necessary to wait for an April start was raised and noted by the CE. CE commented that Ref I29, Properties with Planning Permission, will be challenging to achieve.

952. Rent Increases

The DHF presented the rent increase report and outlined the background to rent increases, the Saffron position and financial consequences. The DHF expressed the view that if the full increase was not introduced it would be lost forever because Saffron was unlikely to want to impose inflation + rent increases in future years. Implementing the rent increase would generate in excess of £1.25 million.

If the increase was not introduced then a reduction in services, maintenance and development programmes would need to be considered. The DHF referred to the table on page 5 of the report and commented that no rent increase and no cuts was not a viable option.

A discussion followed and a number of questions were raised.

PP commented that CAP had discussed possible rent increases and once tenants had become aware of the positive effects the increase would have on increasing future developments the reasons for the increase had been understood and accepted.

TW referred to the press speculation that benefits might only be increased by 4.5% and expressed concern about the difference between the level of rent increase being proposed (6.1%) and the forthcoming reduced increase to benefits. It was suggested the rent increase be put on hold until the benefit increase had been confirmed.

It was commented that Saffron rents are still considerably less than the private sector and provide much more security and a higher quality service. The comment that there had been an acceptance of affordable rents was confirmed by the high level of applications for Willbye Avenue noted on page 9 of the report.

It was **RESOLVED:**

- To approve the full rent increase of 6.1% for 2012/13, subject to confirmation that the Benefit Increases will not be capped in the Autumn Statement.

953. Amendment to Transfer Agreement to Allow Affordable Rents

The DHF confirmed with all Board Members that they had received the report. DHF explained the way the Transfer Agreement had been written prohibits the same type of property being let at differing rents; therefore an amendment is required to allow the introduction of Affordable Rents. The DHF explained the change to the wording is small but necessary.

It was **RESOLVED**:

- To amend to the transfer agreement, as set out in appendix A.
- To authorise the Chief Executive and Director of Housing and Finance to approve minor amendments and sign the deed.

954. Development Approvals

a) Stock Disposal –1 The Green, Kimberley

The DHF informed members that this property is now empty and would require a high on-going cost of maintenance and repair. With the construction of the roof being peculiar to this type of property, along with the additional works required, the opportunity to dispose of the property is now proposed.

It was **RESOLVED**:

- To agree the sale of 1 The Green, Kimberley and the resulting receipt available to Saffron is reinvested in providing new homes.
- As other disposal opportunities occur they are consider on their individual merits.

b) Wacton – General Needs Housing Developments

The DNB introduced the report and outlined the risks involved with the developer and measures that would be taken to mitigate the risks. The JCT contract and close supervision will assist in this area. DNB stated that it would have been preferable if the developer had a proven track record.

The question of what happens if the scheme is aborted before completion was raised. DNB responded that the insolvency cover gives Saffron the facility to be financially covered by the JCT. DNB commented that the developer has borne all of the upfront risks thus far therefore has an incentive to complete the development. DND stated that the developer had closed local bridleways and filled some ditches, which was of concern. DNB expects the planners to require the situation to be reversed in due course.

It was **RESOLVED**:

- To approve the development of 7 homes at Wacton.

C) This whole minute has been removed due to confidentiality.

956. Policy Reviews

Child Protection / Safeguarding Children Policy

The ADHM introduced the paper noting the minor changes to the policy.

It was **RESOLVED**:

- To approve the Child Protection / Safeguarding Children Policy.

957. PV Panel Update

The CE gave a verbal update on the current situation regarding the installation programme. CE stated the facts at today are as follows:

- 12th December 2011 is the deadline date for the registration of the FiT at the higher rate.
- 634 Installations already completed.
- 520 Administration/paperwork details completed ready for registration.
- 11 Working days left before the deadline.
- Installation will cease on 8th December to allow the FiT to be registered before 12th December.
- 800 Installations are expected to be registered by 12th December.

The CE explained the risk to not achieving the targets set for 12th December was in the capacity of the second installer and plans are in place to assist this process. What will happen after 12th December is now being discussed. At the December Board Meeting the final number of installations will be known and an update will be given on the next stage.

The question of why the Unity Houses on Dereham Road had been fitted with PV panels was raised in view of these properties possibly having a limited lifespan. The CE responded that a structural report had been undertaken and measures can be taken to extend the life of the properties and this had given the reassurance that the PV installations were viable.

958. Affordable Rents and Fixed Term / 'Flexible' Tenancies Update

The ADHM introduced the report which looked at a number of areas including the exceptions noted in point 2.3.2 of the report.

ADHM explained in detail the practicalities of how affordable rented properties could be let. ADHM stated that the report was in two parts and that from paragraph 3 onwards the report deals with Fixed Term / 'Flexible' Tenancies. CAP have been issued with this information and would like to see the exemptions extended to include those shown at 2.3.2.

A discussion then followed. The comment was made that if employment status was considered then two thirds of properties would be let at social rents. The ADHM commented that there was no right answer, whether it is the first 100, alternate affordable/social lettings or social engineering as none of these offer the perfect solution. It was commented that to avoid litigation tenants need to be informed if they offered an affordable rent that they may opt to wait and possibly obtain a property at a lower social.

It was **RESOLVED:**

- That existing Saffron tenants (currently paying a social housing rent) who transfer to another Saffron property (note; to exclude new development properties unless confirmation is received that additional conversions of relets to affordable rent could be made to offset the potential loss) and circumstances where the affordable rent is less than the current target rent.
- That all 'eligible' general needs relets in each year to be at affordable rents until the proportion agreed is met. This would have the advantage of achieving the maximum rental stream in each year.
- That properties will not be let on fixed term tenancies prior to consultation on, and publication of Saffron's Tenancy Policy and subject to a further report to the Board in early 2012

959. Gas Tender Review and Benchmarking

The HCS introduced the report and stated point 3.3 should read that Saffron do not incur VAT on materials and certain overheads. HCS stated the report had been produced to understand why Saffron costs were so high in comparison to competitors tendering last year. By removing both the VAT advantages and the profit expectations of the winning contractor Saffron are much more competitive than was first thought. HCS confirmed that all costs had been built-in to the costing, including training and registration amounts. In addition to being

competitive on price the Saffron in-house service is able to offer a higher level of customer service as outlined in section 4 of the report.

A discussion followed on bidding for smaller contracts or partnering options to absorb existing overheads without requiring additional resources. When asked how smaller contracts were to be defined the HCS stated that this is an exploratory area at this time to ensure that is no detrimental impact to Saffron services.

It was **RESOLVED:**

- That the Board note the report

960. Aids and Adaptations

The CE introduced the report and stated that Aids and Adaptations are a relatively high spend area for Saffron. CE explained that the report intentionally did not have any specific recommendations.

The proposal is that as the future funding is not exhaustive this area of the business is reviewed by a group which includes Tenants (CAP), Board Members and Employees, along with contributions from those with a technical and disability background covering both adults and children.

It was **RESOLVED:**

- To form a working group ideally comprising of Tenants (CAP), Board Members and Employees, and those with a technical and disability background covering both adults and children.
- The CE will issue a request for up to three Board Members to join the working group.

961. Component Accounting

The DFH introduced the report and explained in detail the reasons for presenting the report to the Board. DHF stated that component accounting can have a major negative impact on Registered Providers, but this is not the case for Saffron. The question of why roofs were not included was raised; the DHF replied that roofs were regarded as part of the fabric of the property.

It was **RESOLVED:**

- That the Board note the report

962. Updates

Chair

KW updated Members on the recent 'What Next' event at the Assembly Rooms in Norwich. KW was interested to know what the outcomes from the day were and what comes out of the relationships made as a result of holding the event. The Willbye Avenue open day event in Diss is being held tomorrow and next week is the Chair's Lunch. Suggestions for speakers and dinner guests for next year's Board Away Weekend if not already submitted are required.

CE

CE gave an update on the work to the Barn entrance area and commented that the construction work will continue until the New Year, with the temporary arrangements still being in place for the December and January Board Meetings. Forthcoming e² training details are included at the rear of their Board Member meeting pack.

Board Feedback

DP Has recently attended a seminar on Welfare Reform and Finance and also attended the CPRE Awards.

DF Attended the 'What Next' event and also a Green Skills for Green Jobs Conference in London.

LS Attended the NHF conference on Welfare Reform.

KGW Attended the 'What Next' event and will be going to the e² Board Member training session tomorrow.

JO Attended the 'What Next' event.

PP Attended the Tenant Question time and a Walkabout with Liz Ross, both in Geldeston. Also attended the 'What Next' event and a CAP E&D Working Group in Sillfield.

TP Attended an NHF Governance Training Session for Board members in London and also attended the 'What Next' event.

GM Attended the Tenant Question time in Geldeston, 'What Next' event and a CAP E&D Working Group in Sillfield. Also attended a Localism Conference in London.

CAP

JC gave a report on the recent activities of CAP and issued the minutes of the meeting from 26th October 2011. JC reported that the annual calendar was complete and now being issued. Most recently the E&D Working Group had met in Sillfield where a presentation had been given by Linda Bellos, a renowned national speaker and authority on Equality and Diversity.

TSA

The Chair asked BM if she would be able to give an overview on changes within the TSA. BM outlined the current situation and forthcoming changes from April 2012. BM stated that the main focus will be around governance and viability and what role governance plays in organisations. The role of Boards will become crucial to the success of organisations with the accountability from Boards to the Regulator increasing. The aim will be for Boards to have a more strategic focus as opposed to operational.

963. Minutes from Associated/Controlled Bodies

Audit Committee – Minutes of the 14th October 2011 meeting were distributed.

EPC Board/Strategy Meeting – Minutes of the 6th October 2011 meeting were distributed

964. This whole minute has been removed due to confidentiality.

965. Development Pipeline

The CE stated there were two Completion statements to note; Bunwell Street, Bunwell and Right Up Lane Wymondham, both of which showed excellent final results. The CE thanked ML for the contribution he had made.

966. Next Meeting

Thursday 15th December 2011 – 7.00 pm
Venue – Saffron Barn

The meeting closed at 10.15pm