



Performance Standards Compliance Report

As at 31st March 2018

Each year Mid-Wales Housing Association prepares a Business Plan outlining its priorities for the following five years. The priorities are:

- Asset Management
- Care and Repair in Powys
- Development
- Financial Stability
- Operational Effectiveness
- Partnerships Working
- Long Term Strategic Plan
- Tenant Services

The Welsh Government Ministers expect all Welsh Housing Associations to be:

- Well governed
- Financially viable
- Provide good quality services

Each Housing Association needs to provide the following stakeholders with reassurance that they can do this:

- Tenants
- Board of Management
- Lenders and external customers
- Welsh Government

Mid-Wales Housing Association provides this reassurance by:

- Producing an annual Business Plan
- The actions are entered into a performance and planning tool known as 'Pentana' (formerly Covalent')
- The actions are regularly updated within Pentana (formerly Covalent).
- The attached document is a collective achievement of those actions including the data which drives the attached.

PERFORMANCE STANDARDS COMPLIANCE REPORT - Q4 2017-18

Performance Standards (2017)-

The “Standards of Performance” are set by the Welsh Ministers in accordance with section 33A of the Housing Act 1996. Failure to meet a “performance standard” is potentially a ground for exercising regulatory powers including a revised Co-regulation status and can lead to exercising enforcement powers contained in the Housing Act 1996.

Performance Standards					
Code & Title	Gauge	Value	Target	History	
▲ PI17PS001 Performance Standard PS.1 (Effective Board & Executive)		74.00%	100.00%		
✔ PI17PS002 Performance Standard PS.2 (Effective Tenant Involvement)		82.00%	100.00%		
▲ PI17PS003 Performance Standard PS.3 (Current & Emerging Risks)		73.00%	100.00%		
▲ PI17PS004 Performance Standard PS.4 (Evidenced Self Evaluation)		67.00%	100.00%		
▲ PI17PS005 Performance Standard PS.5 (Achieving Positive Outcomes)		67.00%	100.00%		
▲ PI17PS006 Performance Standard PS.6 (Delivering Value For Money)		75.00%	100.00%		
▲ PI17PS007 Performance Standard PS.7 (Regulatory & Statutory Compliance)		62.00%	100.00%		
▲ PI17PS008 Performance Standard PS.8 (Effective Financial Plan)		77.00%	100.00%		
✔ PI17PS009 Performance Standard PS.9 (Effective Treasury Management)		83.00%	100.00%		
▲ PI17PS010 Performance Standard PS.10 (Liabilities & Asset Performance)		71.00%	100.00%		

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PS.1 (Effective Board and Executive)	Compliance	Yes	Related Risks: SR17GV		Current Business Plan Performance Status	
<p><i>The Business Plan is divided into eight business areas which are monitored within Pentana through Actions, Performance Indicators and Risks. Board and Executive Group are provided with a clear vision and compliance for the Association. This is evidenced by the following</i></p> <ul style="list-style-type: none"> · <i>5 year rolling Business Plan reviewed annually</i> · <i>5 year Financial Plans reviewed as part of Business Planning</i> · <i>Clear Board Membership Policy; Committee Structure and terms of delegation</i> · <i>Intercompany Agreement with Subsidiary (Care & Repair in Powys)</i> · <i>Adoption of Community Housing Cymru Code of Governance</i> · <i>Annual Compliance Statements from Directors as part of Annual Account Process</i> · <i>TIAA Internal Audit programme</i> - <i>Governance Development Plan</i> - <i>Board Appraisal process undertaken independently</i> <p>Agreed Actions:</p> <p>All base data now available and rolling programme of stock condition surveys are ongoing to further refine quality of info held in IBS. Given overall positive NPV situation of the stock, the development of the Option appraisal model has been delayed until 2018-19.. The development programme is progressing well, although overall performance is slightly behind target due to continued delays in respect of the Tabernacle in Aberystwyth and the tender process for Cylch Caron.</p> <p>There are three schemes being undertaken with works in progress. Phase 3 of Magistrates Court and Cwrt Cei Coed are both in Newtown and first handover of completed units is scheduled for the end of Q4 and/or the early part of Q1 in 2018/19. The Tabernacle scheme is now progressing and after considerable construction setbacks is set to handover in July 2018. The delays have in the main been due to contractors and particularly issues surrounding steel fabrication and its erection. The application to WAG for funds using the Innovative Housing Programme - for a 17 unit scheme in Welshpool - was successful and planning is now approved. The planning application has been made for the Gungrog Farm proposal - showing a total of 54 units over two phases.</p>						

Overall performance is on target. However, the main operational issues faced by the Association is the operation of the Powys Common Housing Register. Following a review of the Common Housing Register a meeting took place in February 2018 to agree the best way forward.

The Care and Repair Business Plan has now been approved by the Board of Care and Repair. KPI's have also been developed for monitoring through Pentana and are being considered by the Board at the July 2018 Board meeting. The agency will be working with the Communications Officer during 2018/19 to publicise the 30th Anniversary.

Board are assured of financial sustainability through monthly management account reports. The Audit Review of Key Financial Controls gained a substantial assurance for the third year, providing further assurance to Board. Rental income received was £179k less than budget due to an increase in void periods, some discretionary funds have been put on hold due to the delays with the Tabernacle development and the proposed stock transfer of 39 properties. The reduction in income was partially funded by reduced loan interest. The Rent Policy was approved in December 2017, it took account of affordability resulting in a range of rent changes. Sheltered Housing were reduced, 1 person flats were frozen and all other properties were below inflation increases. The average rent increase was 2.7%, significantly lower than 4.5% allowed by Welsh Government Policy

ICT assurance is provided by a substantial assurance following an internal audit and the replacement of the servers is now complete.

Work is progressing with EOM and Tai Ceredigion to consider the cost effectiveness of existing and new partnerships.. EOM - Due diligence reports along with the financial forecast are being considered by the Finance and Risk Committee at the meeting scheduled for 11th June 2018. The final business case will be presented to the Board on 18th July 2018. Tai Ceredigion - A first meeting of the Steering Group Committee is scheduled for 25th May 2018. Lead Consultants and Treasury Consultants will be appointed by the end of quarter 2

The Association's Business Plan was approved by the Board in March 2018. The Review of remote working has been delayed as CEO was leading review and has been absent.

Recent changes on the Board, has understandably led to a re-evaluation of some of the current major projects, and where they fit into a longer term vision. Additional Member / Executive Away Days and Board meetings have been scheduled to discuss this at a Strategic Level.

Board appraisal has been completed during 2017. The Association was awarded a level 3 assessment which is the highest achievable level. A formal Board Appraisal takes place every 2 years in conjunction with an independent consultant – Central Consultancy. In alternate years a less formal approach is taken in the form of one to ones between the Chair and individual Board Members.

The engagement of consultants to support a focussed review has presented in a number of projects being deferred, hence the significant 'yellow' flags being reported against a number of projects and actions. In summary several projects have been delayed by at least six months due to the recent Whistle Blowing allegations, which have now been concluded without any case to uphold.

The Association has commenced work on the implementation of General Data Protection Regulations (GDPR), an extensive action plan has been produced following work with the TIAA and is progressing well. It is anticipated that the majority of actions will be completed by the implementation date of 25th May 2018.

PS. 2 (Effective Tenant Involvement)	Compliance	Yes	Related Risks: None		Current Business Plan Performance Status	
<p>The Business Plan is divided into eight business areas which are monitored within Pentana (formerly Covalent) through Actions, Performance Indicators and Risks. Effective and appropriate tenant involvement and high quality and improving services can be evidenced by the following</p> <ul style="list-style-type: none"> · Tenants' and Residents' Forum (TaRF) · Regular Chips and Chat events · Service Reviews · Tenant Board Members · Feedback from tenant surveys · Trends from Benchmarking · KPI Dashboard <p>Agreed actions</p> <p>Satisfaction feedback is obtained from tenants in receipt of any service from the Association. The updated systems add to the ability to monitor satisfaction levels. The TIAA Audit of Cyber Crime, Planned and Cyclical Maintenance and Social Media received substantial assessments which provides reassurance for tenants. The TIAA Audit of Insurance received a reasonable assurance because contractor</p>						

insurance records were not being updated and driver licence and insurance records were not up to date. However, these are now up to date. A new process has been introduced by the HR Manager.

Tenants will be involved in ensuring the Association provides excellent services. The annual Tenant Survey has now been completed and the draft report has been received. Satisfaction questions indicate that for all services the Association is now in Quartile one of Housemark reporting. The satisfaction with the Overall Service Provided by the landlord was 92% for the second year running.

The pilot of revised opening times has now been completed, staff have been tasked with evaluating this. The office continues to open at 8.30 and a review of the Customer Service Team is scheduled for the forth coming year.

The Acting Up Assistant Director of Customer Services has been assigned tasks in the absence of the Director of Customer Services. The Tenant Handbook has been prepared up to draft format. It will be assigned to the Customer Services Team Leader on her return to work in July 2018. Ask and Offer and Service Charge Savings will be as part of actions commencing in the next financial year.

The Communications Officer will be working closely with the Care and Repair Team to promote the service and their 30th Anniversary in 2018.

Tenants are reassured that the WHQS programme and SAP review will ensure that all properties meet appropriate Health and Safety standards. This will also apply to all new properties in development. All Health & Safety programmes completed as required with exception of new Asbestos survey upload into IBS

Annual safety checks take place to further assure tenants of their safety. These are part of a rolling programme of work.

Welfare reform actions are in place and advisors work with tenants to manage their tenancies effectively.

Tenants can be assured that internal audits recently completed – Gas Safety, received a substantial assurance, Care and Repair Handyperson, received a limited assurance, Risks which focused on Rents received a substantial assurance. All have actions to drive continuous improvement.

Research has been undertaken by the Community Participation Officer (CPO) with tenants in Llandrindod Wells. Outcome of research is that the greatest impact on the wellbeing of tenants is having a job rather than community engagement. The CPO is working with tenants to assist them with Curriculum Vitae (CV) writing. This is being funded from contractors who have agreed at tender to provide resources to feed into community benefits. The establishment of a register of social benefit activities with which the Association wishes to engage contractors substantially improves the significance of the value the Association can achieve.

Welfare Benefit Advisors visit every tenant who is receiving a Notice of Seeking Possession to offer advice and assistance with benefits applications. WBAs and Income Management Officers have applied for 105 Discretionary Housing Payments this year with 70 of those successful.

A Review of Remote working has commenced and was scheduled for completion by the year end. The purpose is to provide an improved service for tenants. However, this has been delayed somewhat by other urgent priorities from external pressures. Some of the findings of the review will be implemented as part of the introduction of Total Mobile during 2018.

The Annual Tenant Survey has now been completed by Arena Partnership, satisfaction levels are in the Upper Quartile of Housemark benchmarking. There was a drop in tenant satisfaction for the question 'How satisfied are you that your Landlord listens to your views and acts upon them?' The CPO has started asking tenants at meetings what the Association could be doing to increase satisfaction. A report entitled 'You Said We Did' has been produced using feedback from the survey and will be published in the Tenant LOOK Magazine in the early Summer.

The proposed development plans for Powys and Ceredigion Councils have incorporated most of the sites being considered and pursued by MWhA, which gives a good platform for SHG funding going forward. The additional opportunities in the Innovative Housing Programme (IHP) are also being actively pursued.

A Community Benefits document has been established by the Community Participation Officer (CPO) and the Senior Contracts Officer (SCO). The SCO is working closely with contractors in order to obtain benefits for residents as part of the tender process for major contracts. The CPO is monitoring and recording achievements and benefits gained through this work.

We will be sorry to lose Community Participation Officer in July. However, recruitment is in progress for a replacement for the role.

PS. 3 (Current and Emerging Risks)	Compliance	Yes	Related Risks: SR17DV/010, SR17GV,SR17FS/02, 007, SR17PW/02, SR17FS/008		Current Business Plan Performance Status	
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The Business Plan is divided into eight business areas which are monitored within Pentana (formerly Covalent) through Actions, Performance Indicators and Risks. Comprehensive assessment of risks is identified within the compliance report which illustrates the risks attached to each Performance Standard where appropriate. New business development opportunities and risk management can be evidenced by the following

- Approved Risk Map;

- Quarterly review of risk by Finance & Risk Committee;
- Annual review or risk by Finance & Risk Committee.
- Stress testing of Financial Plans
- Development of Cumulative Impact Reporting
- Use of Member Task& Finish Groups to scrutinise major projects

Agreed actions:

Members have reassessed the Risk Map and consider that the 'Top 5' risks are:

- I) Affordability of Rents
- II) Welfare Reform
- III) Managing the Development Programme
- IV) Cylch Caron Extra Care Scheme
- V) Any individual project

These along with other high scoring risks are reviewed by the Finance and Risk Committee on a quarterly basis.

Pleasing progress made in reviewing the responsive maintenance functions which has identified certain competency issues within the team. The ongoing production of defined maintenance and IBS systems training will help to address and assist in becoming more labour efficient/cost effective as a result.

Work is continuing to deliver in accordance with the Asset Management Strategy; key areas remain increasing average SAP levels/reducing level of acceptable fails in relation to energy efficiency. Fully compliant properties increased by 2% in year and average SAP rating increased from 68 to 71 across the stock

Any new developments undergo stress testing and risks are assessed as part of the Business Planning process.

Returns from PIN Notice received. There will be five contractors invited to bid for the scheme. Ceredigion Council are working to address outstanding land issues, expecting to be resolved in June 2018. Working with funders to resolve outstanding issues, due by June 2018. Board Members have agreed the growth strategy and are supportive of the Cylch Caron development

Comprehensive stock condition survey completed and published on 24th May, the scheme is still financially viable. A financial update will be presented to Finance and Risk Committee on June 11th 2018

5 year Business Plan was approved by Board - 28th March 2018. Area of work incomplete is the review of "Remote Working" and how that and the use of new technology can influence future planning. The "Remote Working" Review remains "parked" following the whistle-blowing investigation and other more pressing priorities.

A new £3.5m bond has been arranged with GB Social Housing enabling the restrictive Nationwide loans to be repaid in March 2018. Heads of Terms for increased revolving credit facility with Barclays was agreed in March 2018. The Association is pursuing £30m private placement to repay Santander loan and provide future funding for approved development programme. Board are assured of financial sustainability through monthly management account reports.

TIAA Audits consistently provide risk assurance. The implementation of the ICT servers and storage is complete. Operational KPI's have now been updated. The implementation of remote access is the next project.

Income Management remains very good. Direct Debits and payment at the start of the tenancy are positive, a total of 1295 tenants were paying by Direct Debit at year end. The 2018 year end gross rent arrears figure of 2.10% is effectively the same as the year end figure of 2.09% in 2017, demonstrating no growth in arrears.

However, rent loss due to voids has increased and remains above target. It is unlikely the average for the year will be within budgeted target. Reasons for this problem include a backlog of work at the year start; sickness absence of Void Team, and ongoing delays under the PCC Common Housing Register. Rent loss due to voids stood at 0.67% against a target of 0.55% as at the yearend. The maintenance and customer service teams are working to reduce void days by monitoring the stages more closely.

PS. 4 (Evidence Of Self Evaluation)	Compliance	Yes	Related Risks: None		Current Business Plan Performance Status	
<p>The Business Plan is divided into eight business areas which are monitored within Pentana (formerly Covalent) through Actions, Performance Indicators and Risks. The Self Evaluation is clearly evidenced in the report attached at appendix 1. The performance progress against business targets is reflected in the traffic light system in the Compliance Report. Evidence of compliance is as follows:</p> <ul style="list-style-type: none"> · Linking of all business plan actions to delivery outcomes; · Quarterly review of Self-Evaluation report from Pentana by Audit and Scrutiny Committee; 						

- Annual review of Self-Evaluation report from Pentana by Board.
- Publication in Newsletter and on web site

Agreed actions:

A quarterly Self Evaluation Report is produced from the Performance Management System. The details are included within the Performance Standards in this report and is attached at appendix 1. **The year end self evaluation report has achieved an amber status because not all of the actions within the Business Plan have been completed or achieved during the year. Some actions and projects were either put on hold or have been delayed by at least six months due to the whistle blowing incident during quarter 3, when employee resources were focussed on other areas of the business in order to assist with the investigation into the incident. Those actions and projects not fully completed will either be included as actions during 2018/19 or considered whether still relevant.**

PS. 5 (Achieving Positive Outcomes)	Compliance	Yes	Related Risks: None		Current Business Plan Performance Status	
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The Business Plan is divided into eight business areas which are monitored within Pentana (formerly Covalent) through Actions, Performance Indicators and Risks. The Association has a track record in place of achieving outcomes and responding to new challenges and performance issues. This can be evidenced by the following

- Use of Pentana (formerly Covalent) for all actions and monitoring;
- Quarterly review of reports from Pentana by Audit & Scrutiny Committee;
- Delivery of TIAA internal audit recommendations as detailed in 'Follow-up' and 'Annual reports';
- Reports to Organisational Development Committee concerning performance including Housemark benchmark data
- Agreement to award a Performance Award to staff for above median performance.
- Engagement with Powys County Council and Ceredigion County Council Common Housing Registers
- Properties adapted to reflect need (PAGs)
- Void rates low (average 15 days) - at the end of quarter 2 this is no longer achievable

Actions agreed:

The year end Performance Standard has achieved an amber status because not all of the actions within the Business Plan have been completed or achieved during the year. Some actions and projects were either put on hold or have been delayed by at least six months due to the whistle blowing incident during quarter 3, when employee resources were focussed on other areas of the business in order to assist with the investigation into the incident. Those actions and projects not fully completed will either be included as actions during 2018/19 or considered whether still relevant. An example of an action not completed is the preparation of the Board Member Handbook for Care and Repair in Powys. Unfortunately the majority of the Governance Officers time was taken up with the investigation. Another action affected was the Service Review of Remote Working, this has also been put on hold due to the absence of the Chief Executive as part of the Whistle Blowing investigation. In addition to this investigation, the Director of Customer Service is on long term sick and the Community Housing Team Leader is now acting up as the Assistant in this role during the absence. This has affected the performance of the team. However, the outstanding actions are being addressed but completion will be delayed, affecting the status of the Performance Standard.

Replacement of servers will provide updated monitoring systems,

Current Common Housing Registers in place with Powys and Ceredigion councils affect the lettings process. The Association is working closely with Powys to provide a more efficient service, regularly meeting to improve service provision. Powys closed down the system to cleanse the data in order to provide an improved service. The system is now up and running with a much reduced list of applicant available. However, it has been recognised that not all applicants contacted would have responded to the correspondence and their names may have been deleted from the register as part of the cleansing activities. The IT system is inadequate and the need for a dedicated Housing Register Team at Powys CC. The Association has taken on more of the administration, hoping to improve service and speed up the allocations process. There are issues around inadequate applicant notes, especially for applicants who are supported by agencies. The application will be updated to include a question around support agencies so HA's can better assess if applicant is suitable for a property / property is suitable for applicant. A further CHR partners meeting took place in Q4 to address the IT & Staffing issues at Executive level. However, the CHR for Powys is still not working effectively. A further meeting of Powys Strategic |Housing Partnership will take place in June 2018.

Due to a large backlog of voids at the beginning of the year and the general deterioration of the condition of properties when handed back, the original budget was not sufficient and was consequently increased from £67k to £172k and has been exceeded by £5k.

Board members' bi-ennial appraisal and training equips members to understand the challenges necessary to be effective Board Members. The appraisal process was conducted during quarter three as part of the Association's adherence to the CHC Code of Governance.

Board Member appraisal was completed in January 2018, the Association was awarded a level 3 (highest score) by the Governance Forum.

The annual TIAA Programme of internal audits has been completed. Recommendations and actions from the audits are almost complete.

Performance Standards and compliance will be reported quarterly to Board members. The first report was submitted to the Welsh Government as part of the Regulatory Judgement which achieved Standard assessments. This is the fourth report and the plan is to continue to report Performance Standards quarterly in order to keep performance 'live'.

Area of work incomplete is the review of "Remote Working" and how that and the use of new technology can influence future planning. The "Remote Working" Review remains "parked" following the whistle-blowing investigation and other more pressing priorities.

The Tenant Handbook has been delayed. However, The Communications Officer and Customer Services Team Leader are working together to update the Handbook and it will be fully completed during 2018/19 financial year.

PS. 6 (Delivering Value For Money)	Compliance	Yes	Related Risks: SR17FS/002, 007		Current Business Plan Performance Status	
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The Business Plan is divided into eight business areas which are monitored within Pentana (formerly Covalent) through Actions, Performance Indicators and Risks. Value for Money across the business can be evidenced by the following:

- Value for Money (VfM) Policy
- Monitoring a comprehensive suite of indicators that demonstrate VfM;
- Quarterly review of VfM reports from Pentana by Audit & Scrutiny Committee;
- TIAA internal audit on VfM; Benchmarking reports to Organisational Development Committee concerning performance.

Agreed actions

The Association will continue to carry out Value for Money exercises on all tenders received.

Value for Money awareness training will be provided to all new employees and Board Members.

Value for Money updates are reported to tenants in the tenant newsletter.

A new £3.5m bond has been arranged with GB Social Housing enabling the restrictive Nationwide loans to be repaid in March 2018. Heads of Terms for increased revolving credit facility with Barclays was agreed in March 2018. The Association is pursuing £30m private placement to

repay Santander loan and provide future funding for approved development programme. EOM - Due diligence reports along with the financial forecast are being considered by the Finance and Risk Committee at the meeting scheduled for 11th June 2018. The final business case will be presented to the Board on 18th July 2018. Tai Ceredigion - A first meeting of the Steering Group Committee is scheduled for 25th May 2018. Undod - There is no progress to report due to changes in senior staffing at Grwp Cynefin.

PS. 7 (Regulatory and Statutory Compliance)	Compliance	Yes	Related Risks: SR17FS/002, 007, SR17PW/002		Current Business Plan Performance Status	
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The Business Plan is divided into eight business areas which are monitored within Pentana (formerly Covalent) through Actions, Performance Indicators and Risks. Compliance with regulatory and statutory requirements and guidance can be evidenced by the following

- Welsh Government Regulator has unfettered access to Pentana performance management tool
- Welsh Government Regulator Receives all Board Papers
- Routine meetings between Welsh Government Regulatory team and Senior Officers of Association
- Statutory Gas, Smoke and Electrical safety checks take place and are monitored at weekly Performance meetings

Agreed actions:

The year end Performance Standard has achieved an amber status because not all of the actions within the Business Plan have been completed or achieved during the year. Some actions and projects were either put on hold or have been delayed by at least six months due to the whistle blowing incident during quarter 3, when employee resources were focussed on other areas of the business in order to assist with the investigation into the incident. Those actions and projects not fully completed will either be included as actions during 2018/19 or considered whether still relevant. Projects affected by this and delayed as a result have been the Cylch Caron project, Partnership Working, the Long Term Strategic Plan. Operational Effectiveness has been delayed due to the ongoing issues with the Common Housing Register within Powys. A review by an external consultant is currently being undertaken and is progressing. The Regulator is aware of these issues.

The Association will continue to work closely with the Regulation Team in order to ensure compliance.

All Health & Safety programmes completed as required with exception of new Asbestos survey upload into IBS.

The weekly Performance Team Meetings continue to monitor statutory safety checks. The Director of New Business reports regularly to the Audit and Scrutiny Committee on Health and Safety issues and measures being taken at the Association.

PS. 8 (Effective Financial Plan)	Compliance	Yes	Related Risks: SR17GV, SR17FS/002, SR17PW/008, SR17DV/010,SR17PW/002		Current Business Plan Performance Status	
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The Business Plan is divided into eight business areas which are monitored within Pentana (formerly Covalent) through Actions, Performance Indicators and Risks. A financial plan is in place to support the business plan along with effective monitoring of performance. This can be evidenced by the following:

- Annual approval of financial forecasts including sensitivity testing;
- Detailed financial assessment of any major project upon the financial forecasts, including the impact of 'multiple' projects;
- Annual approval of development scheme viability assumptions with basis of assumptions explained;
- Annual approval of budget parameters;
- TIAA internal audit reports upon financial plans;
- Feedback from funders upon the financial forecasts;
- Financial comparisons with other housing associations and 'Global Accounts'.

Agreed Actions:

Continue to produce monthly management accounts for reporting to Executive Team and Performance Management Team along with quarterly management accounts reporting to Board Members via the Finance and Risk Committee.

A surplus of £74k was generated by CRP due to the success in obtaining further grant funding, enabling more adaptations to be undertaken

Work continues to ensure long term funding, A new £3.5m bond has been arranged with GB Social Housing enabling the restrictive Nationwide loans to be repaid in March 2018. Heads of Terms for increased revolving credit facility with Barclays was agreed in March 2018. The Association is pursuing £30m private placement to repay Santander loan and provide future funding for approved development programme.

The Cylch Caron returns from PIN Notice have been received. There will be five contractors invited to bid for the scheme. Ceredigion Council are working to address outstanding land issues, expecting to be resolved in June 2018. Working with funders to resolve outstanding issues, due by June 2018.

The audit of Key Financial Controls awarded a substantial assurance for the third year which is reassuring for Board Members and the Finance Team. The 2018/19 Budgets were calculated on time in readiness for the January Rent Letters. The 18/19 Surplus/Deficit Calculations will be calculated during May and Circulated by the end of June 2018 Ways to seek to maximise growth of the Association and to provide additional homes continue to be pursued.

PS. 9 (Effective Treasury Management)	Compliance	Yes	Related Risks: SR17GV, SR17FS/002, SR17PW/008, SR17DV/010,SR17PW/002		Current Business Plan Performance Status	
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The Business Plan is divided into eight business areas which are monitored within Pentana through Actions, Performance Indicators and Risks. Effective management of treasury operations ensuring sufficient liquidity at all times can be evidenced by the following

- TIAA report upon Treasury function;
- Quarterly Treasury reports review by Finance & Risk Committee;
- Appointment of specialist Treasury Advisors;
- Up-to-date Treasury Management Policy and Strategy.

Agreed actions:

There are a number of actions being progressed as outlined in the Treasury Management Strategy. These include:

Restructuring Nationwide Building Society loans into a single loan with up to date terms.

Arrange new terms with Barclays Bank.

The most significant element determining the loan needs of the Association is the Development Programme. A new £3.5m bond has been arranged with GB Social Housing enabling the restrictive Nationwide loans to be repaid in March 2018. Heads of Terms for increased revolving

credit facility with Barclays was agreed in March 2018. The Association is pursuing £30m private placement to repay Santander loan and provide future funding for approved development programme.

The Rent Policy was approved in December 2017, it took account of affordability resulting in a range of rent changes. Sheltered Housing were reduced, 1 person flats were frozen and all other properties were below inflation increases. The average rent increase was 2.7%, significantly lower than 4.5% allowed by Welsh Government Policy.

PS.10 (Liabilities and Asset Performance)	Compliance	Yes	Related Risks: SR17FS/002, 007		Current Business Plan Performance Status	
<p>The Business Plan is divided into eight business areas which are monitored within Pentana through Actions, Performance Indicators and Risks. Asset and liabilities performance can be evidenced by the following</p> <ul style="list-style-type: none"> · TIAA report upon Asset and Liability Registers; · Review of Asset and Liability Register Compliance Statement by Audit & Scrutiny Committee. · TIAA report upon Asset Management; <p>Agreed actions:</p> <p>Continue to update the Assets and Liabilities register by working with key members of staff, this is an ongoing project to continually ensure the register is up to date.</p> <p>Ensure that the Association computer system (IBS) is kept updated with key information regarding stock surveys, planned and routine maintenance.</p> <p>Ensure as part of the acquisition of properties that they meet the required WHQS standards or develop an action plan to ensure compliance.</p> <p>All base data now available and rolling programme of stock condition surveys are ongoing to further refine quality of info held in IBS. New EPCs completed following window/doors and boiler works and WHQS programme fully delivered. Fully compliant properties increased by 2% in year and average SAP rating increased from 68 to 71 across the stock</p>						

Given overall positive NPV situation of the stock, the development of the Option appraisal model has been delayed until 2018-19

Majority of programme now completed with the exception of kitchens at Tan y Castell, Builth Wells, certain boiler replacements at Clerks Court (Phase 2) and storage heater replacement /potential to convert to gas at Gwel Y Creuddyn. Warm Homes grant application made to facilitate this conversion. These works will be carried forward to 2018/19.

Compliance inspections and monitoring ongoing. Asbestos inspections of individual properties and notification of findings to tenants is in progress. This will continue in 2018/19 as a rolling programme of surveys given the number required.

This statement of compliance was approved by the Board of Management on:Agenda item:.....

Signed:

Chair of Board of Management:..... Chief Executive:.....