

Board Meeting 26 July 2010

Minutes and Associated Reports

FREEBRIDGE COMMUNITY HOUSING (FCH) BOARD

**Minutes of a Meeting of the Board held on
Monday 26 July 2010 at 6.30pm in the
Conference Room, Juniper House,
Austin Street, King's Lynn**

PRESENT:

Michael Stone (Chairman)
Lesley Bambridge
Sylvia Calver
Barbara Davis
Nigel Donohue
Irene Gammon
Bill Guyan
Brian Hillman
Geoffrey Hipperson
Michael Jervis
Ray Johnson
Paul Leader
Sylvia Pomeroy
Pat Southgate

IN ATTENDANCE:

Tony Hall	-	Chief Executive
Sean Kent	-	Executive Director (Resources)
Kassie Melnyk	-	Interim Executive Director (Operations)
Angus MacQueen	-	Governance Officer

89/10 APOLOGIES

An apology for absence was received from Colin Sampson.

90/10 MINUTES

The minutes of the meeting held on 24 May 2010 were confirmed as a correct record and signed by the Chairman.

91/10 MATTERS ARISING

- **Proposed Developments at Fernlea Road and Wisbech Road, King's Lynn (Minute Numbers 79/10 and 80/10)**

Confidential item

92/10 DECLARATIONS OF INTEREST

Confidential item

93/10 CHIEF EXECUTIVE'S UPDATE

There was no update.

94/10 BOARD MEMBER CONDUCT

Confidential item

Ray Johnson in the Chair.

95/10 CHAIRMAN'S CORRESPONDENCE

The Chairman read out a letter from Sylvia Pomeroy in which she advised that she had decided to resign from the Board on the grounds of ill health. The Board asked the Chief Executive to write to Sylvia on its behalf, thanking her for her significant contribution to Freebridge, both as a Board member since 2008 and through her involvement with Tenants of West Norfolk (TOWN), and to wish her well.

96/10 AUDIT COMMITTEE RECOMMENDATIONS (click here to go to report)

The Board received a report which introduced the recommendations of the meeting of the Audit Committee held on 5 July 2010.

It was noted that consideration of recommendations 1 and 2, as listed in the report, should be deferred until item 9 of the agenda (minute number 97/10 below), and that consideration of recommendations 3, 4 and 5 should be deferred until item 10 of the agenda (minute number 98/10 below).

With reference to recommendation 6, it was

RESOLVED: That the AGM be recommended that Grant Thornton be appointed as the Association's External Auditor (this being initially over a three year period starting in 2010/11, with an option to extend for a further two years).

97/10 INTERNAL CONTROLS ASSURANCE ANNUAL REPORT 2009/10 (click here to go to report)

The Executive Director (Resources) presented the Internal Controls Assurance Annual Report 2009/10. The report explained the requirements of the Business Assurance exercise, the approach that the Association had chosen to adopt, and presented evidence from a wide variety of internal and external sources. The Internal Auditors had input into the exercise and their conclusions were included. The self-assessment exercise undertaken with

managers was explained and the Chief Executive's self-assessment was attached.

The Board considered the Annual Report, noting that the Audit Committee had looked at it in detail. Paul Leader, Chairman of the Audit Committee, advised that the Committee had been pleased that the overall assessment of the effectiveness of the system of internal control had remained at last year's rating of amber in the case of both service areas, Housing and Property Services. The framework elements had also remained as last year, with two at green and three at amber. Only one area of the Corporate Risk Map for 31 March 2010 was highlighted as red, namely Risk 3.6 – Shared Ownership Properties Unsold – and the final property to be sold was now undergoing the legal process.

The significant improvement of the Asset Management function, as evidenced by Internal Audit reviews, was highlighted.

Having noted the recommendations of the Audit Committee, the Board

RESOLVED:

- 1) That the Internal Controls Assurance Annual Report 2009/10, as presented, be approved.
- 2) That the statement of internal controls, as presented, be approved for inclusion in the Association's statutory financial accounts 2009/10.

98/10 [DRAFT STATUTORY ACCOUNTS 2009/10 \(click here to go to report\)](#)

The Executive Director (Resources) presented a report which detailed the Association's draft statutory accounts 2009/10, including the Board of Management Report, Operating and Financial Review, Auditor's Report and Financial Statements. Also attached for approval were the Key Issues Memorandum (KIM) 2009/10 and the Letter of Representation to the External Auditor.

The Executive Director (Resources) highlighted the following points:

- The fact that the Audit Committee had considered the accounts and recommended them for approval gave the Board assurance that the systems and judgements with which the accounts had been developed were sound.
- The accounts had been presented to the Resources and Risk Committee as management accounts, the only difference being the capitalisation in the statutory accounts of £5 million in the improvements budget.
- The accounts were running according to forecast.

- An issue within the accounts was pension liability. This was a national problem, and FCH was doing all that it could to mitigate the liability. The Government had instigated a review of public sector pensions, and FCH would need to consider the outcomes of this when it was completed in October 2010. Pension liability had also been highlighted as an issue in the External Auditor's Key Issues Memorandum.

In answer to a question, the Executive Director (Resources) explained that, although Schedule 1 of the Housing Act 1996 had been repealed on 1 April 2010, these accounts were for the year ending 31 March 2010. Advice from the External Auditor had, therefore, been to include references to Schedule 1.

It was reported that the External Auditor had been very complimentary about the support received from FCH staff during the audit process.

A member advised of a seminar that she had attended at the recent Chartered Institute of Housing Conference. The seminar had warned that cutting staff during the current economic difficulties could result in an inability to engage with future opportunities. Any significant budgetary reductions should be considered only in consultation with staff and residents.

Having noted the recommendations of the Audit Committee, the Board

RESOLVED:

- 1) That the statutory accounts 2009/10, as presented, be adopted and the Chairman of the Board, the Chairman of the Resources and Risk Committee, the Chief Executive, and the Executive Director (Resources) be authorised to sign these on behalf of the Board.
- 2) That the Key Issues Memorandum 2009/10, as presented, be approved for submission to the TSA.
- 3) That the Letter of Representation, as presented, be approved for signature by the Chief Executive.

99/10 RULE AMENDMENTS (click here to go to report)

The Governance Officer presented a report which set out proposed amendments to the Rules for recommendation to the 2010 AGM.

RESOLVED: That the wholesale revocation and replacement of the Association's existing Rules, in line with the amendments presented, be recommended to the 2010 AGM.

100/10 ELECTRONIC DOCUMENT MANAGEMENT SYSTEM PROCUREMENT (report not available – confidential)

The Executive Director (Resources) presented a report which:

- set out the business case for implementing an electronic document management (EDM) system to support customer excellence initiatives and streamline operational procedures;
- described the systems assessment process that had been undertaken;
- sought approval to progress the project using the Documotive system; and
- informed the Board of an outline project plan.

The Executive Director (Resources) also explained that, given that the contract was worth over £100,000, it would normally have to be sealed, to accord with Standing Orders. However, the protections achieved by sealing were not relevant to ICT contracts, and waiting for the contract to be sealed would result in a delay to implementation. He, therefore, requested that the Board resolve not to require the contract to be sealed in this case.

In answer to questions, the Executive Director (Resources) made the following comments:

- A number of housing associations were already using the Documotive system successfully, and several references had been taken up.
- The provider of FCH's housing management system did not have an EDM system.
- The Documotive system could be integrated with email.
- FCH's back-up systems would be able to cope with the Documotive system.
- The cost was similar to that paid by other organisations.
- Post-implementation support was an important part of the project, and references suggested that Documotive did this well.

RESOLVED:

- 1) That the purchase and implementation of the recommended EDM system across the organisation be approved.
- 2) That the transfer of £135,000 from Specific Contingency to the ICT Projects budget be approved.
- 3) That the outline project plan to implement EDM in two distinct phases be noted.
- 4) That the requirement to seal this contract, set out in Standing Order 10, as it exceeds £100,000, be waived in this case.

101/10 BOARD'S REPORT TO THE AGM (click here to go to report)

The Chief Executive presented a report which sought approval for the Board's Report to the AGM.

RESOLVED: That the Board's Report to the AGM be approved, as presented.

102/10 BOARD RECRUITMENT (click here to go to report)

The Governance Officer presented a report which advised of the outcome of the recent processes for the recruitment of Tenant Board members and Independent Board members.

The Board thanked Pat Southgate for her hard work and contributions to FCH as an Independent Board member since 2006. It was acknowledged that, whilst she had not been successful in her reapplication to the Board, the primary focus of this year's recruitment process had been to increase the Board's finance skills.

RESOLVED:

- 1) That the 2010 AGM be recommended that Michael Jervis be reappointed to the Board until the 2013 AGM.
- 2) That the 2010 AGM be recommended that Matthew Brown be appointed to the Board until the 2013 AGM.

103/10 GOVERNANCE WORKING GROUP REPORT (click here to go to report)

(a) Introduction

The Governance Officer presented a report from the Governance Working Group following its meeting held on 30 June 2010.

(b) Reviews of Board Member Code of Conduct and Board Member Agreement

The Board noted that the reviews of the Board Member Code of Conduct and Board Member Agreement were on hold pending the development of FCH's replacement policies and procedures for Schedule 1. The target date was October 2010.

(c) Loss of Earnings Scheme for Board Members

RESOLVED:

- 1) That the Loss of Earnings Scheme for Board Members be approved as presented.

2) That the Scheme be introduced with effect from 1 July 2010.

(d) Presentation of Committee Business to the Board

RESOLVED: That there is no need to change the way that committee business is presented to the Board, other than for the Chairman to hand over directly to the Chairman of each committee, and to invite them to highlight any key points arising from the meeting.

(e) National Housing Federation's "Excellence in Standards of Conduct" Code for Members

The Board noted the action plan that had been developed to ensure adherence to the National Housing Federation's "Excellence in Standards of Conduct" Code for Members 2010.

(f) Other Actions Plans

The Board noted the positions regarding the action plan to address areas of non-compliance with the new NHF 2009 Code of Governance – "Excellence in Governance", and regarding the Board Improvement Action Plan.

104/10 [SELF ASSESSMENT COMPLIANCE STATEMENT AND REVIEW OF TENANT PROMISES 2009/10 \(click here to go to report\)](#)

The Chief Executive presented a report which introduced the Self Assessment Compliance Statement and Review of Tenant Promises 2009/10.

The Chief Executive explained that, whilst it was no longer a requirement to submit the Self Assessment Compliance Statement (SACS) to the TSA, officers had felt it important still to produce it, so that the Board could satisfy itself as to how work was progressing across the organisation. In future years, the information contained in the SACS would be covered by the Annual Report to Tenants.

Paul Leader, Chairman of the Audit Committee, reported that the Committee had seen the SACS and had raised no issues.

The huge volumes of work and spend in relation to the Decent Homes Programme, as detailed in the Review of Tenant Promises, were highlighted.

The Board asked for its thanks to be passed on to the Business Assurance Manager for his hard work in putting the information together and presenting it so clearly.

The Board noted the report.

105/10 BUSINESS PLAN UPDATE (click here to go to report)

The Chief Executive presented a report which set out the first quarter update to the 2010/11 Business Plan.

The Chief Executive highlighted that the only item in the Plan currently with “red” status was “Agree and implement Community Development Plan”. Responsibility for this had recently been transferred to the Assistant Director of Housing, and he had started work on it.

The Chief Executive said that the “Growth” corporate priority would become the responsibility of the new Assistant Director of Assets, Stuart Mansell, who would be joining the organisation on 2 August. Mr Mansell had already spent a few days with FCH, meeting staff and attending the Mary Gobar customer service training.

With regard to Tenant Empowerment, the Chief Executive said that FCH had been successful in appointing an Assistant Director of Communications and Resident Engagement, Michelle Playford. She was currently working for Bridging NewcastleGateshead.

The Board noted the report.

106/10 APPOINTMENT OF SHAREHOLDERS (report not available – confidential)

The Governance Officer presented a report which requested the Board to consider applications for Tenant shareholding.

RESOLVED: That the nine applications for Tenant shareholding contained in Appendix 1 to the report be approved.

107/10 MANAGEMENT TEAM AND TENANT EMPOWERMENT STRUCTURE – UPDATES (click here to go to report)

The Chief Executive presented a report which provided an update on changes to the Management Team and Tenant Empowerment structures.

The Chief Executive confirmed that final interviews for the post of Executive Director (Operations) would be held later that week.

It was pointed out that the Board had previously approved a structure comprising an Executive Team of three supported by six Assistant Directors. However, it was now proposed to introduce a seventh Assistant Director, of Communications and Resident Engagement.

RESOLVED: That a structure comprising an Executive Team of three supported by seven Assistant Directors, as set out in the report, be approved.

108/10 ANNUAL UPDATE ON EMPLOYEE DECLARATIONS OF INTEREST 2009/10

The Executive Director (Resources) advised that the annual round of employee declarations of interest had revealed nothing that needed to be reported or investigated further. Some staff had made declarations that did not have to be made, but it was preferable that staff “over-declared” rather than “under-declared”.

109/10 ANNUAL HEALTH AND SAFETY UPDATE (click here to go to report)

The Executive Director (Resources) presented a report which provided an update on health and safety activity over the past year and set out progress towards reducing the overall risks associated with FCH activities.

Reference was made to an incident of aggressive behaviour that had occurred at the Juniper House reception desk, and had been witnessed by some Board members who were in the building for a training session. The trainer had commented on how well the staff had diffused the situation, ultimately leading to an apology from the perpetrator. The Chief Executive said that he would feed this comment back to the staff involved.

The Chief Executive stated that alterations were being considered to the reception area as part of the introduction of the Customer Contact Centre. A balance had to be struck between making the area friendly and accessible, but minimising any risk to staff.

The Board noted the report.

110/10 URGENT ACTION TAKEN – PURCHASE OF A PROPERTY AT HILLINGTON SQUARE

Confidential item

111/10 WORK UPDATE

Confidential item

112/10 COMMITTEE MINUTES (Committee minutes not available – confidential)

The Board received the minutes of the following meeting:

- Audit Committee – 5 July 2010.

113/10 ANY OTHER BUSINESS

(a) Board Attendance at Events

The Chairman commented that he had been very impressed by the number of Board members who had attended the leaving reception for the Tenant Empowerment Manager and the prize-giving for the sheltered scheme garden competition.

(b) Country Grounds Maintenance

Confidential item

(c) Barbeque

Confidential item

114/10 NEXT MEETING

The Board noted that its next meeting was scheduled for Monday 6 September 2010 at 6.30pm.

The meeting closed at 8.40pm.

CHAIRMAN

Freebridge Community Housing

Report to the Board

Author	Angus MacQueen	Report Type		Impact		
Related Work Ref.		For Decision	√	High	Medium	Low
Minutes: Audit Committee – 5 July 2010		For Information		√		
Consultation						

Board Meeting Date: 26 July 2010

Report Title: Audit Committee Recommendations

Purpose: To present the recommendations from the Audit Committee meeting held on 5 July 2010.
Policy/Strategy Implications: None directly arising from this report.
Finance and VFM Implications: None directly arising from this report.
Customer Care/Equality and Diversity Implications: None directly arising from this report.
Risk Assessment (cross-reference with FCH Risk Map): Risk assessment will have been considered at the committee stage for each recommendation.
Recommendations: It is recommended that the Board: <ul style="list-style-type: none"> (i) Consider the recommendations set out in the body of the report.

1. Audit Committee – 5 July 2010

Presentation of recommendations by: Paul Leader (Chairman of the Audit Committee)

Recommendations –

1. That the Board adopt the Internal Controls Assurance Annual Report 2009/10.
2. That the Board adopt the draft Statement of Internal Controls (for inclusion in the Association's statutory financial accounts 2009/10).
[Please note: Consideration of recommendations 1 and 2 should be deferred until item 9 of the agenda.]
3. That the Board adopt the Key Issues Memorandum and approve its submission to the Tenant Services Authority.

4. That the Board approve the Letter of Representation for signature by the Chief Executive.
5. That the Board adopt the draft statutory accounts 2009/10 and authorise the Chairman of the Board, the Chairman of the Resources & Risk Committee, the Chief Executive, and the Executive Director (Resources) to sign these on behalf of the Board.

[Please note: Consideration of recommendations 3, 4 and 5 should be deferred until item 10 of the agenda.]

6. That the Board recommend to the AGM that Grant Thornton be appointed as the Association's External Auditor (this being initially over a three year period starting in 2010/11, with an option to extend for a further two years).

Freebridge Community Housing

Report to the Board

Author	Simon J Swanson Business Assurance Manager	Report Type	Impact		
Related Work Ref.		For Decision	√	High	Medium
		For Information			√
Consultation	Management Team				

Meeting Date: 26th July 2010

Report Title: Internal Controls Assurance Annual Report 2010

<p>Purpose: To seek approval of the Internal Controls Assurance Annual Report 2009/10 and in addition the draft statement on internal controls (for inclusion in the Provider's statutory financial accounts 2009 / 2010) detailed in Appendix 3.</p>
<p>Policy/Strategy Implications: Compliance with the Housing Corporation circular 07/07 was mandatory for the Provider during the period in question.</p>
<p>Finance and VFM Implications: None.</p>
<p>Customer Care/Equality and Diversity Implications: None.</p>
<p>Risk Assessment (cross-reference with FCH Risk Map): This report is key in demonstrating that the Provider is identifying and managing its risks accordingly.</p>
<p>Recommendations: It is recommended that the Board</p> <ul style="list-style-type: none"> (i) Approve the Annual Report 2009 / 2010 as recommended to it by the Audit Committee. (ii) Approve the draft statement on internal controls (for inclusion in the Provider's statutory financial accounts 2009 / 2010) detailed in Appendix 3 as recommended to it by the Audit Committee.

INTERNAL CONTROLS ASSURANCE ANNUAL REPORT 2009/10

1. Introduction

- 1.1 This report is designed to provide an assessment of the effectiveness of the Provider's system of internal controls for 2009/10. The contents summarise the level of assurance to be gained from a range of sources which can be used in making an overall judgement about the integrity of the system of internal control which has been and is in existence for the Provider. The report highlights areas where control weaknesses have been identified, some of which require ongoing attention from management. There should be no significant issue raised in this report which has not been brought to the attention of the Audit Committee, or the Board – this report acts as a reminder to the Committee and Board of such issues and records how any control weaknesses revealed have been addressed.
- 1.2 This assessment should provide the Committee and Board with assurance that will enable the approval of the draft Statement of Internal Control in the annual accounts 2009/10.
- 1.3 The process in place to enable the Committee and the Board to consider this report is detailed in the table below:

April 2009 – March 2010	Risk Management and Business Assurance activities undertaken as part of day to day business and governance activities.
April 2010 – June 2010	Managers' Risk and Control Self Assessment form completed by members of the Management Group. Directors report to Chief Executive with respect to their areas of responsibility. The Management Team drafts their Annual Report to the Audit Committee.
5 th July 2010	Audit Committee considers Annual Report and Draft Statement of Internal Controls 2009/10 and makes recommendations to Board.
26 th July 2010	Board considers Annual Report and Draft Statement of Internal Controls
21 st September 2010	Annual General Meeting considers Statutory Accounts 2009/10 including Statement on Internal Controls.

- 1.4 As noted previously the Tenant Services Authority (TSA) became the new Regulator of Social Housing on 1st December 2008 and subsequently all but four circulars and good practice notes were withdrawn on 1st April 2010. That said given that we have only just entered into a post 07/07 period the Board have decided (at Board on 19th April 2010) that in the absence of any new guidance we would continue working in the spirit of the content of circular (and the associated Good Practice Note 15 – Demonstrating Internal Controls Assurance in Housing Providers).

2. Sources of Assurance

2.1 The Board should consider the sources of assurance available to it and the output from these sources in order to discharge their responsibilities, including if possible external sources. The Housing Corporation Circular highlights the following forms of assurance in its guidance notes for RSL's.

- Management Structure
- Management and Operational Reports
- Risk Management Activities
- Audit Management Arrangements
- Control & Risk Self Assessment
- Internal Audit
- External Audit
- Internal financial controls
- Quality Management Systems
- Other Quality Schemes and Standards
- Performance Data
- Reports from regulatory & other external bodies
- Fraud Management Activities

3. Evidence of Assurance

Specific evidence of how the Provider demonstrates assurance is detailed below:

3.1 Board Overview

The Board is ultimately responsible for the system of internal control and the management of risk, including reviewing the effectiveness of internal control. The Board met ten times in 2009/10 to consider a wide array of policy and organisational issues. All Board meetings are formally minuted and decisions recorded. All Board Reports are required to detail any risk implications arising from the recommendations, linked to the Provider's Risk Map.

Reports relevant to internal controls assurance include:

- Receipt of Resources & Risk Committee minutes and approval of recommendations.
- Business Planning Process
- Regulatory Plan
- Performance Information including Management Accounts and Performance Indicators
- Development Project Approval
- Internal Audit Plan
- Strategic Risk Map
- Property Services Action Plan & Updates
- Assets Action Plan and Updates

Staff Actions sheets are circulated after Board and Committee meetings detailing appropriate actions emanating from the recommendations to members of the Management Team and Extended Management Team.

3.2 Audit Committee

The Committee met three times last year. Standing Order 4 details the responsibilities of the Audit Committee. One of the key responsibilities of the Committee is to approve the Annual Internal Audit Plan and consider findings of all internal audit investigations and the associated management response. The Audit Plan considers both financial and operational areas and is designed on a risk based assessment of the organisation. All internal audit reports detail control weaknesses (rated as Critical, High, Medium or Low) and the Manager responsible for remedial action, together with a timescale.

During 2009/10 the Internal Auditor, Price Waterhouse Coopers, has stated in their Internal Audit Annual Report that they can give **Moderate Assurance** as to the design, adequacy and effectiveness of the system of internal control. The levels of assurance available are as follows:

Level of Assurance	Description
High	We will provide 'high' assurance in our annual opinion where we have only identified low and medium rated risks during the course of our audit work on business critical systems.
Moderate	We will provide 'moderate' assurance in our annual opinion where we have identified mostly low and medium rated risks during the course of our audit work on business critical systems, but there have been some isolated high risk recommendations and / or the number of medium rated risks is significant in aggregate. The level of our assurance will therefore be moderated by these risks and we cannot provide a high level of assurance.
Limited	We will provide 'limited' assurance in our annual opinion where we have identified high or critical rated risks during our audit work on business critical systems, but these risks are not pervasive to the system of internal control <u>and</u> there are identifiable and discrete elements of the system of internal control which are adequately designed and operating effectively. Our assurance will therefore be limited to these elements of the system of internal control.
No	We will provide 'no' assurance in our annual opinion where we have identified critical rated risks during the course of our audit work on business critical systems that are pervasive to the system of internal control or where we have identified a number of high rated risks that are significant to the system of internal control in aggregate.

This conclusion is based on work performed during the year. The issues arising are discussed with management and the Audit Committee, actions agreed to address them, and progress in implementing those agreed actions has been tracked and reported to Audit Committee.

Each meeting of the Resources & Risk Committee receives a quarterly update of the Provider's Risk Map, detailing any changes from that previously reported. A copy of the latest report is attached at Appendix 1.

3.3 **Management Assurances**

The Provider's Management Team meet on a weekly basis and the associated minutes are circulated to all members of said Team. All members of the Management Team and Management Group have completed and signed a Risk & Control Self Assessment form and copies of all are available with the Chief Executive's being attached at Appendix 2 - issues arising from these forms detailed below. It can be confirmed that no fundamental weaknesses have been identified.

Disclosures of partial compliance related to :

- Difficulties in recruiting a Procurement Manager
- New Procedures of Purchasing system
- Mobile signal for emergency cover iro lone workers
- Health & Safety issues with opening windows at Juniper House
- Updating of certain policies and procedures
- Some small non adherences to approved contractors / suppliers procedures
- Openlink still to be documented fully
- Possible breaches in Schedule 1 (although reported to the TSA with favourable findings)

In all cases these have been considered by the Directors or the Chief Executive and not been assessed as having sufficient impact to affect their own assessment of compliance.

Management Team consider a wide range of strategic and operational issues, specific to the internal controls assurance they monitor progress against the Corporate Priorities and consider highest category risks on a regular basis and review the update of the Provider's Risk Map quarterly. Performance of the Provider is also considered on a weekly and monthly basis.

3.4 **Risk Management Activities**

Consistent with the Provider's Risk Management Strategy the Management Team produced a comprehensive risk map detailing identified business risks. The map is reviewed on a quarterly basis with any amendments reported to the Resources & Risk Committee and then the Board. From this map a list of the top risks facing the Provider is drawn, made up of those higher category risks on the Risk Map. This list of top risks is considered by Management Team on a regular basis. Actions to manage individual risks are detailed as well as individual director responsibility.

The delegation of operational risk management was partially deferred following transfer in April 2006, and was completed in 2007. With responsibility for updating operational risk maps quarterly now assigned to the extended management team in most cases, otherwise by the relevant Director. Responsibility for collation of all updates lies with the Assistant Director of Finance, with support from the Executive Director (Resources).

3.5 **Internal Audit**

The Internal Audit function is vital in providing assurance to the Board as to the effectiveness of the system of internal control. It provides independent and objective assurance across a whole range of the Provider's activities.

The Provider's internal audit service is provided externally by, PricewaterhouseCoopers LLP (PWC). The Board, through the Audit Committee, approve the Annual Internal Audit Plan which details the Programme of internal audits for a rolling 4 year period. Within the plan is a contingency provision to cover issues that may arise during the course of the year. For each internal audit undertaken a report with recommendations is prepared for the Audit Committee. The recommendations to improve the adequacy and effectiveness of the internal control system are discussed with staff and managers and remedial action agreed. An ongoing progress report to Audit Committee details progress in implementing these plus any outstanding recommendations or those that have not been actioned.

The internal auditors reported on the most recent follow up of recommendations in the following extract from their annual report.

Results of follow up work

Our follow up work, undertaken in April 2010 established that a number of agreed recommendations remain outstanding in 2009/10 as detailed below.

	Previous Status	Current Status	Current Status
	October 2009	December 2009	March 2010
Total number of recommendations raised in reviews named above.	2	32	76
• No work started on recommendation.	0 (0%)	0 (0%)	0 (0%)
• Still in progress / implementation date for action not yet expired	1 (5%)	10 (31%)	18 (24%)
• Still in progress / original implementation date expire.	1 (50%)	8 (25%)	4 (5%)
• Fully implemented	0 (0%)	13 (41%)	53 (70%)
• Recommendation rejected.	0 (0%)	1 (3%)	1 (1%)

Under the internal auditors terms of engagement they are also required to provide an Annual Report with an opinion as to the overall adequacy and effectiveness of the system of internal control. A full copy of this report is available and was considered at the last Audit Committee. As stated above in paragraph 3.2 the Internal Auditors view was that the controls in place could provide “Moderate Assurance”, based on mainly low and medium identified risks during the year. A table detailing the findings from individual audit assignments is shown in the table below :

Name of Audit Assignment	Date Final Report Issued	Report Assurance Level	Number of Findings			
			C (Critical)	H (High)	M (Medium)	L (Low)
IT Strategy Review	21/07/09	N/A	Critical friend input only.			
Budgetary Control	19/08/09	High	0	0	0	2
Sickness Management	17/11/09	Moderate	0	0	5	4
Corporate Governance	08/01/10	N/A	Assurance Mapping exercise			
Procurement	20/10/09	Moderate	0	0	4	4
HR	20/10/09	Moderate	0	0	2	4
Asset Management	18/02/10	High	0	0	0	7
Voids and Lettings	11/12/09	Moderate	0	0	4	3
Information Technology	15/02/10	Moderate	0	1	1	8
Finance Key Controls	08/03/10	Moderate	0	0	4	6
Supporting People	19/02/10	Moderate	0	1	1	1
Payroll	01/03/10	Moderate	0	0	7	4
Risk Management	05/03/10	Moderate	0	0	2	1
Total			0	2	30	44

In addition the following table details the comparison between the number and grade of issues raised over the last four years. it should be noted that for 2009/10 no critical risks were identified from our work and the number of high risk issues identified has significantly reduced compared to previous years :

	Critical	High	Medium	Low	Total
Total 2006/2007	1	9	69	43	122
Total 2007/2008	2	10	29	32	73
Total 2008/2009	1	15	33	25	74
Total 2009/2010	0	2	30	44	76

Their annual opinion is as follows:

Annual opinion on internal controls

It is management's responsibility to develop and maintain a sound system of internal control, and to prevent and detect irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We planned our work so that we had a reasonable expectation of detecting significant control weaknesses. However, internal audit procedures alone, although they are carried out with due professional care, do not guarantee that fraud will be detected. Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist, unless we are requested to carry out a special investigation for such activities in a particular area.

We have completed the programme of internal audit work for the year ended 31 March 2010 and we can report that our work did not identify any significant control weaknesses that we consider to be pervasive in their effects on the system of internal control.

However, we have identified some significant control weaknesses in certain systems and processes that have had an impact on the achievement of the objectives of those systems:

Information Technology

- Not all mobile IT equipment is encrypted and there are no restrictions on the use of storage devices such as memory sticks **(High Risk); and**

Supporting People

- Segregation of finance and contract monitoring activities has resulted in key control weaknesses in relation to 'Supporting People' income monitoring **(High Risk)**.

Consequently, except for the matters noted above, we can give **moderate assurance** on the design adequacy and effectiveness of the system of internal control.

The above conclusion is necessarily based on work performed at a point of time in the year. The above issues were discussed with management and the Audit Committee, actions agreed to address them, and progress in implementing those agreed actions has been tracked by management and reported to the Audit Committee.

3.6 External Audit

The external audit is another form of assurance as to the accuracy of the financial statements and the operation of internal controls. Grant Thornton are the Provider's appointed external auditor and they are required to:

- to audit the financial statements of the Provider
- produce a concise and constructive report of key issues to the Board

The Audit Committee have approved the External Audit Strategy for 2009/10 at their meeting on 25th January 2010. A separate report of key issues arising from their work is elsewhere on this agenda.

3.7 Performance Indicators

The Board receive Performance Monitoring information on a quarterly basis. This details performance in a number of key business areas with comparison against Housemark LSVT Benchmark information. A copy of the final Performance Trend report is attached for reference at Appendix 4.

3.8 Regulatory Reports – Tenant Services Authority

The Provider is now externally regulated by the Tenant's Services Authority (TSA) and as such has been since the TSA became the new Regulator of Social Housing on 1st December 2008.

Since the 1st April 2010 the Provider is no longer required to submit a compliance self-assessment statement detailing how it complies with the Regulatory Code. Instead all Registered providers shall publish an annual report for tenants regarding how they are meeting these obligations and how they intend to meet them in the future.

3.9 The Control Environment

The Provider is able to demonstrate that it has a number of procedures in place that promote an effective and adequate system of internal control in support of the evidence detailed above. These include :

- Financial Regulations
- Standing Orders
- Key Policies & Strategies
- Specific Governance Procedures e.g. Schedule 1 Reporting

4. Evaluation of effectiveness of system of internal control

4.1 The control framework in place across the Provider has been assessed according to the elements of the COSO framework (Committee of the Sponsoring Organisations of the Treadway Commission). This framework is the recognised international standard used to assess the overall quality of an organisation's system of internal control. Internal audit assignments within the Provider are carried out and reported against the COSO framework.

4.2 Based on a review of the elements of the system of internal control the following assessments have been made:

Overall assessment of effectiveness of system of internal control

	Current Year	Previous Year
Service Area	Rating	Rating
Housing, including Assets	Amber	Amber
Property Services	Amber	Amber

The rating assigned to each component is based on the following:

Non-compliant (red) = Evidence confirms that there has been a significant failure or weakness in the system of internal control or a material loss. Remedial action by management to ensure full compliance with an effective system of internal control remains outstanding.

Partially compliant (amber) = Evidence confirms that there has been an effective system of internal control operating. Internal control failures or weaknesses of a non-significant nature have been identified. Action has been taken and is in progress to ensure future effective control.

Fully compliant (green) = Evidence confirms that there has been an effective system of internal control in operation – or minor internal control failures or weaknesses have occurred which have been addressed.

5 **Evaluation of the Framework elements**

Evaluation of the framework elements		
Element (key aspects)	Current Year Rating	Previous Year Rating
Control Environment How does the Organisation know what it is supposed to be achieving? i.e. Business Plan, Corporate Priorities, Policies & Strategies	Green	Green
Identification and Evaluation of risks How does the Organisation know what could stop it achieving its objectives? i.e. Risk Maps, Board Reports, Project Appraisals	Green	Green
Information and Communication How do members of staff know what they need to be doing? i.e. Team briefings, appraisals, one – one meetings	Amber	Amber
Control procedures How does the organisation ensure that targets are met, consistent with appropriate laws and regulations? i.e. Financial Regulations, Standing Orders etc	Amber	Amber
Monitoring and corrective action How do we know how well we are performing and managing risks? i.e. Performance Indicators, Financial Monitoring etc	Amber	Amber

The rating assigned to each component is based on the following:

Non-compliant (red) = Evidence confirms that there has been a significant failure or weakness in the system of internal control or a material loss. Remedial action by management to ensure full compliance with an effective system of internal control remains outstanding.

Partially compliant (amber) = Evidence confirms that there has been an effective system of internal control operating. Internal control failures or weaknesses of a non-significant nature have been identified. Action has been taken and is in progress to ensure future effective control.

Fully compliant (green) = Evidence confirms that there has been an effective system of internal control in operation – or minor internal control failures or weaknesses have occurred which have been addressed.

Further detail for each area is set out below :

5.1 Control environment (Green)

How does the organisation and staff know what they are supposed to be achieving?

5.1.1 The Provider has the following elements designed to ensure that objectives and responsibilities have been defined :

- Mission
- Corporate values
- Five year business plan
- Policies based on strategic aims, regulatory and legislative requirements.
- Strategies e.g. Asset Management strategy

All the above are approved by Board.

- Job Descriptions
- Role-specific objectives.

5.2 Identification and evaluation of risks (Green)

How does the organisation know what could stop them achieving their objectives, the impact and how likely this is to happen?

- 5.2.1 Annual risk map linked into the business plan prepared on behalf of and approved by the Board. This contains the key risks facing the organisation, identify who is responsible for managing the risk, how this is done and the method by which Boards will know that the control has been in operation.
- 5.2.2 Business cases presented to Board for approval include sensitivity analyses regarding risks relating to the project under consideration.
- 5.2.3 Risks involved in proposed development projects are subject to review through the Investment Appraisal Panel (IAP).
- 5.2.4 Issues arising from insurance claims, in particular liability claims, are analysed and lessons learned applied. Formal reporting of such risks takes place through the Resources and Risk Committee.
- 5.2.5 Health and Safety incidents are recorded and reviewed at regular Health and Safety meetings attended by senior management. Reporting of accidents and incidents takes place to the Board. Formal analysis of trends and relevant risk factors will be implemented.
- 5.2.6 Quarterly updates are incorporated into the Provider's "Corporate" risk map.

5.3 Information and Communication (Amber)

How does everyone know what they need to know at the right time?

- 5.3.1 Communication between the Management Team and the Board is ensured by:

- Distribution of minutes from committees to all Board members

- 5.4.2 Staff are made aware of issues and decisions through:

- Induction process
- Briefings
- Team meetings
- Appraisals and one-to-ones
- Actions agreed at Board communicated via follow up sheets
- Monthly staff newsletter
- Company intranet

5.3 Control procedures (Amber)

How do we make sure that everything happens as planned, in line with laws and regulation and that assets are protected?

- 5.3.1 Some policies have been extrapolated into defined procedures or action plans. This is not universal, nor are common systems followed for similar activities e.g. Procurement, HR etc across the Provider in all areas. There is currently no standard approach to the definition of procedures.
- 5.3.2 Financial Regulations and an approved Authority list are in place. These cover all activities to which a financial risk is attached and on which guidance is necessary.
- 5.3.3 The detail provided for insurance renewal is comprehensive. Risk prevention and risk management training has been carried out during the year and any actions recommended by insurers passed to operational staff for implementation.
- 5.3.4 Controls over the use of Information Technology have been made known to staff.
- 5.3.5 Improvements have been made in assessments of Health and Safety risks – further action is planned to manage this significant risk area across all the Provider's activities through the implementation of revised Health & Safety procedures..
- 5.3.6 Budgets are defined and approved at Board level.
- 5.4 Monitoring and corrective action (Amber)

How do we know how well we are performing and managing risks?

- 5.4.1 During the year weaknesses have been identified in operational monitoring for areas reviewed by internal audit management such as:
- IT Strategy Review
 - Budgetary Control
 - Sickness Management
 - Corporate Governance
 - Procurement
 - HR
 - Asset Management
 - Voids and Lettings
 - Information Technology
 - Finance Key Controls
 - Supporting People
 - Payroll
 - Risk Management
- 5.4.2 Service Reviews were begun on Tenant Empowerment, Supported Housing and Assets.
- 5.4.3 A programme of Key Performance Indicators is in place. Reports are made to Management Team and the Board.
- 5.4.4 Financial monitoring reports are made to the Resources and Risk Committee on a quarterly basis.

Fraud

The Provider has in place an approved Anti-Fraud & Corruption Policy which :

- encourages prevention;
- promotes detection;
- identifies a clear pathway for investigation;
- takes positive action on fraudulent cases.

In accordance with the requirements of the Housing Corporation (as was) a register of all actual and attempted fraud. All cases in excess of £5,000 must be reported to the Housing Corporation. There have been no reported cases of fraud during 2009/10.

7 The Board's Statement on Internal Controls

The proposed Board statement on Internal Controls 2009/10 is attached in Appendix 3 to the main report for consideration and approval. Circular 07/07 states that this should include the following :

- disclosures about the board's approach, its understanding and appreciation of internal control, and its management of fraud :
 - an acknowledgement by the board that it is responsible for the Provider's system of internal control and for reviewing its effectiveness;
 - recognition that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss;
 - a disclosure that the process for identifying, evaluating and managing the significant risks faced by the Provider is ongoing, has been in place for the year under review and up to the date of approval of the annual report and accounts and is regularly reviewed by the board; and
 - confirmation that the board has a current strategy and policy on fraud covering prevention, detection and reporting of fraud, and the recovery of assets;
- confirmation that there has been a review of the effectiveness of the internal control system, to include :
 - a summary of the main policies which the board has established and which are designed to provide effective internal control;
 - a summary of the process and key sources of evidence utilised by the board in reviewing the effectiveness of the Provider's system of internal controls; and
 - confirmation that the board reviewed the fraud register, and has reflected the information contained within it in its review; and
- confirmation that necessary action has been or is being taken to remedy any significant failings or weaknesses identified from that review, including where appropriate:
 - details of the process that the board has applied to deal with the material internal control aspects of any significant problems disclosed in the annual report and accounts;
 - a disclosure of any supervisory intervention by the Housing Corporation if this was in place for at least part of the year in question or as at the date of the board report, together with its relevance to the assessment of the effectiveness of the internal control system and/or confirmation that significant failings or weaknesses associated with the Corporation's decision have been or are being acted upon; and
 - reference to the occurrence of any reportable fraudulent activity and/or to other patterns of lesser levels of fraud detected and resolved.

The proposed statement at Appendix 3 includes the relevant points.

8 Conclusion

The Management Team has reviewed the effectiveness of the system of internal control and is satisfied that there is sufficient evidence to confirm that adequate systems of internal control operated throughout the financial year and those systems were linked to the management of significant risks facing the Provider. The management team also confirms that necessary action has been or is being taken to remedy significant failings or weaknesses identified by this review. The requirements of the Housing Corporation's circular 07/07 have been met in full.

Appendices

01. Risk Map & Groups as at 31st March 2009
02. Chief Executive's Risk and Control Self Assessment – others are also available
03. Proposed Board Statement on internal controls 2009/10
04. Performance Trend report

Freebridge Community Housing Risk Map

- (i) It is acknowledged that the Board of the Freebridge Community Housing has ultimate responsibility for the association's risk management. The Board is also represented on the Audit Committee and Resources and Risk Committees.
- (ii) Risk areas and specific risks have been identified in relation to the Association's strategic objectives. Many of the risks identified relate to a number of objectives. Risks have also been identified in relation to Housing Corporation's regulatory requirements that associations demonstrate integrity in the three areas of governance, viability, and management.
- (iii) Risks have been classified upon assessment of:
- (a) the potential impact on the achievement of the association's strategic objectives. Impact is assessed in the light of potential effect on operational service delivery, finances and reputation through 4 categories –
 - 4 – Negligible
 - 3 – Marginal
 - 2 - Critical
 - 1 - Catastrophic
 - (b) judgement of the likelihood of a failure of risk management measures based on past experience, current trends, stakeholder feedback, reviews of control procedures and known emerging factors influencing risks using 6 categories –
 - A – Very High
 - B – High
 - C – Significant
 - D – Low
 - E – Very Low
 - F – Almost Impossible
 - (c) whether they are of a short (ST) i.e. under 12 months or long term (LT) concern
 - (d) whether they are above (A) or below (B) the risk tolerance line agreed by the Board
 - (e) the risk treatment agreed, using the options –
 - A – **A**void – Develop a different course of action so the risk will not arise
 - R – **R**educe – Set up new controls to reduce the likelihood of the risk occurring
 - S – **S**hare – Reduce the impact of the risk by sharing or transferring it
 - C – **A**Ccept - Accept the risk in its entirety as a consequence of being in that business
- (iv) 'Operational controls' refer to the actions defined by the Board and implemented through the management team to ensure that risks are minimised. A RAG status is assigned as follows –
- Red (R) – A significant control failure or weakness has been identified. Remedial action remains outstanding
 - Amber (A) – Control failures or weaknesses have been identified, remedial action has been agreed and is in progress

Freebridge Community Housing Risk Map

- Green (G) - Evidence confirms that an effective system of Controls is in place
- (v) 'Board monitoring' refers to the mechanisms by which the Board is made aware of the way in which the risk management mechanism defined by them is being carried out as required and through which they would be made aware of any significant change in the risks to the achievement of their strategic objectives.
- (vi) Where 'further action required' has been noted the responsible Director will be asked to determine timescales for the action to be implemented. The Board will monitor progress made in implementing this agreed action to enhance risk management.
- (vii) External monitoring is carried out by the Association's external auditors, the Housing Corporation/Audit Commission and accreditation organisations through scheme development compliance audits, inspections, year end audits and reviews such as Investors in People. The results of these external reviews are reported to the Board at the appropriate time.
- (viii) The Audit & Risk Committee functions as a sub-committee of the Board. Minutes of the Committee's meetings are provided to the board who are asked to formally note the minutes and can raise specific items.
- (ix) The annual programme of internal audits and the business assurance process are designed to provide assessments of the integrity of the risk management and control mechanisms to the Board. At each financial year-end, as part of the business assurance process, the extended management team (the Management Team and Heads of Service) are required to sign a form of self-assessment on internal controls to confirm that they consider that controls established within processes for which they are responsible are effective. These self-assessments reflect the risks shown in the risk map and provide assurance to the Board when they are asked to agree the formal internal control statement for inclusion in the annual financial statements within the accounts.

Freebridge Community Housing Risk Map

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Supporting People	9
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Key

ARC:	Audit & Risk Committee
HC:	Housing Corporation
FC:	Finance Committee
NHF:	National Housing Federation
KPI:	Key performance indicator
MT:	Management Team

Person responsible key

CE:	Chief Executive
OD:	Operations Director
FID:	Finance & information Director
ADA	Asst Director of Assets
ADF	Asst Director of Finance
ADH	Asst Director of Housing
ADHR	Asst Director of Human Resources
ADI	Asst Director of ICT
ADP	Asst Director of Property Services

Freebridge Community Housing Risk Map

No	Risk area	Specific risk/comments	Risk priority					Existing Operational controls and actions needed	Board monitoring	Owner (previous)		
			Impact	Likelihood	Timescale	Tolerance	Treatment					
								Existing Controls	RAG Status	Actions needed/taken		
1.1	Governing Framework	Failure to comply with Regulatory and Legislation requirements	2	B	LT	A	R	Annual self assessment, Lead Regulator Liaison Qualified staff, professional updates, job descriptions	A	Asbestos Action plan, legionella survey (offices)	Annual self assessment Chief Executive's update and detailed report	CE
1.2		Board direction not implemented	2	E	LT	B	R	Minutes, standing orders, financial regs	G		Decision monitoring sheet	CE
1.3		Significant events lead to adverse publicity	2	D	LT	A	R	Media planning, specialist support Significant events policy, Communications Strategy, Disaster Recovery Strategy	G	Monitoring collective grievance	Specific reports	CE
1.4		Skill deficiency in Board or Management team	2	B	LT	A	R	Recruitment process, Insurance cover Appraisal & Training Recruitment and succession process	A	Board Appraisals Training and coaching	Self Assessment	Board/ CE
1.5		Government housing policy change	3	C	LT	B	C	Lobbying by NHF, monitoring changes	A	Monitoring local government review	Chief Executive's Update	CE
1.6		Breach of legal (transfer) agreements	2	C	LT	A	R	Staff briefings, LA Liaison meetings	A	Key requirements summary	Monitoring of tenants promises	CE

Freebridge Community Housing Risk Map

No	Risk area	Specific risk/comments	Risk priority					Existing Operational controls and actions needed	Board monitoring	Owner (previous)		
			Impact	Likelihood	Timescale	Tolerance	Treatment					
1.7		Failure in relationship with TOWN	2	C	LT	A	R	Tenant Compact Empowerment Strategy	A	Governance Review	Board Member feedback	CE
1.8		Judical Review/Human Rights Act challenge (Weaver v LQHT)	3	C	LT	B	C	Training/Legal updates, external legal advice	A	Public Law defences checklist		FID
2.1	Housing Management	Failure in customer satisfaction	2	D	LT	A	R	Complaints policy, Performance Management Customer surveys TP Tracker, Communication strategy	G		Tenant representatives on Board, Performance Monitoring, Annual summary of complaints	ADH
2.2		Housing benefit changes	2	D	LT	A	C	Lobbying via NHF and funders, liaison meeting with HB Section	G		Chief Executive's Update	CE
2.3		Lack of demand for properties	2	E	LT	B	R	Surveys, monitoring waiting lists. Council needs survey WNHC monitoring and liaison meeting	G		KPI's on void performance	OD ADH

Freebridge Community Housing Risk Map

No	Risk area	Specific risk/comments	Risk priority					Existing Operational controls and actions needed	Board monitoring	Owner (previous)		
			Impact	Likelihood	Timescale	Tolerance	Treatment					
2.4		Poor void performance	2	C	LT	A	R	Procedures and detailed monitoring Depot Action Plan (5/07)	G	Continuous Improvement Action Plan in place	KPI's on void performance	OD ADH (ADA)
2.5		Excess RTB Sales	3	B	LT	B	S	RTB Sharing Agreement, Budgets	G		Business Plan monitoring	ADH
2.6		Poor income or benefit collection	2	D	LT	A	R	Rent policy, allocations policy, rent arrears policy.	G		KPI on rent collection and rent arrears	ADH
2.7		Failure to deal with Anti Social Behaviour	2	E	LT	A	R	ASB Policy, Tenant handbook, LA Protocol	G	Alignment with LA in place wef 1.4.10	Quarterly Report to Ops Committee	OD ADH
2.8		Operational failures	2	C	LT	A	R	Detailed planning and project plans, Continuous Improvement Plan, Performance Management Implementation	A	Asset Management Action Plan		CE
2.9		Ineffective or insufficient estate improvement	2	C	LT	A	R/S	Partnership working, estate management policy, Effective enforcement procedures	A	Assessment of Resources	Annual Review of Estate Management	CE
3.1	New Business & Development	Missed Opportunities	3	E	LT	B	C	Development strategy and appraisal process	G		Feed back on bids	CE (OD)

Freebridge Community Housing Risk Map

No	Risk area	Specific risk/comments	Risk priority					Existing Operational controls and actions needed			Board monitoring	Owner (previous)
			Impact	Likelihood	Timescale	Tolerance	Treatment	Existing Controls	RAG Status	Actions needed/taken		
3.2		Risks of new ventures not properly evaluated	2	C	LT	A	R	Business Plan Development partner appraisal process	A	Non-financial appraisal criteria to be set	KPI's, Development report	CE/FID (OD)
3.3		Failure to comply with HC Scheme Development Standards/access grant income	2	D	ST	A	R	Scheme development. Standards. Self assessment, property surveys Development partner Development strategy and appraisal process	G		Details of self assessment to Board. Development and Financial Monitoring reports.	CE (OD)
3.4		Failure of joint working with North Norfolk	3	E	ST	B	R	Legal agreement	G		Improvement plan monitoring	CE (OD)
3.5		Failure with e ²	2	C	LT	B	R	Legal Agreement	G		Development Monitoring Report	CE (OD)
3.6		Shared Ownership properties unsold	3	B	ST	A	R	Specialist marketing	R	Defining responsibilities & procedures	Financial & Development Monitoring	CE ADA
4.1		Asset Management	Failure to deliver improvement programme	2	C	LT	A	R	Stock condition survey. Procurement strategy, staff and contractor training	A	Supply chain manag't (9/07) Full survey Heating Report Asset	Performance monitoring

Freebridge Community Housing Risk Map

No	Risk area	Specific risk/comments	Risk priority					Existing Operational controls and actions needed			Board monitoring	Owner (previous)
			Impact	Likelihood	Timescale	Tolerance	Treatment	Existing Controls	RAG Status	Actions needed/taken		
4.2		Environmental issues, - eg flooding, asbestos, etc	1	D	LT	B	S	Insurance Cover review, warranties, surveys, Liaison with Environ. Agy, Disaster Recovery	A	Management Action Plan Promotion of tenant contents insurance, Drainage review	Insurance cover report	ADA
4.3		Incorrect balance of responsive and planned maint/Increase in demand for Responsive maintenance	2	C	LT	A	R	Repairs policy, tenants handbook, tenancy management, Budgets, consultancy Diagnostic Training Asset Management Strategy, Council Needs Survey	A	Maintenance Action Plan, Assets Structure Process review (10/07) Targets Linkages with planned maint, Process review (6/07)	KPI's and performance reporting	ADA ADH ADP
4.4		Poor subcontractor performance	2	C	LT	A	R	Existing contacts, transfer agreement	A	Clarify Responsibilities	Performance monitoring	ADA
4.5		Contract Monitoring	2	C	LT	A	R	Inspection of works	A	Identification of resources	Performance monitoring	OD ADA
4.6		Failure to deliver Non-Traditional Programme	2	C	LT	A	R	Contract management Assessment of contractor performance	A	Tender evaluation Appoint contractors	KPI's and performance reporting	CE OD ADA
4.7		Gas/Oil/Solid	2	D	ST	A	A	No access procedure	A	Further staff	KPI's and	OD ADP

Freebridge Community Housing Risk Map

No	Risk area	Specific risk/comments	Risk priority					Existing Operational controls and actions needed			Board monitoring	Owner (previous)	
			Impact	Likelihood	Timescale	Tolerance	Treatment	Existing Controls	RAG Status	Actions needed/taken			
		Fuel Servicing									awareness	performance reporting	
5.1	Financial Viability	Breach of funding conditions	2	C	LT	A	R	Financial plan, Budget, Monitoring reports	G			Financial Monitoring	ADF
5.2		Fluctuations in interest rates	2	C	LT	A	R	Treasury policy and strategy	G			Financial Monitoring	FID ADF
5.3		Changes in inflation	2	C	LT	A	C	Treasury policy and strategy	G			Financial Monitoring	FID ADF
5.4		Operating cost overruns	2	C	LT	A	R	Budgets, Financial Regs, Reports	A	Asset Management action plan (CE)		Financial Monitoring	ADF
5.5		VAT Scheme challenged	3	E	LT	B	R	VAT agreement. HMRC clearance	G			Exception reporting, financial monitoring	FID
5.6	Incorrect Treasury management	2	E	LT	B	R	Treasury strategy Specialist advice Financial plan	A			Financial monitoring	FID ADF	
5.7	Fraud or theft Internal and external	3	D	LT	A	R	Financial Regs, monthly stocktake at Depot, Fidelity Guarantee Insurance Management training and internal controls	A	Fraud Audit Ongoing awareness training and review of internal controls		Report to Audit & Risk Committee Chief Executive's update	ADF CE/FID	
5.8	Insufficient funding	1	C	LT	A	R	Committed loan facility, financial plan, budgets Development	G	Assess impact on Financial Plan, Wider Rule		Financial Monitoring Budget setting process	ADF	

Freebridge Community Housing Risk Map

No	Risk area	Specific risk/comments	Risk priority					Existing Operational controls and actions needed			Board monitoring	Owner (previous)
			Impact	Likelihood	Timescale	Tolerance	Treatment	Existing Controls	RAG Status	Actions needed/taken		
								appraisal process		Change approval		
5.9		Increase in Funder's required margin	2	C	ST	A	S	Wider Rule Change approval Financial plan	A	Circulation of main points of loan agreement.	Financial Monitoring	ADF
5.10		Gov ^t restrictions on rent increase amounts	2	C	LT	A	C	Financial plan	A	Assess impact on Financial Plan,	Financial Monitoring	FID
5.11		Financial failure of funders	2	D	ST	A	R	Review of funders Fitch credit rating.	G		Reporting via Resources and Risk	FID ADF
6.1	Supporting People	Failure to meet contract conditions	3	E	ST	B	R	Contract reviews, contract monitoring Negotiations	G	SP Funding being looked as part of current Service Review (alarms)	Outcomes reported	ADH
6.2		Not cost effective	3	D	ST	B	R	Benchmarking, contract reviews	G		Benchmarking reports	ADH
6.3		SP Funding reduced	3	B	ST	B	R	Business Plan	A	Review action plan	Budget	ADH
7.1	Relationships	Failure in tenant communication	2	C	LT	A	R	Tenant Empowerment strategy & structure	A	Strategy Review (CE)	Performance monitoring, tenants surveys	ADH
7.2		Failure in establishing organisational	2	C	ST	A	R	Vision & Values, MG Training, staff survey HR Strategy	A	Remuneration Strategy review 2010 to	HR Reports	CE FID OD

Freebridge Community Housing Risk Map

No	Risk area	Specific risk/comments	Risk priority					Existing Operational controls and actions needed			Board monitoring	Owner (previous)
			Impact	Likelihood	Timescale	Tolerance	Treatment	Existing Controls	RAG Status	Actions needed/taken		
		culture										
7.3		Inappropriate organisational image	3	C	ST	B	R	Code of conduct, Communications strategy	G	incorporate merit rewards. Training to embed values	Chief Executive's update	CE
7.4		Failure to adhere to Community Gateway principles and achieve tenant empowerment	2	D	LT	A	R	Transfer agreement, Rules, tenant empowerment strat'y, Tenant Compact, Tenant promises matrix	A	Strategy Review,	Performance monitoring, Tenant promise matrix	CE
7.5		Failure in internal communication	2	C	LT	B	R	Change Management strategy, monthly briefings, Communications strategy	A	Comms strategy review 2010.		CE
7.6		Failure to work with other agencies	2	E	LT	A	R		G			CE
7.7		Failure to deliver transfer promises	1	D	LT	A	R	Performance monitoring, Continuous Improvement Plan,	G		Tenant promises matrix, Tenant Compact	CE

Freebridge Community Housing Risk Map

No	Risk area	Specific risk/comments	Risk priority					Existing Operational controls and actions needed			Board monitoring	Owner (previous)
			Impact	Likelihood	Timescale	Tolerance	Treatment	Existing Controls	RAG Status	Actions needed/taken		
								Tenant compact, Tenant promises matrix				
8.1	Resources	Lack of staff resources or skills	2	C	LT	A	R	Recruitment policy, appraisals, training priorities, MG Training	A	Annual training plan Performance Management Training 2010.	HR Reports	CE ADHR
8.2		Conflict with unions	3	B	LT	B	R	Recognition agreement Consultation forum established	G		Chief Executive's reports	CE
8.3		Inadequate ICT	2	C	LT	A	R	Budget , specialist advice, ICT Strategy	G		Budget approved by Board	ADI
8.4		Failure to implement correct prioritisation	2	B	LT	A	R	Business Plan, Continuous improvement plan, staff 1 to 1s Operational Plans	A	Annual business Plan reviews	Business Plan	CE
8.5		Loss of key staff	2	C	LT	A	C	Recruitment policies, pay scales, T&Cs Appraisal scheme	A	Remuneration Strategy review 2010.	HR Reports	CE ADHR
8.6		Inadequate insurance	1	E	LT	B	R	Risk Map, regular reviews with insurers, specialist advice	G		Annual insurance report	ADF
8.7		Major catastrophe	1	E	LT	B	S	Business Continuity Strategy	A	Strategy testing overdue	Update and audit reports	CE

Freebridge Community Housing Risk Map

No	Risk area	Specific risk/comments	Risk priority					Existing Operational controls and actions needed			Board monitoring	Owner (previous)
			Impact	Likelihood	Timescale	Tolerance	Treatment	Existing Controls	RAG Status	Actions needed/taken		
8.8		Change management	2	B	ST	A	R	Change management strategy, T&Cs, HR policies. EMT training	A	Training Plan	HR Reports	CE
8.9		Failure of a key supplier	2	C	LT	A	R	Financial Regulations, tender process	A	Approved supplier list (12/07)	Performance monitoring	FID
8.10		Deterioration in staff morale	2	B	LT	A	R	Regular briefings and bulletins Staff Survey	A	IIP Registration	HR reports	CE
8.11		Failure to implement audit recommendations	2	B	ST	A	R	Monitoring report, follow up audit	A	Revised follow up process	Monitoring report, follow up audit	FID
8.12		Out of hours duty rota	2	C	ST	A	R	New Lone Worker procedure	G		HR Reports	OD ADH
9.1	Sustainability	Activities have a detrimental impact upon the environment	2	D	LT	A	R	Development and Asset management strategies	G		Performance monitoring	CE
10.1	Property Services	Poor financial performance	2	B	LT	A	R	Annual budget, Depot Action plan	A	Business Plan (12/07) Assets Action Plan (CE)	Financial monitoring	ADP
10.2		Failure to deliver efficiency savings	2	C	ST	A	R	Depot action plan	A	Business Plan (12/07), single source supply (04/08)	Financial monitoring	ADP
10.3		Poor subcontractor	2	B	LT	A	R	Existing contracts, transfer agreement	A	Approved subcontractors	Performance monitoring	ADP

Freebridge Community Housing Risk Map

No	Risk area	Specific risk/comments	Risk priority					Existing Operational controls and actions needed	Board monitoring	Owner (previous)		
			Impact	Likelihood	Timescale	Tolerance	Treatment					
		performance										
10.4		Failure to revise T&Cs	2	C	ST	A	R	Depot action plan, Project plan, Job allocation	A	(12/07) Implementation plan	HR Report	ADP ADHR
10.5		Inadequate duty of care in service delivery	2	D	LT	A	R	Operational procedures H&S training	A	Training needs assessment (12/07)	Performance report	ADP
10.6		Failure to meet HC service delivery targets	2	D	LT	A	R	HC targets, consultancy Depot Action Plan	G		Performance monitoring	OD ADP)
10.7		A lack of materials in stock	3	D	ST	B	R	Performance monitoring Depot Action Plan)	A	Single Source Supplier (04/08)	Performance monitoring	ADP
10.8		Lack of skilled tradesmen	2	C	ST	A	C	Bonus Scheme, Trades Union liaison	A	Recruitment policy, training plan, T& C Review , Assets Structure	Performance monitoring	ADP
10.9		Admin Resourcing	2	C	ST	A	R	Action plan Workload monitoring Level income achieved	A	Provision of cover for existing resource Procedures to be updated		ADP
11.0	Health & Safety	Legislation not complied with	1	B	ST	A	R	Qualified staff, professional updates	A	Update H & S and Lone worker policies		CE
12.0	Equality & Diversity	Failure to address E & D	3	C	ST	B	R	E & D Working Group E & D Strategy and	A	Impact assessments	Chairman is on working group	FID

Freebridge Community Housing Risk Map

No	Risk area	Specific risk/comments	Risk priority					Existing Operational controls and actions needed			Board monitoring	Owner (previous)
			Impact	Likelihood	Timescale	Tolerance	Treatment	Existing Controls	RAG Status	Actions needed/taken		
		issues effectively						action plan				

**FREEBRIDGE COMMUNITY HOUSING
FINANCIAL YEAR to 31 March 2010**

Appendix 2

AREA OF RESPONSIBILITY/JOB TITLE – CHIEF EXECUTIVE

I acknowledge my responsibility for the management of risks and for the systems of internal control within the functions for which I am accountable. Whilst it is accepted that any system can provide only reasonable, and not absolute, assurance against material loss or misstatement of assets I confirm that I have taken steps to evaluate the systems under my control. I am not aware of any outstanding issue which may threaten the earning capacity or assets of the Association or the integrity of information held.

I confirm that in areas for which I am responsible:

- (i) Formal policies and procedures have been followed. Key systems have been documented. Rules relating to the delegation of authorities which allow the monitoring of controls and restrict the unauthorised use of the Association's assets have been observed.
- (ii) Appropriately experienced and qualified staff have taken responsibility for business functions. Annual appraisal procedures have been adhered to in order to maintain standards of performance. Training has been provided where necessary to ensure that the required skills have been developed.
- (iii) Budgets have been followed. These allow the Board and management to monitor the operational business risks and achievement of objectives within delivery plans for the year and the medium term.
- (iv) All significant new initiatives, major commitments and investment projects have been agreed with my line manager subject to formal authorisation procedures.
- (v) Revised risk map(s) have been approved by the Board. Risks have been documented with agreed priority ratings and definition of current controls and monitoring mechanisms. Operational responsibilities applicable to my area of responsibility within the risk map have been fulfilled.
- (vi) The process of defining operational risks and controls for my area of responsibility has begun.
- (vii) Health and Safety legislation has been complied with. Hazards and risks presented by my area of operation have been reviewed and eliminated, reduced or controlled in order to prevent harm to people, property and the environment.

Yes	* Partial	*No	Comments for *
X			New POP system being introduced 2010/11.
X			Some difficulties in recruiting Procurement Manager.
X			
X			
X			
X			
X			Lone workers-telephone signal for emergency cover not possible to ensure.

FREEBRIDGE COMMUNITY HOUSING

- (viii) Financial Regulations has been adhered to.
- (ix) Relevant Regulatory Bodies Codes, Guidance and circulars have been complied with.
- (x) Schedule One requirements have been met.
- (xi) I am familiar with requirements of Data Protection legislation and activity has complied with these requirements.
- (xii) Equal Opportunities and Black and Minority Ethnic requirements have been observed.
- (xiii) Activity has complied with the Association’s standards for information systems security.
- (xiv) Conditions required by our insurers have been met.
- (xv) Specific role-related statements:
 - Significant Events procedure has been complied with
 - Schedule One has been complied with
 - Health and Safety checks have been carried out
 - Gas/Electric/Legionella checks have been carried out.
 - Compliance with relevant regulatory development standards
 - Development Scheme approvals obtained.

Yes	* Partial	*No	Comments for *
X			
X			
X			Some breaches – exemptions obtained.
X			
X			
X			
X			

I am satisfied that suitable evidence is available in support of this statement.

Signed:

Date:

Appendix 3

Board of Management Report on the System of Internal Control

The Board acknowledges that it has overall responsibility for establishing and maintaining the system of internal control and for reviewing its effectiveness in providing the necessary assurances, in accordance with the requirements of the Housing Corporation circular 07/07 and the Regulatory Code – which the Board have agreed to continue to work in the spirit of.

Scope of Assurance

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that the key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of assets and interests.

Risk Management Process

Management has assessed the key risks faced by the business and has identified the controls and further actions needed to satisfactorily manage these risks. Further work will be undertaken during 2009/10 to ensure that the Risk Management Strategy & Framework continues to meet the requirements of the business.

The process for identification and management of risks is ongoing and has been in place throughout the year under review. The overall responsibility for risk management within the company remains with the Board.

Process For Reviewing The Effectiveness of the Internal Control System

The Board and its Management Team has established a number of elements essential for a robust internal control system. Examples of this include the implementation of relevant policies, procedures, financial plan and the appointment of internal and external auditors. A comprehensive assessment is undertaken to identify the key risks faced by the business and corresponding control strategies and actions are also being established to ensure that these key risks are adequately managed. In addition, the Board itself has played a key role in the control structure by considering a number of issues relating to the effective running of the business and service delivery to its customers.

Throughout the financial year ended 31 March 2010, different sources of assurance have been relied upon to provide information on the system of internal control to the Board. These include Audit committee, External Audit, the Management Team and the risk management process. Briefly:

- The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance aspects and including

treasury strategy and new investment projects. The Board also regularly reviews key performance indicators to assess progress towards key business objectives, targets and outcomes.

- Internal Auditors were appointed to strengthen the quality and depth of assurance around internal control systems. The Audit Plan covers financial and non-financial areas of the business in all of the significant areas of activity.
- The Board received an annual report from the Management Team outlining the work undertaken and offering an opinion on the adequacy and effectiveness of the system of internal controls.

Control Environment

There are a number of measures in place to instil and encourage a suitable culture of effective internal control. These include the following:

- Standing Orders, which include appropriate delegations of authority, signatories and mandates as well as Schedule One (of Housing Act 1996) requirements.
- A number of key policies and strategies to support the running of an effective business and service delivery to customers.
- Adoption of a Code of Governance to provide guidance on best practice in the governance of RSLs. Terms of Reference for the Board and its Committees is based on the guidance therein.
- Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures are in place to maintain standards of performance.
- Forecasts and budgets are prepared which allow the Board and management to monitor key business risks and financial objectives, as well as progress towards financial plans set for the year and the medium term. Regular management accounts are prepared which provide relevant, reliable and up-to-date financial and other information. Significant variances from budgets are investigated and reported as appropriate.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, including risk assessments
- The Audit committee reviews reports from management and auditors to provide reasonable assurance that control procedures are in place and are being followed. Formal procedures have been established for instituting and monitoring appropriate action to correct weaknesses.
- Assurance Statements are provided by each member of the Extended Management Team for their area of responsibility in relation to the control environment.

The review of the effectiveness of the system of internal controls undertaken has not revealed any significant weaknesses that could result in a material loss. The review has nonetheless identified some areas of weakness in internal controls that the Board considers are important for action:

- mobile IT equipment encryption and the lack of restrictions on the use of storage devices such as memory sticks; and
- the segregation of finance and contract monitoring activities.

Actions to address these weaknesses have or are being taken and their implementation and effectiveness will be monitored by the Board.

Fraud

The company complies with its requirements on fraud. In particular, the anti-fraud policy and response plan outline a policy on responding to suspected fraud and corruption. Additionally a register is maintained of all actual and attempted fraud and all cases in excess of £5,000 must be reported. There were no cases of fraud exceeding £5,000 during the year.

Board's Conclusion

The Board has reviewed the effectiveness of the system of internal control and it is satisfied that there is sufficient evidence to confirm that adequate systems of internal control existed and operated throughout the year and up to the date of signing of the financial statements, and that those systems were aligned to an on-going process for the management of significant risks facing the business. No weaknesses were identified which would have resulted in material misstatement or loss, which would have required disclosure in the financial statements. The requirements of the Housing Corporation detailed in circular 07/07 have been fulfilled.

Quarterly Trend Report



	Target	Previous Year	Year to Date as at Mar 2010	Improvement Trend	2008/09 House Mark Benchmark Comparisons	Actions Only	
					QUARTILE		
Performance Indicator	2009/10	2008/09	2009/10		UPPER		
% of Non-Decent Homes	29%	37%	28%	↑	2.0%		
Arrears as % of rent debit (Housing Quality Network GNPI 134) (Excl Housing Benefit Arrears)	1.5%	1.4%	1.4%	↔	2.5%		
Former Tenant Arrears %	0.6%	N/A	1.09%	↔	-		
Service Charges and Other Arrears (in £,000)	-	N/A	55	↔	-		
Rent Loss Voids + Bad Debts (in £,000)	292	N/A	285	↔	-		
% repairs done within KPI's (Year to date)	Emergency	98.5%	97.0%	99.3%	↑	99.3%	All categories have shown improvement within the month. Year on year numbers of repairs have increased with the greatest impact on Routine due to changes in job priorities.
	Urgent	96.5%	95.1%	95.2%	↑	97.6%	
	Routine	96.0%	95.7%	93.5%	↔	98.2%	
Right First Time Repairs	96%	-	97.3%	↔	-		
Average time to re-let (GN excluding Major Repairs and New Lets) from Core (Days)	14	57	30	↑	24.73	Target for first 6 months of the year 28 days and later part of the year 14 days. Target set for period as 14 to allow further discussion around re-let times.	
Overall customer satisfaction (STATUS Survey)	83%	78%	N/A	↑	88.24%		
Gas Servicing Certificates Completed on Time	100%	98.94%	99.15%	↔	99.88%	A change to service intervals has brought more properties into March 10 which impacts on overall properties with certificates.	
No of Properties without Certificates	0	33	27	↑	N/A	2 properties more than 8 weeks overdue and with legal. The remaining properties all relate to March.	

Freebridge Community Housing

Report to the Board

Author	Malcolm Fry	Report Type		Impact		
Related Work Ref.		For Decision	√	High	Medium	Low
		For Information			√	
Consultation	Executive Director (Resources)					

Meeting Date: 26th July 2010

Report Title: Draft Statutory Accounts 2009/10

Purpose: This report details, at Appendix 1, the Association's Draft Statutory Accounts 2009/10, including the Board of Management Report, Operating and Financial Review, Auditor's Report and Financial Statements.

The accounts have been audited by the Association's external auditor, Grant Thornton, the outcome of which is the subject of the Key Issues Memorandum, attached as Appendix 2 to this report.

Also attached, at Appendix 3, is the Letter of Representation for the Board's approval.

In addition, the report reminds the Board of the Audit Committee's role in the approval process and presents information to assist it in approving the financial statements.

Policy/Strategy Implications: Production of audited annual accounts is a statutory and regulatory requirement.

Finance and VFM Implications: None directly arising out of this report.

Customer Care / Equality and Diversity Implications: None directly arising out of this report.

Risk Assessment (cross-reference with FCH Risk Map):

Risk 1.1 – Failure to comply with regulatory and legislation requirements – Critical Impact, High Likelihood.

Recommendations: It is recommended that the Board:

- (i) Approve the Draft Statutory Accounts 2009/10 and authorise the Chairman of the Board, the Chairman of the Resources & Risk Committee, the Chief Executive and Executive Director (Resources) to sign this on behalf of the Board, as recommended by the Audit Committee.
- (ii) Approve the Key Issues Memorandum 2009/10 for submission to the Tenant Services Authority, as recommended by the Audit Committee.
- (iii) Approve the Letter of Representation, for signature by the Chief Executive, as recommended by the Audit Committee.

Introduction

Set out below is a reminder to the Board of the Audit Committee responsibilities in the approval of the financial statements.

The Combined Code issued in 2006 although not directly relevant to Housing Associations does provide the best summary of the role and responsibilities of the Audit Committee in relation to the financial statements.

The relevant section states that they should:

” monitor the integrity of the financial statements of the company, and any formal announcements relating to the company’s financial performance, reviewing significant financial reporting judgements contained in them”

The first aspect of this is an on-going process supported by the internal audit plan in terms of ensuring that systems and processes in the Association are robust and efficient to avoid unintentional mis-statement. Further assurance on this is also provided by the Internal Controls Assurance process. Finally additional assurance is provided by the external auditors in terms of their audit of the financial statements and their supporting report, detailing any control weaknesses identified during the course of their work.

With regard to the review of significant financial reporting judgements, these would include the following:

- Revaluation of housing stock
- Pension scheme valuation
- Bad debt provisions
- Stock provisions
- Accruals
- Depreciation

Most of these are subject to detailed accounting policies that the Audit Committee has reviewed and approved previously, others (such as the valuations of the housing stock and pension scheme) are compiled independently by relevant experts. Most if not all of these are subject to review as part of the external audit and are commented on by the external auditors in their report to the Audit Committee.

The assumptions used in the property and pension valuations are in line with previous years. The Committee is not required to specifically approve the financial statements as that remains the responsibility of the Board. They are entitled to rely upon the work carried out by the Resources & Risk Committee who consider the management accounts on a quarterly basis throughout the financial year.

The management accounts for the year were presented to the Resources & Risk Committee on 10 May 2010, a reconciliation between these and the statutory accounts is available, upon request.

The External Auditor’s Key Issues Memorandum is based on their audit of the Association’s Financial Statements and is attached at Appendix 2 for the Board’s approval, as recommended by the Audit Committee. Also attached, at Appendix 3, is the Letter of Representation for the Board’s approval, as recommended by the Audit Committee.

FREEBRIDGE COMMUNITY HOUSING LIMITED**FINANCIAL STATEMENTS FOR THE YEAR ENDED****31 MARCH 2010****INDEX**

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**Housing Corporation Registration No. L4463
Registrar of Friendly Societies No. 29744R**

Board of Management Report Year Ended 31 March 2010

The Board of Management present the financial statements of the Association for the year ended 31 March 2010.

Results and Review of Business

Freebridge Community Housing Limited ("the Association") is now known as a Registered Provider (previously Registered Social Landlord). This change in title took place 1 April 2010. The deficit for the year amounted to £5.509m. The Board considers the result to be satisfactory and in line with its long term financial projections.

Market Value of Land & Buildings

All of the Association's completed housing properties were re-valued on 31 March 2010. The valuation of £103.666m, (2009 - £88.942m) increases the Revaluation Reserve by £9.971m and has been incorporated in these financial statements.

Board Members

The following were Board of Management members during the year to 31 March 2010:

Michael Stone	- Tenant member, Chairman
Brian Hillman	- Independent member, Vice-Chairman
Sylvia Calver	- Tenant member
Barbara Davis	- Tenant member
Nigel Donohue	- Independent member
Irene Gammon	- Tenant member
William Guyan	- Tenant member
Geoffrey Hipperson	- Council member
Michael Jervis	- Independent member
Raymond Johnson	- Independent member
Paul Leader	- Tenant member
Sylvia Pomeroy	- Tenant member
Patricia Southgate	- Independent member
Colin Sampson	- Council member
Tony White	- Council member (resigned 28 January 2010)
Lesley Bambridge	- Council member (appointed 28 January 2010)

Statement of the Board of Management Responsibilities

The Board of Management is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The Industrial and Provident Societies Acts and registered social landlord legislation in the United Kingdom require the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the Association and the surplus or deficit of the Association for that period.

In preparing these financial statements the Board is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- follow applicable United Kingdom Accounting Standards and the Statement of Recommended Practice: Accounting by registered social landlords 2008 (SORP 2008), subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006 as amended and

SORP 2008. The Board is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management is responsible for ensuring that the report of the Board is prepared in accordance with SORP 2008.

In so far as the Board is aware:

- there is no relevant audit information of which the Association's auditors is unaware; and
- the Board of Management has taken all steps it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors is aware of that information.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Board of Management Report on the System of Internal Control

The Board acknowledges that it has overall responsibility for establishing and maintaining the system of internal control and for reviewing its effectiveness in providing the necessary assurances, in accordance with the requirements of the Housing Corporation circular 07/07 and the Regulatory Code.

Scope of Assurance

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that the key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of assets and interests.

Risk Management Process

Management has assessed the key risks faced by the business and has identified the controls and further actions needed to satisfactorily manage these risks. Further work has been undertaken during 2009/10 to ensure that the Risk Management Strategy & Framework continues to meet the requirements of the business as a Registered Provider.

The process for identification and management of risks is ongoing and has been in place throughout the year under review. The overall responsibility for risk management within the Association remains with the Board.

Process for Reviewing the Effectiveness of the Internal Control System

The Board and its Management Team has established a number of elements essential for a robust internal control system. Examples of this include the implementation of relevant policies, procedures, financial plan and the appointment of internal and external auditors. A comprehensive assessment was undertaken to identify the key risks faced by the business and corresponding control strategies and actions are also being established to ensure that these key risks are adequately managed. In addition, the Board itself has played a key role in the control structure by considering a number of issues relating to the effective running of the business and service delivery to its customers.

Throughout the financial year ended 31 March 2010, different sources of assurance have been relied upon to provide information on the system of internal control to the Board. These include Audit and Resource & Risk committees, External Audit, the Management Team and the risk management process. Briefly:

- The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance aspects and including treasury strategy and new investment projects. The Board also regularly reviews key performance indicators to assess progress towards key business objectives, targets and outcomes.
- Internal Auditors were appointed to strengthen the quality and depth of assurance around internal control systems. The Audit Plan covers financial and non-financial areas of the business in all of the significant areas of activity.
- In accordance with the Housing Corporation's circular on Internal Controls Assurance, the Board received an annual report from the Management Team outlining the work undertaken and offering an opinion on the adequacy and effectiveness of the system of internal controls.

Control Environment

There are a number of measures in place to instil and encourage a suitable culture of effective internal control. These include the following:

- Standing Orders, which include appropriate delegations of authority, signatories and mandates as well as Schedule One (of Housing Act 1996) requirements.
- A number of key policies and strategies to support the running of an effective business and service delivery to customers.
- Adoption of National Housing Federation Code of Governance 2009 – “Excellence in Governance” to provide guidance on best practice in the governance of Registered Providers. Terms of Reference for the Board and its Committees is based on the guidance therein. Areas of non compliance will be addressed in the forthcoming year.
- Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures are in place to maintain standards of performance.
- Forecasts and budgets are prepared which allow the Board and management to monitor key business risks and financial objectives, as well as progress towards financial plans set for the year and the medium term. Regular management accounts are prepared which provide relevant, reliable and up-to-date financial and other information. Significant variances from budgets are investigated and reported as appropriate.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through Board members and others as appropriate including risk assessments
- The Audit committee reviews reports from management and auditors to provide reasonable assurance that control procedures are in place and are being followed. Formal procedures have been established for instituting appropriate action to correct weaknesses.
- Assurance Statements are provided by each member of the Management Team for their area of responsibility in relation to the control environment.

The review of the effectiveness of the system of internal controls undertaken has not revealed any significant weaknesses that could result in a material loss. The review has nonetheless identified some areas of weakness in internal controls that the Board considers are important for action:

- mobile information technology equipment encryption and the lack of restrictions on the use of storage devices such as memory sticks; and
- the segregation of finance and contract monitoring activities

Actions to address these weaknesses have or are being taken and their implementation and effectiveness will be monitored by the Board.

Fraud

The company complies with the Tenant Services Authority requirements on fraud. In particular, the anti-fraud policy and response plan outline a policy on responding to suspected fraud and corruption. Additionally, in accordance with the Tenant Services Authority’s requirements, a register is maintained of all actual and attempted fraud and all cases in excess of £5,000 must be reported to the Tenant Services Authority. There were no cases of fraud exceeding £5,000 during the year. Some actions to further improve controls are being implemented following an internal audit of fraud management processes.

Board’s Conclusion

The Board has reviewed the effectiveness of the system of internal control and it is satisfied that there is sufficient evidence to confirm that adequate systems of internal control existed and operated throughout the year and up to the date of signing of the financial statements, and that those systems were aligned to an on-going process for the management of significant risks facing the business. No weaknesses were identified which would have resulted in material misstatement or loss, which would have required disclosure in the financial statements. The requirements of the Housing Corporation detailed in circular 07/07 have been fulfilled.

Payment of Creditors

The Association agrees terms and conditions for its business transactions with suppliers at the time of supply. Payment is then made on these terms, subject to the terms and conditions being met by the suppliers.

Equality and Diversity

The Association has a policy of promoting equality of opportunity and valuing diversity in all matters. The policy complies with all relevant aspects of best practice, legislation and regulation.

Housing Corporation

The Housing Corporation was disbanded in November 2008 to be replaced by the Tenant Services Authority although all Housing Corporation circulars have remained in place only to be finally withdrawn 31 March 2010. From this date, with no replacement circulars having been issued, the spirit of the previous circulars will be maintained.

Auditors

A resolution to appoint auditors to the Association will be put to the Members at the forthcoming Annual General Meeting.

By order of the Board.

A E Hall
Secretary

Operating and Financial Review

Activities

Freebridge Community Housing was formed to take the transfer of the housing stock of the Borough Council of King's Lynn and West Norfolk. The transfer took place on the 3rd April 2006. The Association provides affordable housing in the West Norfolk area and now manages approximately 6,750 homes. These homes include those received under the original transfer and also some newly acquired properties.

Objectives and Strategies

The objectives of the Association are set out in its mission statement which is "**Developing homes and creating opportunities for people within West Norfolk**". This encapsulates the key functions of developing and maintaining affordable homes and sustainable communities for people who are unable to access the open housing market; to ensure that all our homes meet the requirements of the Decent Homes Standard; and to provide high quality services, to, and in consultation with, our residents. To do this we will continue to use our financial resources to provide new homes in our areas of operation in order to meet the continuing demand of maintaining existing properties and keep our rents at affordable levels.

The Association has a five year Business Plan which has seven main themes, with accompanying visions. They are:-

1. **Growth**... to align development plans with relevant strategic priorities.
2. **Empowering Tenants**... to deliver a fully developed empowerment framework with meaningful opportunities for tenants to be involved as individuals and representative groups at all levels.
3. **Financially Sound**... to operate within funding requirements and provide capacity for future plans.
4. **Fit for Purpose**... to have the culture and infrastructure fully aligned to future plans.
5. **Investing in People**... to have a workforce representative of the community and a culture which values diversity and offers equality of opportunity.
6. **Regeneration through Partnership**... to be a key partner in community development activities to build community capacity.
7. **Responsive Landlord**... to deliver personalised customer services.

Each of these areas has been broken down into a series of sub-tasks or milestones which have been monitored together with financial and non-financial performance. Performance Indicators for both financial and non-financial performance have been developed and are reported to the Management Team on a monthly basis and to the Board on a quarterly basis.

Operating Review

The Association operates in the urban area of King's Lynn, together with the market towns of Downham Market and Hunstanton, and in rural areas of West Norfolk. During the year the Association continued the major improvement programme required to bring its properties up to the Decent Homes Standard. This programme encapsulates the replacement of windows and doors; installation of heating; replacement of kitchens and bathrooms; and other necessary internal and external improvements. At transfer the level of decency amongst the Association's properties was 33%, at 31st March 2010 this figure had risen to 73%. During the first four years the Association carried out the following number of jobs on installations:

Windows	3,018
Doors	4,477
Central Heating	2,116
Kitchens	1,767
Bathrooms	1,216
Other works	1,818
Total	14,412

The Association purchased no shared ownership properties during the year. The turnover of the Association during the period to 31st March 2010 was £23.543m. This gave rise to an operating deficit of £4.286m. Overall the Association operated within its agreed Business Plan. Throughout the year voids have continued to show impressive savings with re-let times reducing dramatically. A further area of financial out-performance was repairs where the constant ability to “achieve more for less” has been experienced due to higher unit volumes and better contract terms.

Dynamics of the Association

The Association is affected by a number of external factors including:

- Rent restructuring - this restricts our ability to increase the rents we charge and therefore our future income levels.
- Decent Homes Standard - although our Business Plan includes a broad programme of improvement works to our properties over and above the Decent Homes Standard this legalisation front loads the expenditure into the period up to 2011/12.
- Preferred Partner status - we are not recognised by the Tenant Services Authority as a “Preferred Partner” and are unlikely to achieve this status in our own right. Therefore in order to establish a development programme we have linked up with two local “Preferred Partners”. The first being the e² development consortium comprising Orwell Housing, Havebury Housing and Saffron Housing based in North Suffolk and Norfolk. The second being a strategic link with regards to the “NORA” Millennium Village Project in South Lynn where we have linked up with the Circle Anglia group.
- Tenant Empowerment – the Association’s governance structure incorporates the principles of the Community Gateway Model in accordance with the Housing Transfer Offer Document. As a result the Association is implementing and operating extensive initiatives in respect of the tenant involvement in the decision-making of the organisation and maintaining a significant budgetary resource to support these.
- Loan covenants - the factors detailed above will impact on the results and cash flows of the Association. We need to ensure we continue to operate within our financial covenants.
- Property/Financial Markets – Owing to the current state of the property and financial markets, most notably around house prices and cautious levels of lending by financial institutions, RTB sales were ten for the year whilst Shared Ownership properties invested in by the Association achieved four sales. Market lending rates are significantly higher than when stock transfer took place. It is therefore unlikely that further funding will be sought for the foreseeable future.

Key risks of the Association

This section analyses the main influences on the future performance of the Association. The Association reviews its risks on a regular basis. Risks identified as most likely to influence the future performance are:

Description of Risk	Comments
1 Health and Safety	Ongoing training has taken place during the year.
2 Failure to comply with regulatory and legislative requirements	Identifies risks that may arise from lead regulator standards or change of Government.
3 Skill deficiency in Board or Management Team	The Association plans to ensure Board appraisals, training and coaching continues to be provided to ensure the Governing Framework is effective.
4 Poor financial performance (Property Services)	The operations of the Property Services Department are complex and involve a large number of small value transactions which need to be managed carefully to ensure that overall the financial and non-financial performance of this area remain within acceptable parameters.
5 Hillington Square	Project to improve a 1960’s urban low rise complex. A sustainable solution has to be provided with only limited funds available.
6 Failure to implement correct prioritisation	The variety of tasks and opportunities available to the Association have the potential to be overwhelming. It is important that these continue to be prioritised in terms of importance and urgency.

7	Change management	Change in whatever form can potentially be overwhelming for staff. To ensure they are receptive to change it is important that it is delivered in as constructive a manner as possible.
8	Deterioration of staff morale	Staff are important to the Association both in terms of its service delivery and to be an employer of choice.
9	Failure to implement audit recommendations	Relevant and robust internal controls need to be in place. It is therefore important to implement appropriate audit recommendations.
10	Poor subcontractor performance (Property Services)	Control and clarification as to who is responsible for ensuring work is performed to the Association's work specifications.

Repair response times

Performance against this indicator has a direct impact on the Association's service to its customers.

Repair Type	FCH%	Target
Emergency Repairs Completed within Housing Corporation target timescale (24 Hours)	99.3%	98%
Urgent Repairs- Completed within Housing Corporation target timescale (7 days)	95.2%	96%
Routine Repairs- Completed within Housing Corporation target timescale (1 month)	93.5%	95%

Void Repairs

Percentage of void properties completed (i.e. returned to Housing Management Lettings staff) within target timescale:

- Rental loss from void properties as a percentage of total maximum rental income 1.03% (2008/09 1.84%)
- Average re-let time per vacancy 30 days (2008/09 57 days)

There was a steady improvement in repair and void response time during the year which has led to better performances.

Staff Turnover

The Board recognises that the success of the Association depends on the quality of our staff. In any organisation some staff changes are inevitable, however excessive staff turnover leads to increased recruitment costs, lower productivity, lower morale and reduced internal controls assurance during the changeover period.

Staff turnover for the financial year-ended 2009/10 was 16.8% (2008/9 10.2%). Voluntary Turnover was 9.4% (2008/09 5.9%). This includes staff that resign or retire, but excludes dismissals, ill health retirements and redundancy.

Investment for the future

The Association is continuously looking to improve its services to tenants. We carry out a continual process of obtaining tenant feedback and analysing the data collected via TP Tracker. We are undertaking a range of service reviews and improvements which are always carried out in full consultation with our tenants.

Financial Review

Accounting Policies:

The Association's principal accounting policies are set out on pages 18-21 of the financial statements. The policies most critical to the financial results relate to accounting for housing properties, including housing stock depreciation, impairment and treatment of improvements and maintenance expenditure. There were some minor changes to the policies during the period under review.

Included within the accounts this year is a long-term debtor for pensions asset. The asset has been calculated by a qualified actuary in accordance with accounting practice outlined in Financial Reporting

Standard 17, Accounting for Retirement Benefits. The pension liability relates to the Association's membership of the Local Government Pension Scheme (LGPS), the details of which are provided on pages 31-34.

Housing Properties:

At 31st March 2010 the Association owned 6,738 housing properties. The properties are carried in the balance sheet at the revalued amount of £103.666m. Investment in housing properties this year concentrated on delivery of the improvement programme promised to residents at transfer. The programme was funded through loan finance and efficient working capital management.

Pension Costs:

The Association participates in a Local Government Pension Scheme (LGPS), a final salary pension scheme, which offers good benefits to our staff. The Association has contributed 17% of relevant staff pay to the scheme in accordance with levels set by the actuaries.

An actuarial valuation of the LGPS was carried out at 31st March 2010, although full results are not yet available, with the next formal valuation due 31st March 2013.

Capital Structure and Treasury Policy

The Association is financed by long term loan facilities and a grant awarded to support development of new properties. Treasury management operates within strict policies and strategies approved by the Board, designed to maintain an efficient capital structure whilst managing the Association's liquidity and interest rate risks. Of the £48.5m borrowings at the end of the year £28m falls due for repayment in more than one year.

Interest rate risk

At the 31st March 2010 the Association's net debt position after interest rate hedging included a net exposure of £12.5m to floating interest rate risk, with two forward fixings in place. Both are for £10m at rates of 4.30% and 4.59% respectively. These will be transacted in the next two financial years. In order to manage interest rate risk the floating rate and fixed rate debt is reviewed bi-annually by reference to the financial Plan and detailed cash forecasts.

Pensions

The deficit has increased this year due to the fact that the financial assumptions at 31st March 2010 are less favourable than they were at 31st March 2009 due to the reduction in the real discount rate. Mortality assumptions have also been altered to reflect increases in life expectancy which has also increased the value of liabilities.

Generally investment returns have produced better than expected yields. These however are outweighed by the negative impact of liabilities already identified.

Cash Flows

The cash flow statement on page 16 shows that during the year the Association generated net cash inflow from activities of £1.670m and made net interest payments of £1.656m. The operating activities are stated after expending some £14.662m on the improvement programme.

Current liquidity

The Association had drawn £48.5m of its £110m agreed long term facilities at 31st March 2010. Our lending agreements include financial covenants; we have operated within the limits set by the lenders during the year. The Association's policy is to not hold significant cash balances but to ensure that loan facilities are in place to fund future requirements. Short term cash balances can be offset against an agreed proportion of the loan facility; any excess over and above this is placed on overnight/short term deposits at competitive rates. Loan covenants are primarily based on interest covenants and the Association's ability to repay. These covenants were met at the end of the year for all loan facilities.

Going concern

The Board has a reasonable expectation that the Association has adequate resources to continue its operations for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Statement of Compliance

In preparing this operating and financial review, the Board has followed the principles as set out in part 2 of the SORP Accounting by Social Registered Landlords 2008.

Report of the Independent Auditor to the members of Freebridge Community Housing Limited.

We have audited the financial statements of Freebridge Community Housing Limited for the year ended 31 March 2010 which comprise the income and expenditure account, the balance sheet, the cash flow statement, the statement of total recognised surpluses and deficits, and the related notes.

This report is made solely to the Association's members, as a body, in accordance with regulations made under Section 4 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the board and auditors

The boards' responsibilities for preparing the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of the Board of Managements' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you, our opinion as to whether the financial statements give a true and fair view in accordance with Chapter 9 of the Friendly and Industrial and Provident Societies Act 1968, and whether the financial statements are in compliance with Chapter 127, Part II, Chapter 4 of the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination 2006.

In addition, in accordance with Chapter 9 of the Friendly and Industrial and Provident Societies Act 1968 we report to you if, in our opinion, the association has not kept proper books of account, or maintained a satisfactory system of control, or the financial statements are not in agreement with the books of account of the society; or we have not received all the information and explanations we require for our audit.

We read the other information accompanying the financial statements and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Association's affairs as at 31 March 2010 and of its income and expenditure, for the year then ended.
- the financial statements are in compliance with Chapter 127, Part II, Chapter 4 of the Housing and regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination 2006.

**GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS**

NORWICH

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These financial statements were approved on 26th July 2010 and signed on behalf of the Board of Management by the following:

M. Stone Chairman of the Board of Management

M Jervis Chairman of the Resources & Risk Committee

A Hall Chief Executive & Secretary

S Kent Executive Director (Resources)

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Notes to Financial Statements
for the Year Ended 31 March 2010.

1. Accounting Policies

a) Principal Accounting Policies

The financial statements have been prepared in accordance with:

- applicable United Kingdom Accounting and Financial Reporting Standards
- the Statement of Recommended Practice: Accounting By Registered Social Landlords 2008 (SORP 2008).
- the Housing Act 1996

and comply with the Accounting Requirements for Registered Social Landlords General Determination 2006.

b) Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified for the revaluation of housing properties.

c) Turnover

Turnover represents gross rental income receivable in the period net of voids, fees, management fees, direct works income, Supporting People income and other sundry sources.

It is the Association's policy to charge the weekly Rent debit on Monday of each rent week for each week or part week of tenancy. These accounts include Week 52 in full, being rent falling due on Monday 29 March 2010. Recognising rental income on a daily basis would have the effect of reducing turnover by £276,000 (2009 - £298,000)

Following the adoption of SORP 2008 turnover also includes disposal proceeds of shared ownership housing properties held as current assets at completion.

d) Housing Properties

Completed housing properties have been valued on an Existing Use Value – Social Housing (EUV-SH) basis and are revalued annually. The aggregate surplus or deficit on revaluation is the difference between the cost of the property less capital grants received, less depreciation and the amount of the valuation. The cost of the property includes purchase price and construction costs together with the costs of subsequent improvements and the incidental costs of acquisition and construction including interest capitalised during the construction period. In the event that interest is capitalised it is calculated by reference to the Association's cost of borrowing, however no interest has been capitalised this year.

Depreciation is charged on non-traditional housing properties at 3.3% and other general housing at 1% per annum so as to write off the valuation of housing properties on a straight line basis over the expected economic lives of these properties.

Shared Ownership properties are not depreciated on the basis of immateriality as indicated by SORP 2008.

Housing properties under construction are stated at cost less capital development grants and are transferred to 'Completed Schemes' once they are available for letting. No depreciation is provided on housing properties under construction.

Where properties are sold the portion of the revalued cost of the sale that is in excess of the historic cost of sale for the property is released from the revaluation reserve and is transferred to the Income and Expenditure Account. Land is not depreciated.

Following adoption of SORP 2008, Shared Ownership properties, including those under construction, are split between fixed assets and current assets, with the split determined by the percentage of the property to be sold under a first tranche sale, shown on initial recognition as a current asset, with the remainder classified as a fixed asset. Costs at initial recognition of the current and fixed assets are apportioned to the first tranche sales (current assets) and subsequent tranches (fixed assets) in proportion to share of equity sold, except where a surplus on disposal of the current asset exceeds the overall anticipated surplus. Any surplus on disposal of the first tranche is limited to the overall surplus by adjusting the costs allocated to current or fixed assets. Overall surplus is defined as the difference between sum of first tranche proceeds, net rental streams and staircasing receipts less any grant repayable and cost.

Cost of sale of housing properties includes the incidental costs of executing the sale, including marketing costs and a proportion of the overall costs of bringing the asset to its present condition for sale and for shared ownership properties, as part of a mixed tenure development, is an appropriate proportion to the cost of development.

Shared ownership properties classified as fixed assets, which are disposed at historical cost, have been accounted for as the difference between the corresponding tranche proportion of the net sale proceeds and the net carrying value unless held at valuation when the disposal cost has been accounted for as the difference between the corresponding tranche proportion of the net sale proceeds and the net carrying value together with any income and expenditure adjustments to reflect grant liability arising on the tranche.

In accordance with the Statement of Recommended Practice only costs that are directly attributable to bringing the properties into working condition for their intended use have been included in the historical cost of the properties.

Costs incurred prior to a development being virtually certain of being awarded are charged to the Income & Expenditure Account. Only directly attributable costs that are incurred after it is virtually certain that a development scheme has been awarded are capitalised in the Financial Statements.

e) Mixed Tenure Developments:

In accordance with SORP 2008, where a single scheme has more than one element, with one element expected to generate a surplus and the other a shortfall, the surplus has been reduced by the shortfall through apportionment of costs to each element of the scheme.

f) Capital Development Grants

Capital development grants are secured from various sources and are utilised to reduce the cost of acquisition and development prior to revaluation. The amount transferred to the Revaluation Reserve as

a result of the revaluation of housing properties will be calculated as the difference between the valuation amount and the net cost of the properties after deducting capital development grants received.

Where grants are received in advance they are carried forward as current liabilities to be matched against future capital expenditure as it is incurred. Grants receivable in respect of schemes under construction or complete are included as a debtor in the Balance Sheet.

Capital development grants may be repayable under certain circumstances, primarily following the sale of a property. Provision for repayment is made in the Balance Sheet when properties which have previously received grant funding are subsequently sold.

g) Other Tangible Fixed Assets

Other tangible fixed assets are stated at cost or valuation less accumulated depreciation. Depreciation is charged on a straight line basis over the expected useful economic lives of the assets at the following rates: Freehold land is not depreciated.

- | | |
|------------------------------------|---------------------|
| • Office Fittings and Equipment | 10% |
| • Computer Hardware and Software | 20% |
| • Commercial Vehicles (Not leased) | 20% |
| • Commercial Vehicles (Leased) | Period of the Lease |
| • Freehold Buildings | 2% |

Consistent with the SORP 2008 improvement works expenditure has been capitalised in respect of doors, windows and central heating. These areas are considered to generate an enhancement of economic assets deriving from a reduction in future maintenance costs.

h) VAT

The Association exercises its rights under the partial exemption method to recover Value Added Tax (VAT) incurred on expenditure from HM Revenue and Customs. At the year-end VAT recoverable or payable is disclosed on the balance sheet. Irrecoverable VAT is accounted for in the Income and Expenditure Account.

i) Lease Obligations

Where assets are financed by leasing arrangements that give rights approximating ownership, i.e. finance leases, they are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payment due during the term of the lease. The corresponding lease commitments are shown as obligations to the lessor. Rentals paid under operating leases are charged to the Income and Expenditure Account on the accruals basis.

j) Supporting People

Supporting People contracts have been entered into with Norfolk County Council. There are two types, both of which are applicable and received by the Association and which are recognised in the Income and Expenditure Account when received:

- A block subsidy which is determined for each tenancy based on support services provided.
- A block gross contract which is a fixed sum payable based upon the number of qualifying bed spaces, subject to minimum occupancy levels as agreed with local authorities.

k) Segmental Reporting

For the purpose of segmental reporting the following definition has been used:

- General Housing and Sheltered Housing.

l) Pension Costs

The Association participates in the Norfolk County Council Pension Fund which is a defined benefit pension scheme so provides benefits based on final pensionable pay. The assets of the scheme are separate from those of the Association and are invested in independently managed funds. Contributions

to the scheme are calculated as a percentage of pensionable salaries. The contribution made by the Association is charged to the income and expenditure account during the period of the employee's pensionable service. The surplus/deficit of funds are disclosed on the Balance Sheet in accordance with FRS 17.

Pension costs are assessed in accordance with the advice of an independent qualified actuary.

The Association also supports a defined contribution pension scheme for the benefit of employees not covered by the Norfolk County Council Pension Fund. This is operated by Equitable Life with employee contributions recommended at 6% of salary with the Association doubling this up to a maximum of 12 %.

m) Impairment

In accordance with FRS 11 and SORP 2008 all properties with a remaining useful life exceeding 50 years have impairment reviews carried out annually. Other assets are reviewed for impairment if there is an indication that impairment has occurred.

Where there is evidence of impairment, fixed assets are written down to the recoverable amount. Any write down is charged to operating surplus unless it is a reversal of a past revaluation surplus in which case it is taken to the Statement of Total Recognised Surpluses and Deficits.

n) Properties for Sale

Right-to-Buy sales are treated as sales of fixed assets. The surplus or deficit arising on sale is shown net of the share due to Borough Council of King's Lynn & West Norfolk and after deducting the carrying value of the property and related sale expenses.

o) Other Grants

Other grants received in respect of revenue expenditure from local authorities and other organisations are credited to the income and expenditure account in the same period as the expenditure to which they relate.

p) Capitalisation of Administration Costs

Administration costs relating to development activities are capitalised if they are directly attributable to the development process and in bringing the properties into their intended use. The de minimus level to be applied in respect of capitalisation will be £1,000.

q) Taxation

The Association is recognised as an exempt charity by HM Revenue and Customs. Consequently the Association has no liability to pay corporation tax on its result.

r) Maintenance - Work in Progress

Maintenance work in progress on developments is stated at the lower of cost and net realisable value.

s) Arrangement Fees

Amounts paid by the Association in respect of new loan facilities are allocated at a constant rate over the anticipated life of the loan.

t) Interest Payable and Receivable

Interest payable and receivable is charged / credited to the income and expenditure account as incurred during the year unless it is directly attributable to housing properties under construction.

u) Stock

Stock is stated at the lower of cost and net realisable value.

v) Social Housing Grant

Social Housing Grant (SHG) is receivable from the Homes and Communities Agency to reduce capital costs of housing properties, including land costs. SHG due from the Homes and Communities Agency or received in advance is included as a current asset or liability. SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates. There has been no grant received from the Homes and Communities Agency for this current financial year.

w) Website Development Costs

The Association is currently planning the development of a website to be used to promote the organisations activities. All planning, design, content and ongoing maintenance and operational costs will be charged to the Income and Expenditure Account as other operating costs as incurred.

x) Current Asset Investments

Investments are stated at market value.

y) Liquid Resources

Liquid resources are readily disposable current asset investments.

z) Revaluation Reserve

The difference between the market value of the Association's housing properties and the historic cost carrying value is credited to the revaluation reserve.

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2 c) Proceeds of sale of housing properties in the year were £180k with cost of sales of £23k. A surplus on disposal of £157k has been credited to the Income and Expenditure account. Proceeds from the sale of housing properties under the Right to Buy scheme are shared with the Borough Council of King's Lynn and West Norfolk (BCKLWN), £285k was received by BCKLWN during the year.

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4. Board of Management and Executive Remuneration

The Board of Management has received no remuneration during the year. Directors include all Executive Directors and others who compose the Board of Management. The remuneration payable to the Executive Directors of the Association was:

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The number of Directors to whom benefits are accruing under the defined benefits scheme is 2. The Chief Executive is a member of the Norfolk County Council Superannuation scheme, as are the majority of employees. The terms of his pension arrangements are on the same basis as those of other employees.

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8. Taxation

As a result of the charitable status of the Association there is no charge in the Income and Expenditure Account in respect of Corporation Tax.

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Expenditure to works on existing properties:	2010 £'000	2009 £'000
Amounts Capitalised	5,297	6,419
Amounts charged to Income and Expenditure Account	14,662	11,099
Total	19,959	17,518

On 31 March 2010 the Group's completed housing properties were revalued by Savills, an independent firm of Chartered Surveyors. The valuation of the housing stock for loan security purposes has been prepared using discounted cash-flow methodology and is in accordance with the definitions of Market Value and Existing Use Value as outlined in the RICS Appraisal and Valuation Standards 5th Edition.

The valuation of £103.666m takes into account the Tenant Services Authority 'performance indicators' for Registered Social Landlords and the Rent Restructuring regime applicable from 2002 onwards.

It should be noted that future growth in both capital and rental values may not occur and values can fall as well as rise.

Other assumptions include:

	<u>All properties</u>
Real discount rate	6%
Valuation EUV-SH	<u>£ 103,666,000</u>

All properties are freehold.

The valuation includes non-depreciable land of £34,046,450, (2009 £29,804,150)

Housing stock had previously been revalued on 31 March 2009 at £88,942m by the aforementioned surveyors, Savills.

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Freehold Buildings – Includes buildings purchased at Juniper House and the Depot. Freehold land has not been depreciated.

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Of the total loans above, £48.5m are drawn from total committed facilities of £110m provided by Royal Bank of Scotland and are repayable at various dates to 2036. Of these loans, the weighted average rate of interest chargeable on them was 3.89%. Under this facility the property collateral of all properties charged to the lenders is pooled to secure the loan finance and overdraft facilities provided under the arrangement. This loan is secured by fixed charges over the completed housing properties and a floating charge over the assets of the Association.

The Association is permitted to set aside repayable capital development grants from staircased shared ownership sales into a Recycling of Capital Grant Fund. This Fund is to be utilised in the acquisition of new housing within three years or the grants become repayable to the Tenant Services Agency.

The Association is required to set aside a significant proportion of certain sales according to a predetermined formula, under Section 24 of the Housing Act 1996, into a Disposal Proceeds Fund. This Fund is to be utilised in the acquisition of new housing within three years or the grants become repayable to the Tenant Services Agency.

Treasury Management policies relating to the loan are disclosed in the Operating and Financial Review.

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All members of the Board of Management hold a share of £1 in the Association. The shares carry the right to vote at meetings on a basis of proportional weighting depending on class of share. They do not carry any right to a dividend, to any redemption value or to any distribution on winding up.

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17. Operating Leasing Charges and Commitments

The following leasing charges have been included in the Income and Expenditure Account:

	2010	2009
	£'000	£'000
Rentals payable on operating leases	<u>190</u>	<u>166</u>

At 31 March 2010 the Association had the following annual operating lease commitments on leases expiring:-

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19. Housing Stock

The number of units of housing accommodation in management at 31 March 2010 was:
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As at 31 March 2010 there were 12 properties (2009 - Nil) in the course of development.

20. Related Party Transactions

The names of tenant Board members are shown in the Board of Management report on page 2. Several Board members rent properties from the Association under the same terms and conditions as tenants in similar properties. A list of members can be found on page 2.

21. Legislative Provisions

The Association is incorporated under the Industrial and Provident Societies Act 1965 and is a Registered Social Landlord under the Housing Act 1996.

22. Local Government Pension Scheme (LGPS)

The LGPS is a multi-employer scheme with more than one participating employer, which is administered by Norfolk County Council under the regulations governing the LGPS, a defined benefit scheme. Triennial actuarial valuations of the pension scheme are performed by an independent, professionally qualified actuary using the projected unit method. The latest formal valuation of the Fund for the purpose of setting employers' actual contributions was at 31st March 2010, with the next formal valuation due at 31st March 2013.

The employer's contributions to the LGPS by the Association for the year ended 31st March 2010 were £599k (2009 £1.049m). The employer's contribution rate was 17% of pensionable pay during the year. Expectations of best estimate for the forthcoming year suggest employer contributions of £571k.

At the date of joining (3rd April 2006) the LGPS scheme a contribution of £1.03m was made by the Borough Council of King's Lynn and West Norfolk from the purchase price of the housing stock to ensure the funding level was 100%.

The main actuarial assumptions used in the valuation were:

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To date experience losses / gains have realised losses of £1.435m.

23. VAT Sharing Agreement

Prior to completion of the transfer of properties from the Borough Council of King's Lynn and West Norfolk (BCKLWN) Freebridge Community Housing entered into a Development Works Agreement with BCKLWN whereby the latter was required to carry out works on the transferred properties over a period of 10 years at its own expense, at a fixed price. At the same time BCKLWN appointed Freebridge Community Housing as main subcontractor to carry out the work, either on its own behalf or through external contractors.

Key Issues Memorandum

Freebridge Community Housing

For the year ended 31 March 2010

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To the Audit Committee of Freebridge Community Housing

The purpose of this memorandum is to highlight the key issues affecting the results of the Association and the preparation of the Association's financial statements for the year ended 31 March 2010. It is also used to report to management to meet the mandatory requirements of International Standard on Auditing (UK & Ireland) 260.

We take responsibility for this memorandum, which has been prepared on the basis of the limitations set out in 'The small print' (Section 5).

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

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A list of members is available from our registered office.

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4	Design effectiveness of internal controls	9
5	The small print	10

1 Key Audit Issues

1.1 Matters identified at the planning stage

In the conduct of our audit, we have not had to alter or change our audit plan, which we communicated to you in our Audit Approach Memorandum dated 13 January 2010.

Our response to the matters identified at the planning stage are detailed below.

Status of audit

Our audit is substantially complete although we are finalising our procedures in the following areas:

- clearance of points in this document by the Audit Committee;
- pre-issuance review of the financial statements.

1.2 Matters identified at the planning stage

	Issue	Auditor response [and conclusion]
1	Fixed asset valuation	<p>We reviewed the Savills' EUV-SH valuation and the treatment of the shared ownership properties. No issues have been identified in these areas.</p> <p>Management response: Accepted.</p>
2	Loan covenants	<p>We have reviewed the loan covenant position at the year end and assessed the position going forward using budgets prepared by management. We are satisfied that there was not a loan covenant breach as at 31 March 2010.</p> <p>Management response: Accepted.</p>
3	Repairs and maintenance expenditure	<p>We performed a detailed review of expenditure and are satisfied that the treatment used is in line with Freebridge's accounting policies.</p> <p>Management response: Accepted.</p>

Issue	Auditor response [and conclusion]																				
4 Creditors completeness	<p>We reviewed supplier statements and invoices received after the year end and have identified £54k of unrecorded liabilities which consists of the following:</p> <table border="1" data-bbox="1128 368 2002 708"> <thead> <tr> <th>Supplier</th> <th>Invoiced amount</th> <th>Recorded liability</th> <th>Understatement</th> </tr> </thead> <tbody> <tr> <td>Country Grounds Maintenance</td> <td>£58,677</td> <td>£32,841</td> <td>£25,836</td> </tr> <tr> <td>Flogistics (B&Q)</td> <td>£15,000</td> <td>£10,000</td> <td>£5,000</td> </tr> <tr> <td>H & H Services</td> <td>£8,205</td> <td>£5,298</td> <td>£2,907</td> </tr> <tr> <td>Saffron Housing Trust</td> <td>£10,393</td> <td>£nil</td> <td>£10,393</td> </tr> </tbody> </table> <p>The items in the above table total £44k and these have been added to the summary of audit differences as a proposed adjustment to add to accruals.</p> <p>The remaining £10k is an extrapolated difference from our supplier statement testing, £5k of which relates to Ridgeons. Whilst we are required to communicate and record all differences found during our audit, we would not insist on this adjustment being posted to the financial statements, due to the immaterial level of the adjustment, and the fact that the adjustment is an extrapolated error.</p> <p>In addition £59k has been identified relating to May Gurney work which was not accrued at the year end an adjustment has been proposed to add to accruals.</p> <p>Management response: We are happy to make adjustment for £44k and £59k as specifically identified. Extrapolated difference as noted is calculated and we do not propose to adjust.</p>	Supplier	Invoiced amount	Recorded liability	Understatement	Country Grounds Maintenance	£58,677	£32,841	£25,836	Flogistics (B&Q)	£15,000	£10,000	£5,000	H & H Services	£8,205	£5,298	£2,907	Saffron Housing Trust	£10,393	£nil	£10,393
Supplier	Invoiced amount	Recorded liability	Understatement																		
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Saffron Housing Trust	£10,393	£nil	£10,393																		

1.3 Matters identified during the course of the audit for Freebridge Community Housing

	Issue	Auditor response [and conclusion]
1	<p>Rental arrears bad debt provision</p> <p>As noted in prior years we have been unable to reconcile the tenant balance report at the year end to the bandings used by the association to calculate the bad debt provision. We understand this is due to the application of housing benefit to individual balances therefore potentially reducing the balances for banding purposes.</p>	<p>We are satisfied that the calculation has been made consistently compared with the prior year calculation using the CIPFA methodology.</p> <p>Please can management confirm that the current level of provision is considered appropriate given the year end tenant balance.</p> <p>Management response: This is an ongoing problem and, due to benefit assumptions, is constantly changing. In an ideal world we would be able to interact with the benefits system on a daily basis.</p> <p>We are confident that the level of provision is adequate and consistent.</p>
2	<p>Other sales ledger bad debt provision</p> <p>Our review of the other sales ledger identified very few debtors being received post year end suggesting that the bad debt provision was not adequate due to the nature of the items i.e. recharging to former tenants for repairs work. We would propose that a 95% provision for the balance of £209k is made increasing the provision to £198k.</p>	<p>The increase in provision of £115k has been proposed as an audit adjustment. We would like to discuss the level of provision on the other sales ledger.</p> <p>Management response: A comparison between debts at 31 March 2009 and 31 March 2010 indicates that an actual annual recovery rate is 18.2%.</p> <p>We are happy to make the proposed adjustment.</p>

	Issue	Auditor response [and conclusion]
3	<p>Former tenant bad debt provision</p> <p>The policy is to provide for 95% of former tenant balances. At the year end the former tenant debtors balance was £259,499 so the expected provision was 95% £246,524. However the provision in the accounts is £238,866.</p>	<p>An adjustment has been proposed for this difference of £7,658.</p> <p>Given the level of the adjustment proposed, and the fact that this has possibly arisen due to a timing difference on the supply of information, we do not insist on the adjustment being made in the financial statements. The item can remain as an unadjusted difference on the audit differences summary.</p> <p>Management response:</p> <p>The basis for the provision at £238,866 was based on a former tenant debt balance of £251,437 at 95%. The supply of information for this data is constant for every month of the year and the difference to the £259,499 as noted by the audit team is possibly explained by a timing difference between the two reports.</p>
4	<p>Shared ownership 1st tranche sales</p> <p>During the year a number of 1st tranche sales have been made for less than 50%. In the previous year when the split was made between fixed assets and current assets the costs were split 50:50 as it was assumed tranches would be 50%.</p>	<p>However as sales have now been for 25-40% we would like to discuss if a cost adjustment should be made transferring additional cost into the fixed asset element of the shared ownership properties.</p> <p>Management response:</p> <p>“Unsold” shared ownership properties are disclosed as current assets at the expected level of sale proceeds. This is deliberately done to reflect a no profit / no loss situation.</p>

	Issue	Auditor response [and conclusion]																		
5	<p>Wages and salaries disclosure Note 5 of the financial statements shows the following:</p> <table data-bbox="322 371 748 504"> <thead> <tr> <th></th> <th style="text-align: right;">2010</th> <th style="text-align: right;">2009</th> </tr> <tr> <th></th> <th style="text-align: right;">£'000</th> <th style="text-align: right;">£'000</th> </tr> </thead> <tbody> <tr> <td>Wages & Salaries</td> <td style="text-align: right;">4,670</td> <td style="text-align: right;">4,625</td> </tr> </tbody> </table> <p>It has come to our attention that the basis of calculating these numbers is different in 2010 to 2009.</p> <p>In 2009 the accounting trial balance was used by inputting the nominal code 5000 (wages and salaries), however a review in 2010 revealed that code 5000 included non wage items such as consultancy fees, temporary staff and similar items. Therefore the 2010 financial statement disclosure uses the payroll system figures and more accurately reflects the wages and salaries paid during the financial year.</p>		2010	2009		£'000	£'000	Wages & Salaries	4,670	4,625	<p>Due to the change in the basis of calculation of the payroll disclosure figures it appears that payroll costs have been held down and are comparable to the prior year figures. However, if the prior year figures were presented on the same basis as the 2010 figures have been calculated, the disclosure would be as follows:</p> <table data-bbox="1180 472 1606 604"> <thead> <tr> <th></th> <th style="text-align: right;">2010</th> <th style="text-align: right;">2009</th> </tr> <tr> <th></th> <th style="text-align: right;">£'000</th> <th style="text-align: right;">£'000</th> </tr> </thead> <tbody> <tr> <td>Wages & Salaries</td> <td style="text-align: right;">4,670</td> <td style="text-align: right;">4,554</td> </tr> </tbody> </table> <p>Therefore the increase in salaries from 2009 to 2010 is actually £116k, rather than £45k as indicated by the table opposite.</p> <p>We do not propose that adjustment is made to the 2009 disclosure but draw to your attention that the figures are not directly comparable.</p> <p>Management response: Noted.</p>		2010	2009		£'000	£'000	Wages & Salaries	4,670	4,554
	2010	2009																		
	£'000	£'000																		
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2 Financial reporting matters

2.1 Review of key accounting policies

We reviewed the key accounting policies included in the financial statements at the interim review.

2.2 Disclosure omissions

Our review identified that the financial statements did not disclose the following points.

	Issue	Commentary
1	<p>Defined benefit pension scheme The financial statements did not include disclosure of the best employer estimate of contributions to be paid to the scheme in the next accounting period.</p>	<p>Having discussed this with management the correct disclosure has now been reflected in the accounts.</p> <p>Management response: Disclosure has now been made in the financial statements.</p>
2	<p>Defined benefit pension scheme The financial statements are required to disclose the cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses.</p> <p>At present this figure can be calculated using the figures presented in the defined benefit note to the accounts.</p> <p>Only five years worth of historical data are required to be disclosed therefore when year six (and thereafter) of the scheme is reached, the stand alone cumulative disclosure will be required.</p>	<p>We discussed this with management and agreed that the cumulative disclosure sentence would be reflected in the accounts now so that it gets automatically updated year on year.</p> <p>Management response: Disclosure has now been made in the financial statements.</p>

3 Audit adjustments

3.1 Misstatements

Misstatements that were identified during the course of the audit are summarised in Appendix A.

4 Design effectiveness of internal controls

4.1 Accounting system and internal control




We have applied our risk methodology to your audit. This approach allows us to document, evaluate and assess your internal controls over the financial reporting process in line with the requirements of auditing standards.


The following observations have been noted in regards to your internal controls.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any

control weaknesses, we will report these to you. See 'The small print' for further details of our approach.

Key to assessment of internal control deficiencies

-  Material weakness - risk of material misstatement
-  Significant deficiency - risk of significant misstatement
-  Deficiency - risk of inconsequential misstatement

	Assessment	Issue and risk	Recommendation
1.		<p>Bank Reconciliation We understand that due to a change in system there has been a delay in clearing off reconciling items on the year end income bank reconciliation. Consequently, there were a number of items posted to the ledger which had not been matched to income received in the bank inflating reconciling items unnecessarily.</p>	<p>We recommend that the bank reconciliation is performed on a timely basis so to identify errors quickly for remedy. The bank reconciliation should be performed at last monthly.</p> <p>Management response: Bank reconciliations are performed on a timely basis (typically 5 working days of month end) which is necessary for the compilation of the monthly management accounts. At end of May for example shows no unreconciled receipts for March or April with May itself showing some two to three weeks of unreconciled items due to the Allpay lead time.</p>

5 The small print

Purpose of memorandum

This Key Issues Memorandum has been prepared for the benefit of discussions between Grant Thornton, the Audit Committee of Freebridge Community Housing and the Board of Directors.

The purpose of this memorandum is to highlight the key issues affecting the results of the Group and the preparation of the Association's financial statements for the year ended 31 March 2010.

This document is also used to report to management to meet the mandatory requirements of International Standard on Auditing (UK & Ireland) 260.

We would point out that the matters dealt with in this report came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements of the Association.

This memorandum is strictly confidential and although it has been made available to management to facilitate discussions, it may not be taken as altering our responsibilities to the Association arising under our audit engagement letter.

The contents of this memorandum should not be disclosed to third parties without our prior written consent.

Responsibilities of the directors and auditors

The directors are responsible for the preparation of the financial statements and for making available to us all of the information and explanations we consider necessary. Therefore, it is essential that the directors confirm that our understanding of all the matters in this memorandum is appropriate, having regard to their knowledge of the particular circumstances.

Clarification of roles and responsibilities with respect to internal controls

The Association's management is responsible for the identification, assessment, management and monitoring of risk, for developing, operating and monitoring the system of internal control and for providing assurance to the Audit Committee that it has done so.

The Audit Committee is required to review the Association's internal financial controls. In addition, the Audit Committee is required to review all other internal controls and approve the statements included in the annual report in relation to internal control and the management of risk.

The Audit Committee should receive reports from management as to the effectiveness of the systems they have established as well as the conclusions of any testing conducted by internal audit.

We have applied our audit approach to document, evaluate and assess your internal controls over the financial reporting process in line with the requirements of auditing standards.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you.

In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive

special examination might identify.

We would be pleased to discuss any further work in this regard with the Audit Committee.

Independence and robustness

Ethical standards require us to give you full and fair disclosure of matters relating to our independence.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

In accordance with best practice, we analyse our fees below:

	Net £	VAT £	Gross £
Audit	16,850	2,949	19,798
Other services pursuant to such legislation	3,300	578	3,878

ISAUK 260 requires communication of:

- relationships that have a bearing on the independence of the audit firm and the integrity and objectivity of the engagement team
- nature and scope of the audit work
- the form of reports expected

The following safeguards are in place to ensure our independence in each case as detailed below:

Non-audit service	Safeguard	Value of work (£)
Other services pursuant to such legislation	Separate team prepares the RTB/VAT report and covenant report	RTB/VAT £2,100 (£2,468 incl VAT)
		Covenant £1,200 (£1,410 incl VAT)

The above non-audit services are consistent with the Association's policy on the allotment of non-audit work to your auditors.

Clarification of roles and responsibilities with respect to internal controls

The Association's management is responsible for the identification, assessment, management and monitoring of risk, for developing, operating and monitoring the system of internal control and for providing assurance to the Audit Committee that it has done so.

{**Prepare on Freebridge letterhead**}

Our Ref

Grant Thornton UK LLP
Kingfisher House
1 Gilders Way
St James Place
Norwich
NR3 1UB

26 July 2010

Dear Sirs

Freebridge Community Housing Limited
Financial Statements for the Year Ended 31 March 2010

We confirm to the best of our knowledge and belief that the following representations are made on the basis of appropriate enquiries of other members of the board, related parties, controlling bodies, management and staff, with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you in respect of your audit of the above financial statements, in accordance with the terms of your engagement letter dated 24 October 2005.

- i As set out in the report of the board of management on pages 2-5, we acknowledge our responsibilities for preparing financial statements which give a true and fair view and for making accurate representations to you.
- ii As far as we are aware:
 - there is no relevant audit information of which you are unaware; and
 - we have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that you are aware of that information.
- iii All the accounting records of the association have been made available to you for the purpose of your audit and all the transactions undertaken by the association have been properly recorded in the accounting records and reflected in the financial statements.
- iv All other records and related information, including minutes of all management and shareholders' meetings, have been made available to you.
- v The financial statements are free of material misstatements, including omissions.
- vi We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud.
- vii We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- viii We have disclosed to you our knowledge of fraud or suspected fraud affecting the entity involving:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.

- ix We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
- x Except as stated in the accounts:
 - there are no unrecorded liabilities, actual or contingent
 - none of the assets of the association has been assigned, pledged or mortgaged
 - there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- xi There were no transactions, arrangements or agreements to provide credit facilities, (including loans, quasi-loans or credit transactions and guarantees to provide security for such matters), involving members of the board or officers that should be disclosed in the financial statements.
- xii All related parties have been identified to you and there were no transactions with related parties nor details of controlling interests which should be disclosed in the financial statements except as disclosed in note 20.
- xiii There are no claims, legal proceedings or other matters which may lead to a loss falling on the association or which could result in the creation of an unrecorded asset, that should be disclosed in the financial statements.
- xiv The association has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- xv We are not aware of any instances of actual or possible non-compliance with laws and regulations which might affect the view given by the financial statements.
- xvi We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xvii No significant events having an effect on the financial position of the association have taken place since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto.
- xviii We have adjusted the misstatements brought to our attention during the course of the audit attached to this letter. We are not aware of any other misstatements.

Yours faithfully

Freebridge Community Housing

Freebridge Community Housing

Report to the Board

Author	Angus MacQueen Governance Officer	Report Type		Impact		
Related Work Ref.		For Decision	√	High	Medium	Low
		For Information		√		
Consultation	Trowers and Hamblins, Chief Executive					

Meeting Date: 26 July 2010

Report Title: Rule Amendments

Purpose: To approve amendments to the Rules, for recommendation to the AGM.

Policy/Strategy Implications: Removing the automatic stipulation that “a shareholder shall cease to be a shareholder if they do not participate in, nor deliver written apologies in advance, for two general meetings” is in line with the spirit of FCH’s Tenant Involvement Policy.

Policies, Standing Orders and Financial Regulations will need to be comply with the new regulatory and legislative regime and the consequent Rule amendments.

Finance and VFM Implications: Drafting of the proposed Rule amendments is costing £350 + VAT. This is the same cost as that for one amendment; therefore, a clear saving has been made by taking the amendments forward in the same year.

Customer Care/Equality and Diversity Implications: Removing the automatic stipulation that “a shareholder shall cease to be a shareholder if they do not participate in, nor deliver written apologies in advance, for two general meetings” would be appropriate to FCH’s tenant empowerment and equality & diversity principles.

Risk Assessment (cross-reference with FCH Risk Map): Risk 1.1 – Failure to comply with Regulatory and Legislation requirements – Critical Impact, High Likelihood. FCH has a regulatory requirement to achieve good governance, and any Rule amendment should be considered in light of this.

Recommendations: It is recommended that the Board:

- (i) Recommend to the 2010 AGM the wholesale revocation and replacement of the Association’s existing Rules, in line with the amendments highlighted at Appendix 1.

1.0 At its meeting on 19 April 2010, the Board resolved:

That the drafting of the following Rule amendments be commissioned:

- Remove the stipulation that “a shareholder shall cease to be a shareholder if they do not participate in, nor deliver written apologies in advance, for two general meetings” (Rule C15.4)

- Review the Rules in light of the new regulatory and legislative regime.

(Minute number 50/10 refers.)

- 2.0 Accordingly, the necessary drafting was commissioned from our solicitors, Trowers and Hamblins. A copy of the Rules is attached at Appendix 1, showing as track changes the amendments that they have drafted.
- 3.0 Regarding the stipulation that “a shareholder shall cease to be a shareholder if they do not participate in, nor deliver written apologies in advance, for two general meetings” (Rule C15.4), rather than removing the stipulation altogether, Trowers and Hamblins recommend leaving it in, but adding a requirement for a Board resolution to be passed before a shareholder is removed in these circumstances.
- 4.0 The remaining amendments relate to the new regulatory and legislative regime. They can be summarised as follows:
 - amending the objects Rule A2;
 - changing references to the Housing Corporation and RSLs to refer to the TSA and registered providers as appropriate;
 - updating statutory references; and
 - dealing with the repeal of Schedule 1.

The Board may wish to note, in particular, the following amendments:

- A new Rule C36 has been added, which states “The association will at all times comply with all legislation relating to payments made by the association to shareholders”. This addition has been initiated by Section 122 of the Housing and Regeneration Act 2008, which forbids us from giving shareholders or former shareholders gifts, dividends or bonuses.
 - Rules D14-15 have been significantly changed, to account for the repeal of Schedule 1, and to include, in its place, stipulations that relate to Board members. Freebridge’s new probity policies and procedures will need to be in line with these Rules.
 - Rule D15.1(b) stipulates that, should the Board wish to introduce remuneration that all Board members could benefit from, it would be required to obtain advice from an independent remuneration committee.
- 5.0 In view of the significant number of amendments, Trowers and Hamblins recommend that the changes are approved by means of a wholesale revocation and replacement of the existing Rules



National
Housing
Federation

**RULES OF: FREEBRIDGE COMMUNITY HOUSING
LIMITED**

REGISTER NUMBER: 29744R

Registered under the Industrial and Provident Societies Act, 1965

TROWERS & HAMLINS [LLP](#)

Sceptre Court
40 Tower Hill
London EC3N 4DX

BASED ON MODEL RULES 1998

National Housing Federation

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PART A NAME AND OBJECTS

Name

A1 The name of the society shall be Freebridge Community Housing Limited (“the association”).

Objects

A2 The association is formed for the benefit of the community. Its objects shall be to carry on for the benefit of the community:

A2.1 the business of providing [social housing, other](#) housing, accommodation, and assistance to help house people and associated facilities and amenities for poor people or for the relief of aged, disabled (whether physically or mentally) or chronically sick people; [and](#)

A2.2 any other charitable object ~~that can be carried out by not prohibited for~~ an Industrial and Provident Society registered ~~as a social landlord~~ with the ~~Corporation~~ regulator as a non-profit private registered provider.

Non-profit

A3 The association shall not trade for profit.

A4 Nothing shall be paid or transferred by way of profit to shareholders of the association.

PART B POWERS OF ASSOCIATION, BOARD, AND SHAREHOLDERS

Powers

B1 The association shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient to achieve its objects, except as expressly prohibited in these rules.

B2 Without limiting its general powers the association shall have power to:

B2.1 take or grant any interest in land including any mortgage, charge, floating charge or other security whatsoever, or carry out works to buildings;

B2.2 help any charity or non-profit making body in relation to housing;

- B2.3 subject to rules F13, F14 and F15, borrow money or issue bonds, notes, loan stock or any other debt instrument or enter into any transaction having the commercial effect of a borrowing;
- B2.4 subject to rule F16 to enter into and perform any derivative transaction on such terms as the association thinks fit for the purpose of hedging or otherwise managing any treasury risk or other exposure of the association;
- B2.5 subject to rule F17 invest the funds of the association.
- B2.6 transfer (and accept back) and delegate (and accept back) to or from a local group in accordance with the provisions set out in these rules any assets, powers, responsibilities, or day to day management associated with any such transfer or delegation; and
- B2.7 establish a community fund for investment in community business, projects or activities in order to achieve the association's objects.

B3 The association shall not have power to receive money on deposit.

Powers of the board

B4 The business of the association shall be directed by the board.

B5 Apart from those powers which must be exercised in general meeting:

B5.1 by statute; or

B5.2 under these rules

all the powers of the association may be exercised by the board for and in the name of the association.

B6 The board shall have power to delegate, in writing, the exercise of any of its powers to any committee, officer or employees of the association (subject to rule D1) on such terms as it determines. Such delegation may include any of the powers and discretions of the board.

Limited powers of shareholders in general meeting

B7 The association in general meeting can only exercise the powers of the association expressly reserved to it by these rules or by statute.

General

- B8 The certificate of an officer of the association that a power has been properly exercised shall be conclusive as between the association and any third party acting in good faith.
- B9 A person acting in good faith who does not have actual notice of any regulations shall not be obliged to see or enquire if the board's powers are restricted by such regulations.

Devolution and Community Empowerment

- B10 In accordance with the association's objects, the association will at all times have in place and operate the following:
- B10.1 a strategy and programme to promote and provide options for increased tenant and community control of their housing and communities;
 - B10.2 a strategy and programme to secure the widest possible community involvement in the association;
 - B10.3 a strategy and programme for community development, training and communication, and the identification of neighbourhoods for the purposes of rules B10 to B13;
 - B10.4 a procedure for neighbourhoods to communicate their wishes and aspirations.
- B11 If a submission is made to the board by a neighbourhood in favour of varying the current provision or management of its housing where the board is satisfied (having acted reasonably and having obtained independent verification of such opinion) that such variation will not materially adversely prejudice the financial viability of the association, the board must:
- B11.1 formulate a proposal in consultation with the neighbourhood;
 - B11.2 communicate that proposal to all members of the neighbourhood;
 - B11.3 take steps as are appropriate to establish the opinion of the majority of the neighbourhood on the proposal.
- B12 If it is established that the opinion of the majority of a neighbourhood is in favour of varying the current provision or management of its housing, the board shall do one or more of the following:
- B12.1 facilitate the establishment of a local group or support an existing local group with similar objects to the association to represent and carry forward the interests of the neighbourhood;

- B12.2 delegate to the local group any of its supervisory powers and responsibilities relating to that neighbourhood;
- B12.3 transfer assets, and delegate any of its powers or responsibilities and associated day to day management to the local group;
- B12.4 accept back any assets, powers or responsibilities.

- B13 No transfer of assets or delegation of powers and responsibilities to a local group shall take place except:
- B13.1 in accordance with rule B12; and
 - B13.2 with the approval (where required) of the [Corporation regulator](#), and any other regulator or relevant authority; and
 - B13.3 in compliance with the legal obligations of the association to third parties, and in particular (without limitation) any obligations of the association to third party funders, lenders or security trustees; and
 - B13.4 until after the fifth anniversary of the transfer of the council's housing stock to the association.

PART C SHAREHOLDERS AND GENERAL MEETINGS

Obligations of shareholders

- C1 All shareholders agree to be bound by the obligations on them as set out in these rules. When acting as shareholders they shall act at all times in the interests of the association and, for the benefit of the community, as guardians of the objects of the association.

Nature of shares

- C2 The association's share capital shall be raised by the issue of shares. Each share has the nominal value of one pound which shall carry no right to interest, dividend or bonus.
- C3 Only shares held by the nominee of an unincorporated body (alone or jointly with other nominees) can be transferred and only to a new nominee (alone or jointly with other nominees) of that unincorporated body.
- C4 When a shareholder ceases to be a shareholder or is expelled from the association, his or her share shall be cancelled. The amount paid up shall become the property of the association.

Nature of shareholders

- C5 C5.1 A shareholder of the association is a person or body whose name and address is entered in the register of shareholders.
- C5.2 The shareholders shall be divided into three classes as follows:-
- the tenant shareholders;
 - the independent shareholders;
 - the council shareholder.
- C5.3 A shareholder shall belong to a class and cannot belong to more than one class.
- C6 The following cannot be shareholders:
- C6.1 a minor;
- C6.2 a person who has been expelled as a shareholder, unless authorised by special resolution at a general meeting;
- C6.3 an employee of the association;
- C6.4 a local authority person (other than the council shareholder).
- C7 A shareholder can be the nominee of an unincorporated body. In such cases the register shall contain the name and address of the shareholder, and shall designate the shareholder as the nominee of a named unincorporated body. The address of the unincorporated body shall also be entered in the register if it differs from the address of the shareholder nominee.
- C8 A corporate body can be a shareholder. It can appoint an individual to exercise its rights at general meetings. Any such appointment shall be in writing, and given to the secretary.
- C9 C9.1 No shareholder shall hold more than one share.
- C9.2 In any vote each class of shareholders shall have the same number of votes in total and as a consequence the votes of shareholders of each class shall be counted as follows:-
- each tenant shareholder's vote equals N divided by T ;
 - each independent shareholder's vote equals N divided by C ;
 - the council shareholder's vote equals N
- where
- T is the total number of tenant shareholders voting;
 - C is the total number of independent shareholders voting; and

- N equals T multiplied by C.

C10 A share cannot be held jointly unless by nominees of an unincorporated body.

Admission of shareholders

C11 Subject to rule C12, the board shall set review and publish its policies and objectives for admitting new shareholders and shall consider every application in accordance with this rule C11. The board has the power in its absolute discretion to accept or reject an application.

C12 The board shall offer a shareholding to every person of 16 years of age or more who agrees to be bound by these rules and is registered as a tenant of the association, and shall approve every application made in accordance with this rule C12 and rule C13.

C13 An applicant for a share shall apply in writing to the association's registered office:

C13.1 setting out their reasons for applying and their qualifications in accordance with the association's policies; and

C13.2 pay the sum of one pound (which shall be returned to them if the application is not approved).

C14 Every application shall be considered by the board in accordance with rule C11. Subject to C12, the board has the power in its absolute discretion to accept or reject the application. If the application is approved the name of the applicant and the other necessary particulars shall be entered in the register of shareholders in the appropriate class of shareholders. One share in the association and a copy of its rules shall be issued to the applicant.

Ending of shareholding

C15 A shareholder shall cease to be a shareholder if:

C15.1 they die; or

C15.2 they are expelled under rule C16; or

C15.3 they withdraw from the association by giving notice to the secretary which shall be effective on receipt by the secretary; or

C15.4 they do not participate in, nor deliver written apologies in advance for two general meetings [and the board resolves that they be removed](#); or

C15.5 in the case of a body corporate it ceases to be a body corporate; or

- C15.6 in the case of the nominee of an unincorporated body, they transfer their share to another nominee of that body; or
- C15.7 (except the Council shareholder) they become a local authority person;
- C15.8 they cease to be eligible to be a shareholder under rule C6; or
- C15.9 if they are a tenant of the association and in the opinion of the board are in material or serious breach of their tenancy agreement or lease.
- C16 A shareholder may only be expelled by a special resolution at a special general meeting called by the board.
- C16.1 The board must give the shareholder at least one month's notice in writing of the general meeting. The notice to the shareholders must set out the particulars of the complaint of conduct detrimental to the association, and must request the shareholder to attend the meeting to answer the complaint.
- C16.2 At the general meeting called for this purpose the shareholders shall consider the evidence presented by the board and by the shareholder (if any). The meeting may take place even if the shareholder does not attend.
- C16.3 If the resolution to expel the shareholder is passed in accordance with this rule, the shareholder shall immediately cease to be a shareholder.

Annual general meeting

- C17 The association shall hold a general meeting called the annual general meeting within six calendar months after the close of each of its financial years.
- C18 The functions of the annual general meeting shall be:
- C18.1 to receive the annual report which shall contain:
- the revenue accounts and balance sheets for the last accounting period
 - the auditor's report on those accounts and balance sheets
 - the board's report on the affairs of the association
 - the board's statement of the values and objectives of the association
 - a statement of the current obligations of board members to the board and the association
 - a statement of the skills, qualities and experience required by the board amongst its members
 - the policy for admitting new shareholders
 - the board's report on the community empowerment strategy
- C18.2 to appoint the auditor;
- C18.3 to elect independent board members;

C18.4 to transact any other general business of the association proposed by the board and included in the notice convening the meeting.

Special general meetings

C19 All general meetings other than annual general meetings shall be special general meetings and shall be convened either:

C19.1 upon an order of the board; or

C19.2 upon a written requisition signed by one-tenth of the shareholders (to a maximum of twenty-five but not less than three) stating the proposed resolutions for which the meeting is to be convened;

C19.3 if within twenty-eight days after delivery of a requisition to the secretary a meeting is not convened, the members who have signed the requisition may convene a meeting.

C20 A special general meeting shall not transact any business that is not mentioned in the notice convening the meeting.

Calling a general meeting

C21 C21.1 Subject to rule C21.2 all general meetings shall be convened by at least fourteen clear days' written notice posted, faxed, e mailed or delivered by hand to every member at the address given in the share register. The notice shall state whether the meeting is an annual or special general meeting, the time, date and place of the meeting, and the business for which it is convened.

C21.2 All shareholders may agree by consenting in writing or by e mail to a general meeting being held on less than fourteen days clear notice.

C22 Any accidental failure to get any notice to any shareholder, shall not invalidate the proceedings at that general meeting. A notice or communication sent to a shareholder at their address shown in the register of shareholders shall be deemed to have arrived as specified in rule [G15.20G15.18](#).

Proceedings at general meetings

C23 Before any general meeting can start its business there must be a quorum present. Prior to the admission to membership of the Council shareholder a quorum is all of the shareholders. Following the admission to membership of the Council shareholder a quorum is one-tenth of all shareholders with a minimum number of five and a maximum number of 25 and as part of that quorum at least one

independent shareholder, one tenant shareholder and the Council shareholder must be present in person.

- C24 A meeting held as a result of a shareholder's requisition will be dissolved if too few shareholders are present half an hour after the meeting should begin.
- C25 All other general meetings with too few shareholders will be adjourned to the same day, at the same time and place in the following week. If too few shareholders are present within half an hour of the time the adjourned meeting should have started, those shareholders present shall carry out the business of the meeting.
- C26 The chair of any general meeting can adjourn the meeting if the majority of the shareholders present in person or by proxy agree. An adjourned meeting can only deal with matters adjourned from the original meeting. An adjourned meeting is a continuation of the original meeting. The date of all resolutions passed is the date they were passed (as opposed to the date of the original meeting). There is no need to give notice of an adjournment or to give notice of the business to be transacted.
- C27 At all general meetings of the association the chair of the board shall preside. If there is no such chair or if the chair is not present or is unwilling to act, the deputy chair (if any) shall chair the meeting, failing which the shareholders present shall elect a shareholder to chair the meeting. The person elected shall be a member of the board if one is present and willing to act.

Proxies

- C28 A proxy can be appointed by delivering a written appointment to the registered office by no later than 12 noon two business days before the date of the meeting at which the proxy is authorised to vote. It must be signed by the shareholder or a duly authorised attorney. Any proxy form delivered late shall be invalid. Any question as to the validity of a proxy shall be determined by the chair of the meeting whose decision shall be final. A proxy need not be a shareholder of the association.

Voting

- C29 Subject to the provisions of these rules or of any statute, a resolution put to the vote at a general meeting shall, except where a ballot is demanded or directed, be decided upon a show of hands.

- C30 On a show of hands every shareholder present in person and on a ballot every shareholder present in person or by proxy shall have one vote. Votes shall be counted in accordance with Rule C9.2. In the case of an equality of votes the chair of the meeting shall not have a second or casting vote.
- C31 Unless a ballot is demanded (either before or immediately after the vote), a declaration by the chair that a resolution on a show of hands has been carried or lost, unanimously or by a particular majority, is conclusive. An entry made to that effect in the book containing the minutes of the proceedings of the association, shall be conclusive evidence of that fact.
- C32 Any question as to the acceptability of any vote whether tendered personally or by proxy, shall be determined by the chair of the meeting, whose decision shall be final.
- C33 A ballot on a resolution may be demanded by any three shareholders at a meeting (in person or by proxy) or directed by the chair (and such demand or direction may be withdrawn). A ballot may be demanded or directed after a vote on the show of hands, and in that case the resolution shall be decided by the ballot.
- C34 A ballot shall be taken at the meeting at such time and in such manner as the chair shall direct. The result of such a ballot shall be deemed to be the resolution of the association in general meeting.
- C35 A resolution in writing sent to all shareholders by post, fax, e-mail or delivered by hand and signed by three quarters of such shareholders shall be as valid and effective as if it had been passed at a properly constituted meeting of shareholders.

Miscellaneous

- C36 The association will at all times comply with all legislation relating to payments made by the association to shareholders.

PART D THE BOARD

Functions

- D1 The association shall have a board (in these rules referred to as “the board”) which shall direct the affairs of the association in accordance with its objects and rules. Amongst its functions shall be to:

- D1.1 define and ensure compliance with the values and objectives of the association and ensure these are set out in each annual report;
- D1.2 establish policies and plans to achieve those objectives;
- D1.3 approve each year's accounts prior to publication and approve each year's budget;
- D1.4 establish and oversee a framework of delegation and systems of control;
- D1.5 agree policies on all matters that create significant financial risk to the association or which affect material issues of principle;
- D1.6 monitor the association's performance in relation to these plans, budget, controls and decisions;
- D1.7 appoint (and if necessary remove) the chief executive; and
- D1.8 satisfy itself that the association's affairs are conducted in accordance with generally accepted standards of performance and propriety;
- D1.9 at all times that the association is registered with the ~~Corporation as a Registered Social Landlord~~ regulator as a registered provider of social housing the board shall ensure that the association takes account of any obligation imposed upon the association by the ~~Housing Corporation~~ regulator in exercise of its powers.

and none of these functions D1.1 to D1.9 inclusive shall be capable of delegation.

Composition of the board

- D2
 - D2.1 On registration of the association the subscribing shareholders shall become the board of the association and before completion of the transfer the board shall appoint such further board members such that the board shall consist of fifteen board members PROVIDED THAT in the event that the number of board members shall consist of fewer than fifteen the remaining board members shall use all reasonable endeavours to appoint further board members and may act notwithstanding this rule.
 - D2.2 Prior to the second annual general meeting of the association after the transfer five board members shall be council board members appointed in accordance with rule D10.
 - D2.3 Following the second annual general meeting of the association after the transfer three board members shall be Council board members appointed in accordance with rule D10.
 - D2.4 No more than five board members shall be local authority persons.
 - D2.5 Prior to the second annual general meeting of the association after the transfer five tenant board members shall be tenants appointed in accordance with rule D8.

- D2.6 Following to the second annual general meeting of the association after the transfer, seven tenant board members shall be appointed in accordance with rule D8.
- D2.7 No more than seven board members may be tenants.
- D2.8 At least one-third of the board members shall be independent board members PROVIDED THAT in the event that fewer than one-third of board members shall be independent board members, the board shall use all reasonable endeavours to appoint further independent board members and may act notwithstanding this rule.
- D3
- D3.1 The board shall in its annual report set out the obligations of every board member to the board and to the association. The board shall review and may amend the obligations of board members from time to time.
- D3.2 Except for the subscribing shareholders each board member shall sign a statement, confirming that they will meet their obligations to the board and to the association. The board may vary the form of statement from time to time.
- D3.3 Any board member who has not signed such statement without good cause within one month of election or appointment to the board may be removed from office by a resolution of a majority of the remaining board members.
- D3.4 A board member may be removed from the board by a resolution passed by a three quarters majority at a meeting of the board.
- D4
- D4.1 The board may appoint co-optees to serve on the board on such terms as the board resolves and may remove such co-optees. A co-optee may act in all respects as a board member, but they cannot take part in the deliberations nor vote on the election of officers of the association nor any matter directly affecting shareholders.
- D4.2 The board may co-opt the association's chief executive and other directors.
- D5 For the purposes of these rules and of the Act a co-optee is not included in the expression "board member" or "member of the board". For the purposes of the Housing [and Regeneration Act 1996-2008](#) a co-optee is an officer.
- D6 Not more than five co-optees can be appointed to the board or to any committee at any one time pursuant to rule D4. A local authority person cannot be co-opted.

- D7 No one can become or remain a board member at any time if:
- D7.1 they are bankrupt or subject to an agreement with their creditors; or
 - D7.2 they have been convicted of an indictable offence within the last five years or any other offence which in the opinion of the board brings the association into disrepute or which is not considered by the board to be compatible with the role of board member and the board resolves (by a two thirds majority) that they should be removed; or
 - D7.3 they have absented themselves from four consecutive meetings of the board without special leave of absence; or
 - D7.4 he is, or may be, suffering from Mental Disorder (as defined by Section 1 The Mental Health Act 1983 (as amended)) and either:-
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health ([Care and Treatment](#)) (Scotland) Act ~~1969~~2003;
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
 - (iii) in the opinion of a registered medical practitioner he is suffering from a mental disorder by reason of which he is incapable of carrying out the duties of a board;
 - D7.5 an employee and their employment with the association is terminated for any reason,
 - D7.6 they are a tenant board member and they cease to be a tenant; or
 - D7.7 they are an independent board member and they become a tenant or a local authority person; or
 - D7.8 the number of board members who are local authority persons exceeds the limit in rule D2.3. When such limit is exceeded, the board member who has most recently become a local authority person shall immediately cease to be a board member, but a board member nominated by the council member shall cease to be a board member after all other local authority persons have ceased to be board members;
- and any board member who at any time ceases to qualify under this rule shall immediately cease to be a board member.

Election and appointment to the board

D8 D8.1 At the annual general meeting of the Association in 2010 and every subsequent annual general meeting tenant board members shall retire from office in the following rotation:

- (i) at the annual general meeting in 2010, two tenant board members shall retire;
- (ii) at the first subsequent annual general meeting, a further two tenant board members shall retire;
- (iii) at the second subsequent annual general meeting, a further two tenant board members shall retire; and
- (iv) at the third subsequent annual general meeting, a further tenant board member shall retire

and so forth such that the tenant board members shall subsequently retire in a rotation which mirrors that in sub-paragraphs (i) to (iv).

D8.2 the tenant board members to retire at each such annual general meeting shall be those who have been longest in office since they last became tenant board members, but as between persons who became board members on the same day those to retire shall be chosen by lot provided that where a tenant board member is appointed as a consequence of the death or retirement (other than by operation of this sub-paragraph) of another tenant board member (“the predecessor”), the period of time for which the tenant board member shall have held office shall, for the purposes only of this sub-paragraph be deemed to include the period since the last election or appointment of the predecessor.

D8.3 Prior to each annual general meeting, direct or indirect elections shall be held amongst the tenants living in the association’s properties for the number of tenant board members to be appointed thereat.

D8.4 The mode and manner of such elections shall be as the board may from time to time agree subject at all times to compliance with rule D1. The secretary shall announce the results of the elections at each relevant annual general meeting and the tenants so elected shall be duly appointed as tenant board members with effect from the end of such annual general meeting without any further formality.

D9 D9.1 At the second annual general meeting following the transfer and at every subsequent annual general meeting the independent board members shall retire from office in the following rotation:

- (i) at the second annual general meeting following the transfer, two independent board members shall retire;
- (ii) at the first subsequent annual general meeting, a further two independent board members shall retire; and
- (iii) at the second subsequent annual general meeting, a further one independent board member shall retire

and so forth such that the independent board members shall subsequently retire in a rotation which mirrors that in sub-paragraphs (i) to (iii).

- D9.2 The independent board members to retire at any such subsequent annual general meeting shall be those who have been longest in office since they last became independent board members but as between persons who became board members on the same day those to retire shall be chosen by lot provided that where an independent board member is appointed as a consequence of the death or retirement (other than by operation of this sub-paragraph) of another independent board member (“the predecessor”), the period of time for which the independent board member shall have held office shall, for the purposes only of this sub-paragraph be deemed to include the period since the last election or appointment of the predecessor.
- D9.3 If at an annual general meeting, the candidates for election as independent board members do not exceed the number of vacancies on the board the chair shall declare those candidates to have been duly elected. If the number of candidates exceed the number of vacancies the meeting shall elect the independent board members by ballot in such a manner as the chair directs.
- D9.4 In an election at a general meeting every shareholder present in person or by proxy shall have one vote for every vacancy but shall not give more than one vote to any one candidate. Votes shall be counted in accordance with rule C9.2.
- D9.5 In casting their votes in an election, shareholders shall endeavour to ensure that the board possesses the quality, skills and experience which the association has from time to time determined that it requires.

- D10 Prior to the second annual general meeting of the association following the transfer the council shareholder shall have the right to nominate no more than five council board members and thereafter the council shareholder shall have the right to nominate no more than three council board members. The council shareholder may withdraw a council board member at any time. Any vacancies occurring among council board members shall immediately be filled by the council shareholder.

Candidates for the board

- D11 D11.1 Except where the association remains dormant following incorporation any candidate for election to the board as an independent board member shall submit a written statement to the association in such form as the board from time to time determines. It shall set out the candidate's full name, address, and occupation, and the reasons for their suitability to be a board member.
- D11.2 In addition a candidate who is not retiring as an independent board member must be nominated in writing by a shareholder and recommended by the board.
- D11.3 The statement and nomination shall be delivered to the registered office at least twenty-eight business days before the meeting at which the vacancies on the board are to be filled.
- D11.4 Subject to rule D7 and D9.4 the board may appoint a person who is willing to act as a board member to fill a vacancy. A board member so appointed shall hold office only until the next following annual general meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.

Quorum for the board

- D12 D12.1 Five board members, or half of the board (whichever is lower) shall form a quorum PROVIDED THAT this includes at least one tenant board member, one independent board member and one council board member. The board may determine a higher number.
- D12.2 If the number of board members falls below the number necessary for a quorum, the remaining board members may continue to act as the board for a maximum period of six months. At the end of that time unless the association remains dormant following its incorporation, the only power that the board may exercise shall be to call a general meeting of the association to bring the number of board members up to that required by these rules.

Board members' interests

D13 No board member, co-optee or member of a committee (or connected person) shall have any financial interest:

D13.1 personally; or

D13.2 as a member of a firm; or

D13.3 as a director or other officer of a business trading for profit; or

D13.4 in any other way whatsoever save that there shall be deemed to be no financial interest in relation to shares except in the circumstances referred to in rule ~~D16.4~~D18.4

in any contract or other transaction with the association, unless it is expressly permitted by these rules, ~~or by the Housing Corporation as a permitted interest for registered social landlords.~~

D14 The association shall not pay or grant any benefit to anyone who is a board member or a co-optee or a member of a committee (or connected person), unless it is expressly permitted by these rules, ~~or by the Housing Corporation as a permitted interest for registered social landlords.~~

D15 The following are permitted, subject to compliance with rule D17:

D15.1 The payment, to board members, co-optees and members of committees, of:

(a) properly authorised expenses, when actually incurred on the association's business, and

(b) any remuneration, including payment for loss of earnings, as shall be approved by the board from time to time, save that where every board member is capable of benefiting from such remuneration then the board shall be required to obtain advice from an independent remuneration committee, and

D15.2 The payment of insurance premiums in respect of insurance taken out to insure board members, co-optees, members of committees and employees against the cost of a successful defence to a criminal prosecution brought against them as officers or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty, and

D15.3 The payment of any sums incurred by the association pursuant to the indemnifications permitted under rule E9, and

D15.4 The award of a contract of employment to, or the variation of a contract of employment with, a board member, co-optee or committee member (or a connected person), and the payment, to board members, co-optees or committee members (or connected persons) who are also employees

of the association, of remuneration under their contract of employment with the association, and

D15.5 Any benefits to board members, co-optees or committee members (or to connected persons), which are provided on the same terms and in accordance with the same criteria as they would be granted to any other beneficiary of the association.

D16 For the purposes of rule D17 the interest of a connected person shall be treated as the interest of the relevant board member(s).

D15D17 Any board member, co-optee or member of a committee, having an interest in any arrangement between the association and someone else shall disclose their interest, before the matter is discussed by the board or any committee. Unless it is expressly permitted by these rules they shall not remain present unless requested to do so by the board or committee, and they shall not have any vote on the matter in question. An individual board member shall be deemed not to have an interest in relation to permitted benefits applying to the whole board. Any decision of the board or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.

D16D18 Every board member, co-optee and member of a committee shall ensure that the secretary at all times has a list of all other bodies in which they-, and any connected persons, have an interest as:

D16.1D18.1 a director or officer; or

D16.2D18.2 as a member of a firm; or

D16.3D18.3 as an official or elected member of any statutory body; or

D16.4D18.4 as the owner or controller of more than 2% of a company the shares in which are publicly quoted or more than 10% of any other company; or

D16.5D18.5 as the occupier of any property owned or managed by the association; or

D16.6D18.6 any other significant or material interest.

D17D19 If requested by a majority of the board or members of a committee at a meeting convened specially for the purpose, a board member, co-optee or member of a committee failing to disclose an interest as required by these rules shall vacate their office either permanently or for a period of time.

~~D18The association may pay to board members, co-optees and members of committees~~

~~D18.1properly authorised expenses when actually incurred on the association's business; or~~

~~D18.2~~ insurance premiums in respect of insurance taken out to insure officers and employees against the cost of successful defence to a criminal prosecution brought against them as officers or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty; or

~~D18.3~~ remuneration or other payments or benefits as approved by the board to the extent permitted under Schedule 1 Housing Act 1996 by the Housing Corporation for registered social landlords.

~~D19~~D20 A board member, co-optee or member of a committee shall not have an interest for the purpose of rules ~~D13 to D15~~, D17 or D18 as a board member, director, or officer of any other body whose accounts are or ought to be consolidated with the association's accounts.

~~D20~~D20.1~~D21~~ D21.1 Board members, co-optees or members of committees who are tenants of the association shall not have an interest for the purpose of ~~rule D15~~ rules D13, D17 or D18 in any decision affecting all or a substantial group of tenants.

~~D20.2~~D21.2 Board members, co-optees or members of committees who are council board members shall not have in interest for the purposes of ~~rule D15~~ rules D13, D17 or D18 because the board member co-optee or member of committee is on elected member of the council shareholder.

~~D21~~D22 The grant of a tenancy by the association at the direction of another body, ~~or as permitted by the Housing Corporation under Schedule 1 to the Housing Act 1996,~~ to a board member, co-optee or member of a committee is ~~not the grant of a benefit for the purpose of rule D14~~ permitted.

D23 No board member, co-optee or member of a committee shall be treated as having an interest of which that person has no knowledge and of which it is unreasonable to expect him or her to have knowledge.

Meetings of the board

~~D22~~D24 Except where the association remains dormant following incorporation the board shall meet at least three times every calendar year. At least seven clear days written notice of the date and place of every board meeting shall be given by the secretary to all board members and co-optees. The board may meet on shorter notice where all board members so agree.

~~D23~~D25 Meetings of the board may be called by the secretary, or by the chair, or by two board members who give written notice to the secretary specifying the business to

be carried out. The secretary shall send a written notice to all board members and co-optees to the board within seven business days after receipt of such a request. The secretary shall call a meeting on at least seven but not more than fourteen days' notice to discuss the specified business. If the secretary fails to call such a meeting then the chair or two board members, whichever is the case, shall call such a meeting.

Management and delegation

[D24D26](#) The board may delegate any of its powers under written terms of reference to a committee, an officer(s) or to (an) employee(s) (subject to rule D1). Those powers shall be exercised in accordance with any written instructions given by the Board.

[D25D27](#) The membership of any committee shall be determined by the board. Every committee shall include at least one board member or co-optee to the board. The board may appoint the chair of any committee and shall specify the quorum.

[D26D28](#) All acts and proceedings of any committee shall be reported to the Board.

[D27D29](#) No committee can incur expenditure on behalf of the association unless at least one board member or co-optee of the board on the committee has voted in favour of the resolution and the board has previously approved a budget for the relevant expenditure.

[D28D30](#) For the purposes of the Housing [and Regeneration Act 1996-2008](#) any member of a committee shall be an officer.

Miscellaneous provisions

[D29D31](#) All decisions taken at a board or any committee meeting in good faith shall be valid even if it is discovered subsequently that there was a defect in the calling of the meeting, or the appointment of the members at a meeting.

[D30D32](#) A resolution in writing sent to all board members and signed by three quarters of the board members or all the members of a committee shall be as valid and effective as if it had been passed at a properly called and constituted meeting of the board or committee.

[D31D33](#) Meetings of the board can take place in any manner which permits those attending to hear and comment on the proceedings.

[D32D34](#) A board member acting in good faith shall not be liable to the association for any loss.

PART E CHAIR, CHIEF EXECUTIVE, SECRETARY AND OTHER OFFICERS

The chair

- E1 The association shall have a chair, who shall also chair board meetings, and shall be elected by the Board.
- E2 The chair on election shall hold office until the commencement of the first board meeting after the next annual general meeting of the association (or until the chair resigns as chair or ceases to be a board member). The first item of business for any board meeting when there is no chair or the chair is not present shall be to elect the chair. The chair shall at all times be a shareholder and a board member except in the case where the chair is a council board member in which case the chair shall not be required to be a shareholder. In the case of an equality of votes at a meeting of the board the chair shall have the casting vote.
- E3 The chair of the association may be removed at a board meeting called for the purpose provided the resolution is passed by at least two thirds of the members of the board at the meeting.

The chair's responsibilities

- E4 The chair shall seek to ensure that:
- E4.1 the board's business and the association's general meetings are conducted efficiently;
 - E4.2 all board members are given the opportunity to express their views;
 - E4.3 a constructive working relationship is established with, and support provided for the chief executive (if any);
 - E4.4 the board delegates sufficient authority to its committees, the chair, the chief executive (if any), and others to enable the business of the association to be carried on effectively between board meetings;
 - E4.5 the board receives professional advice when it is needed;
 - E4.6 the association is represented as required; and
 - E4.7 the association's affairs are conducted in accordance with generally accepted codes of performance and propriety.

- E5 The chair shall seek to ensure that there is a written statement of the chair's responsibilities which shall be agreed with the board, and reviewed from time to time.

The chief executive

- E6 The association may have a chief executive appointed by the board. The chief executive shall be appointed on a written contract of employment, which shall include a clear statement of the duties of the chief executive

The secretary

- E7 The association shall have a secretary who shall be appointed by the board and who may be an employee. The board may also appoint a deputy secretary to act as secretary in the secretary's absence for any reason. The secretary shall in particular:
- E7.1 summon and attend all meetings of the association and the board and keep the minutes of those meetings; and
 - E7.2 keep the registers and other books determined by the board; and
 - E7.3 make any returns on behalf of the association to the Registry of Friendly Societies and the [Corporation Regulator](#); and
 - E7.4 have charge of the seal of the association; and
 - E7.5 be responsible for ensuring the compliance of the association with these rules.

Other officers

- E8 The board may designate as officers such other executives, internal auditor and staff of the association on such terms (including pay) as it from time to time decides.

Miscellaneous

- E9 Every officer or employee shall be indemnified by the association for any amount reasonably incurred in the discharge of their duty.
- E10 Except for the consequences of their own dishonesty or negligence no officer or employee shall be liable for any losses suffered by the association.

PART F FINANCIAL CONTROL AND AUDIT

Auditor

- F1 Except where the association remains dormant following incorporation the association shall appoint an auditor to act in each financial year. They must be qualified as provided by Section 7 of the Friendly and Industrial & Provident Societies Act 1968 as amended by the Companies Act 1989.
- F2 The following cannot act as auditor:
- F2.1 an officer or employee of the association;
 - F2.2 a person employed by or employer of, or the partner of, an officer or employee of the association.
- F3 An auditor must be appointed by resolution at a general meeting.
- F4 Except where the association is permitted by law not to have its accounts audited the association's first auditor shall be appointed at a general meeting within three months of its registration or of the obligation to have its accounts audited becoming applicable. The board may make the appointment if no meeting is held within three months. The board may appoint an auditor to fill a casual vacancy.
- F5 Where an auditor is appointed to audit the accounts for the preceding year, they shall be re-appointed to audit the current year's as well unless:
- F5.1 a general meeting has appointed someone else to act or has resolved that the auditor cannot act; or
 - F5.2 the auditor does not want to act and has told the association so in writing; or
 - F5.3 the person is not qualified or falls within rule F2 (above); or
 - F5.4 the auditor has become incapable of acting; or
 - F5.5 notice to appoint another auditor has been given.
- F6
- F6.1 Not less than twenty eight days' notice shall be given for a resolution to appoint another person as auditor, or to forbid a retiring auditor being re-appointed.
 - F6.2 The association shall send a copy of the resolution to the retiring auditor and also give notice to its shareholders at the same time and in the same manner, if possible.
 - F6.3 If not, the association shall give notice by advertising in a local newspaper at least 14 days before the proposed meeting. The retiring auditor can make representations to the association which must be notified to its

Shareholders under Section 6 of the Friendly and Industrial and Provident Societies Act 1968.

Auditor's duties

- F7 The findings of the auditor shall be reported to the association, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968.
- F8 The board shall produce the revenue account and balance sheet audited by the auditor, and the auditor's report at each annual general meeting. The board shall also produce its report on the affairs of the association which shall be signed by the person chairing the meeting which adopts the report.

Accounting requirements

- F9 The end of the accounting year must be a date allowed by the Registrar and shall if permitted be 31 March.
- F10 The association shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with Sections 1 and 2 of the Friendly and Industrial and Provident Societies Act 1968.
- F11 The association shall establish and maintain satisfactory systems of control of its books of account, its cash and all its receipts and payments.

Annual returns and balance sheets

- F12 Every year, within the time specified by legislation, the secretary shall send the association's annual return to the Registrar of Friendly Societies. The return shall be up-to-date to the time specified in the Act, or such other date allowed by the Registrar. The annual return shall be accompanied by the auditor's reports for the period of the return and the accounts and balance sheets to which it refers.

Borrowing

- F13 The total borrowings of the association at any time shall not exceed £500 million (five hundred million pounds) or such a larger sum as the association determines from time to time in general meeting.
- F14 The rate of interest payable at the time terms of borrowing are agreed on any money borrowed shall not exceed the rate of interest which, in the opinion of the board, is reasonable having regard to the terms of the loan. The board may

delegate the determination of the said interest rate within specified limits to an officer, board member or a committee.

- F15
- F15.1 In respect of any proposed borrowing, for the purposes of rule F13, the amount remaining undischarged of any deferred interest or index-linked monies previously borrowed by the association or on any deep discounted security shall be deemed to be the amount required to repay such borrowing in full if such pre-existing borrowing became repayable in full at the time of the proposed borrowing; and
- F15.2 For the purposes of rule F13 in respect of any proposed borrowing intended to be on index-linked or on any deep discounted security the amount of borrowing shall be deemed to be the proceeds of such proposed borrowing receivable by the association at the time of the proposed borrowing.

Derivative Transactions

F16

F16.1 In exercising its power under rule B2.4 the association shall comply with the ~~Corporation's regulatory requirements, or any other~~ regulatory requirements applicable to the association at the relevant time, relating to the use of derivative transactions by registered providers of social landlords housing. A person entering into a derivative transaction with the association who has received a written certificate signed by the secretary confirming that the association is entering into such transaction for the purpose specified in rule B2.4 and confirming the association's compliance with such regulatory requirements shall not be concerned to enquire further as to the purpose for which the association is entering into the transaction, nor as to whether the association has complied with such requirements, and such transaction shall be valid at the date that it is entered into and throughout its term in favour of such person (or any assignee or successor in title) whether or not it was entered into for the purpose specified in Rule B2.4 and whether or not such regulatory requirements have been complied with.

F16.2 For the purposes of rule B2.4 and this rule F16 "derivative transaction" means any transaction which is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made, or any combination of these ~~transactions-transactions~~.

Investment

- F17 The funds of the association may, with the authority of the board, be invested and may be applied as permitted by the Industrial & Provident Societies Act 1965 or in cash or term deposits, in the purchase or acquisition (either alone or jointly with other persons) of such shares, stock, funds, securities, land, buildings, chattels or other property of whatever nature and wherever situate, and whether involving liabilities or producing income or not, or in making such loans, with or without security, as the board thinks fit.

PART G MISCELLANEOUS AND STATUTORY, REGISTERED OFFICE AND NAME

Registered Office and Name

- G1 The association's registered office is: ~~Sceptre Court~~ Juniper House, 40 Tower Hill Austin Street, London EC3N 4DX ~~King's Lynn, Norfolk PE30 1DZ~~
- G2 The association's registered name must:
- G2.1 be placed prominently outside every office or place of business; and
- G2.2 be engraved on its seal; and
- G2.3 be stated on its business letters, notices, adverts, official publications, cheques and invoices.

Disputes

- G3 G3.1 Any dispute on a matter covered by the rules shall be dealt with in the County Court if the dispute is between:
- the association and an officer; or
 - the association and a shareholder; or
 - the association and a person claiming to be a shareholder; or
 - the association and a person who was a shareholder in the last six months.
- G3.2 Alternatively, if the association has been a member of the National Housing Federation for at least two years, such dispute can be resolved by an arbitrator appointed by the National Housing Federation if both parties to the dispute agree. If they do not agree the dispute shall be dealt with in the County Court.
- G3.3 The arbitrator's decision is binding. No appeal is allowable. No court of law can alter it, but it can be enforced by a County Court.
- G3.4 The arbitrator's decision on the costs of the arbitration is binding.

Minutes, seal, registers and books

- G4 The minutes of all general meetings, and all board and committee meetings shall be recorded, agreed by the relevant subsequent meeting and signed by whoever chairs the meeting and kept safe.
- G5 The secretary shall keep the seal. It shall not be used except under the board's authority. It must be affixed by one board member signing and the secretary countersigning or in such other way as the board resolves.
- G6 The association must keep at its registered office:
- G6.1 the register of shareholders showing:
- the names and addresses of all the shareholders; and
 - a statement of all the shares held by each board member and the amount paid for them; and
 - a statement of other property in the association held by the shareholder; and
 - the date that each shareholder was entered in the register of shareholders.
- G6.2 a duplicate register of shareholders showing the names and addresses of shareholders and the date they became shareholders.
- G6.3 a register of the names and addresses of the officers, their offices and the dates on which they assumed those offices as well as a duplicate.
- G6.4 a register of holders of any loan.
- G6.5 a register of mortgages and charges on land.
- G6.6 a copy of the rules of the association.
- G7 The association must display a copy of its latest balance sheet and auditors report at its registered office
- G8 The association shall give to all shareholders on request copies of its last annual return with the auditor's report on the accounts contained in the return, free of charge.
- G9 The secretary shall give a copy of the rules of the association to any person on demand who pays such reasonable sum as permitted by law.

Statutory applications to the Registrar

- G10 Ten shareholders can apply to the Registrar of Friendly Societies to appoint an accountant to inspect the books of the association, provided all ten have been shareholders of the association for a twelve month period immediately before their application.
- G11 The shareholders may apply to the Registrar of Friendly Societies in order to get the affairs of the association inspected or to call a special general meeting. One hundred shareholders, or one-tenth of the shareholders, whichever is the lesser, must make the application.

Amendment of rules

- G12 G12.1 The rules of the association may be rescinded or amended, but not so as to stop the association being a charity.
- G12.2 The rules can only be amended or rescinded by three fourths of the votes cast at a general meeting.
- G12.3 Amended rules shall be registered with the Registrar as soon as possible after the amendment has been made. A copy of the amended rules shall be issued to a shareholders on request. An amended rule is not valid until it is registered.

Dissolution

- G13 The association may be dissolved by a three fourths majority of shareholders who sign an instrument of dissolution in [accordance with the form prescribed by Treasury Regulations Act](#); or by winding-up under the Act.
- G14 G14.1 Any property that remains, after the association is wound-up or dissolved and all debts and liabilities dealt with, the shareholders may resolve to give or transfer to another charitable body with objects similar to that of the association.
- G14.2 If no such institution exists, the property shall be transferred or given to the Housing Associations Charitable Trust.
- G14.3 If the association is registered as a [provider of social landlord housing](#) with the [Corporation regulator](#) any transfer or gift is governed by [paragraph 15 of Schedule 1 section 167](#) of the Housing [and Regeneration Act 1996/2008](#).

Interpretation of terms

- G15 In these rules, including this rule, unless the subject matter or context are inconsistent:-
- G15.1 words importing the singular or plural shall include the plural and singular respectively;
- G15.2 words importing gender shall include the male and female genders;
- G15.3 any reference to an Act shall include any amendment or re-enactment from time to time
- G15.4 “amendment of rules” shall include the making of a new rule and the rescission of a rule, and “amended” in relation to rules shall be construed accordingly;
- G15.5 any reference to the Chief Registrar, Registrar, Central Office, Assistant Registrar or the Registry of Friendly Societies includes reference to the statutory successor carrying on the relevant functions of any of them;
- G15.6 “board” shall mean the board appointed in accordance with Part D and “board member” or “member of the board” shall mean a member of the board for the time being but shall not include a person co-opted to the board under rule D4;
- G15.7 “business day” shall mean Monday to Friday (inclusive) but excluding bank holidays;
- G15.8 “clear days” in respect of notice for a meeting means a period calculated excluding both the day on which any notice or communication is deemed to be received under these rules and the date of the meeting;
- G15.9 “community empowerment strategy” means the community empowerment strategy document approved by the board from time to time.
- ~~G15.10 “Corporation” means the Housing Corporation;~~
- G15.10 “connected person” means, in relation to an individual who is a board member, co-optee or committee member (the fiduciary), a person with whom the fiduciary shares a common interest such that the fiduciary may reasonably be regarded as benefitting directly or indirectly from any material benefit received by that person, being either a member of the fiduciary's family or household, or a person or body who is a business associate of the fiduciary, and (for the avoidance of doubt) does not include a company with which the fiduciary's only connection is as the owner or controller of less than 2% of a company the shares in which are publicly quoted or less than 10% of any other company
- G15.11 “council board member” means a board member appointed pursuant to rule D2;

- G15.12 “council shareholder” means the Borough Council of King’s Lynn and West Norfolk or any successor body;
- G15.13 “Housing Association” has the meaning given by Section 1 of the Housing Associations Act 1985;
- G15.14 “independent board member” means a board member who is not a tenant leaseholder or local authority person;
- G15.15 “Independent shareholder” means a shareholder who is not a tenant or the Council shareholder;
- G15.16 “local authority person” means any person:
- who is or has been a member of the council shareholder in the preceding four years;
 - who is an officer of the council shareholder (which for these purposes shall not include employees with non-managerial posts apart from housing employees); or
 - who is or has been both an employee and either a director, manager, secretary or other similar officer of a company which is under control of the council shareholder;
- G15.17 “local group” means a committee, working group, association, industrial and provident society, company limited by guarantee or other corporate body ~~in a form approved by the Corporation,~~ established in accordance with rule B12.
- G15.18 notice, delivered or delivery shall be deemed to have been received by a person:
- two business days after being posted by first class post;
 - if faxed or e mailed one hour after transmission provided that no transmission notification of non-delivery or error has been received by the person transmitting the communication and the transmission is to the fax number or e-mail address last notified by that person to the secretary;
 - if delivered by hand on delivery to the person’s address last notified by that person to the secretary;
- G15.19 “officer” shall include the chair and secretary of the association and any board member for the time being and such other persons as the board may appoint under rule E8;
- G15.20 “persons claiming through a shareholder” shall include their personal representatives and also their nominees where a nomination has been made;
- G15.21 “property” shall include all real and personal estate (including loan stock certificates, books and papers);

G15.22 references to any provision in any Act shall include reference to such provision as from time to time amended, varied, replaced, extended or re-enacted and to any orders or regulations made under such provision;

G15.23 “register of shareholders” means the register kept in accordance with rule G6.1;

G15.24 "regulator" means the Office for Tenants and Social Landlords, otherwise known as the Tenant Services Authority and any statutory successor of the regulator;

~~G15.24~~G15.25 “secretary” means the officer appointed by the board to be the secretary of the association or other person authorised by the board to act as the secretary's deputy;

~~G15.25~~G15.26 “shareholder” shall mean one of the persons referred to in rule C5 and means “member” as defined by the Act.

G15.27 “social housing” shall bear the meaning given to it in sections 68 – 70 of the Housing and Regeneration Act 2008;

~~G15.26~~G15.28 “special resolution” means a resolution at a general meeting passed by a two thirds majority of all shareholders who vote in person or by proxy;

~~G15.27~~G15.29 “subsidiary” and “associate” shall bear the meanings ~~respectively given by Sections 60 and 61 Housing Act 1996;~~given by section 271 Housing and Regeneration Act 2008;

~~G15.28~~G15.30 “tenant” means a person who alone or jointly with others hold a tenancy or licence to occupy the association’s premises for residential use, and shall include a leaseholder;

~~G15.29~~G15.31 “tenant shareholder” means a shareholder who is either a tenant or a leaseholder;

~~G15.30~~G15.32 “tenant board member” means a board member appointed pursuant to rule D8;

~~G15.31~~G15.33 “the Act” shall mean the Industrial and Provident Societies Acts 1965 to 1975;

~~G15.32~~G15.34 “the association” shall mean the association of which these are the registered rules;

~~G15.33~~G15.35 “these rules” shall mean the registered rules of the association for the time being;

~~G15.34~~G15.36 “transfer” means the completion of the disposal of the council shareholders housing stock to the association;

~~G15.35~~G15.37 any reference to the Chief Registrar, Registrar, Central Office, Assistant Registrar (for Scotland) or the Registrar of Friendly Societies includes reference to the statutory successor carrying on the relevant function of any of them.

National Housing Federation

1998

INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1965

Acknowledgement of Registration of Society

Register No.R

Freebridge Community Housing Limited

is this day registered under the Industrial and Provident Societies Act 1965.

Dated

(Seal of Central Office)

Copy kept

**Registrar of Friendly Societies
Central Office**

1.Shareholder

2.Shareholder

3.Shareholder

.....Secretary

Comparison Details	
Title	pdfDocs compareDocs Comparison Results
Date & Time	09/07/2010 14:10:23
Comparison Time	7.38 seconds
compareDocs version	v3.3.2.30

Sources	
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Modified Document	[#558363] [v13] v13 Rules of Freebridge Community Housing Limited.doc

Comparison Statistics	
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Deletions	17
Changes	63
Moves	0
TOTAL CHANGES	123

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Deletions	
<u>Moves / Moves</u>	
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Deleted cells	
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Comments color	ByAuthor
Balloons	False

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Show Reviewing Pane	Word	True
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Include Change Detail Report	Word	Separate
Document View	Word	Print
Remove Personal Information	Word	False

Freebridge Community Housing

Report to the Board

Author	Tony Hall Chief Executive	Report Type	Impact		
Related Work Ref.		For Decision	√	High	Medium
	Board of Management Report	For Information			√
Consultation	Management Team				

Meeting Date: 26th July 2010

Report Title: The Board's Report to the AGM

Purpose: To seek the Board's approval of the draft Board's report to the AGM

Freebridge Community Housing's Rules require the Board to make an annual report to shareholders at each AGM. The Rules (C18) require the report to cover the following prescribed issues:

- The revenue accounts and balance sheet for the last accounting period.
- The auditor's report on those accounts and balance sheets.
- The Board's statement of the values and objectives of the association.
- A statement of the current obligations of board members to the Board and the association.
- A statement of the skills, qualities and experience required by the Board amongst its members.
- The policy for admitting new shareholders.
- The Board's report on the Community Empowerment Strategy.

The Board of Management Report (year ending 31st March 2010) deals with a number of these matters however, the Freebridge rules require the Annual General Meeting to receive additional information, specifically:

- A statement of the skills, qualities and experience required by the Board amongst its members.
- The policy for admitting new shareholders.
- The Board's report on the Community Empowerment Strategy.

It is proposed that this information is appended to the Board of Management Report set out on the Statutory Accounts 2009/10 and that together these become the Board of Management Report to the AGM

Policy/Strategy Implications: None

Finance and VFM Implications: None

Customer Care/Equality and Diversity Implications: None

Risk Assessment (cross-reference to FCH Risk Map): 1.1 Failure to comply with regulatory requirements impact critical, likelihood high.

Recommendations: It is recommended that the Board:

- (i) Approve the Board's report to the AGM

Appendix 1

A statement of the skills, qualities and experience required by the Board amongst its members

Freebridge Community Housing's policy on Board Membership and Recruitment, the Regulatory Code and the National Housing Federation code for members (Excellence in Governance) establish the range of skills, qualities and experiences required by board members.

- The Housing needs to be met by Freebridge
- General business skills, including the management of staff and property
- Finance
- Residents' issues and concerns
- Community relations and needs, including equal opportunities
- Working with local authorities and other public sector agencies
- Public relations
- Development and building
- Legal matters
- Information technology
- Strategic Management and planning in a public or private body
- Marketing

The Board undertakes a regular review of its performance.

- Assessment of the balance of skills as defined above
- Effectiveness of the Board
- Training needs
- Ethnic/gender breakdown
- Members' attendance
- Individual self appraisal
- Recruitment to fill skill gaps and ensure board renewal.

Board members completed an appraisal process during 2009/10. These appraisals were led by the Chairman supported by James Tickell from Campbell Tickell. As a result a Board improvement plan has been developed.

Skills assessment undertaken during the appraisal process was used to inform the recruitment process for independent board members. This information was considered alongside the board member retirement process in order to ensure that skills that were being lost to the board would also be replaced.

During the year, the Council, which has appointment rights for three board members, was requested to enter into a nominations agreement with Freebridge. Although they declined this request, the Council agreed to take into considerations the skills the organisation required when making an appointment to the board.

Tenants of West Norfolk (TOWN) met with the support of an external advisor to review the skills and knowledge of tenant representatives and the information was used to inform the tenant board member recruitment process.

Board members have been involved in a wide range of training sessions and seminars during the year including joint training with e² board members. All board members are attending the Mary Guber Customer Care Training Programme to help shape a customer focused organisational culture.

The Board attended an independently facilitated away day in March 2010 and considered a range of issues affecting the Board.

Appendix 2

The Policy for admitting new shareholders

Shareholding Policy

Key objectives

Freebridge Community Housing's key policy objectives in respect of the issue of shares to its tenants are to:

Involve tenants in the business of FCH

Operate an inclusive, open and transparent tenant share issue policy in line with the tenant promises, FCH Rules, National Housing Federation Code of Governance – good practice and FCH's policies on Equal Opportunities and Diversity, Tenant Involvement and Tenant Compact.

Freebridge Community Housing rules (C1 – C16) establish the key issues relating to tenant shareholding.

The Board have revised the policy for admitting new shareholders and it is now being rolled out to new and existing tenants. As at the 24/05/10 there were 84 tenant shareholders.

Appendix 3

The Board's report on the Community Empowerment Strategy

2009/10 has been a defining year for community empowerment. The Audit Commission challenged the way in which Freebridge relied predominately on a formal residents' group Tenants of West Norfolk (TOWN) to engage with tenant representatives. With the publication of the Tenant Service Authority new Regulatory Framework, Freebridge took the decision to carry out a Tenant Empowerment Service Review. Stage One of the review has been completed.

This area of policy development also draws upon our Customer Care Strategy, Equality and Diversity Strategy and Communications Strategy. In response a new Assistant Director Communications and Resident Engagement post has been created, pulling together Tenant Empowerment and Business Assurance. The aim is to ensure that Freebridge can embrace a 'consumerist approach' to resident engagement. Although the STATUS survey remains a key component in gauging customer feedback, we are also using focus group meetings, texting, twitter and Facebook to engage with our customers and to obtain feedback.

A highlight during the year was the Let's Talk Roadshow which took place over a 6 month period and involved us visiting 54 locations across the more remote rural areas. Set out below are some of the key achievements:

2009 – 2010

- 2009 Tenant Awards
- 'Let's Talk' Roadshows
- Tenant Involvement Service Review
- Consultation with TOWN on the rent restructure and budget
- TOWN Sub Groups meet quarterly
- TOWN representatives involved in employee recruitment
- AD's Business Plan day for TOWN members
- TOWN member on the National Tenant Voice and other members attended NTV meetings
- Members attended TSA meetings – Norwich
- TOWN members involved in the Open Day held at Fairstead to explain the decant procedure to tenants
- Consultation with TOWN on the Pets Policy, new Service Standards, and policies within Housing and Assets
- Involvement with Freebridge Voids Day
- Involvement with the Branding Workshop
- TSA Consultation document – feedback on this document sent by TOWN
- TOWN members supported the Non-trad event held at North Lynn
- Members attended TPAS Conference – feedback to members who did not attend
- Tenants gained valuable skills through the Tenant Academy.

Freebridge Community Housing

Report to the Board

Author	Angus MacQueen Governance Officer	Report Type		Impact		
Related Work Ref.		For Decision	√	High	Medium	Low
		For Information		√		
Consultation	Assistant Director of Human Resources and Governance					

Meeting Date: 26 July 2010

Report Title: Board Recruitment

Purpose: To advise of the outcome of the recent processes for the recruitment of Tenant Board members and Independent Board members.

Policy/Strategy Implications: The processes set out in this report are in line with the Tenant Board Member Succession and Appointment Policy and the Board Membership and Recruitment Policy.

Finance and VFM Implications: None directly arising from this report.

Customer Care/Equality and Diversity Implications: None directly arising from this report.

Risk Assessment (cross-reference with FCH Risk Map):

1.4 – Skill Deficiency in Board or Management Team – Critical Impact, High Likelihood. The Recruitment Panel's recommendations are intended to increase the financial skills on the Board.

Recommendations: It is recommended that the Board:

- (i) Recommend to the 2010 AGM that Michael Jervis be reappointed to the Board until the 2013 AGM.
- (ii) Recommend to the 2010 AGM that Matthew Brown be appointed to the Board until the 2013 AGM.

1.0 Recruitment of Tenant Board Members

- 1.1 As explained at the last meeting, Barbara Davis and Bill Guyan will be required to step down from the Board at this year's AGM. Barbara had indicated that she would not be re-standing.
- 1.2 Under the Tenant Board Succession and Appointment Policy, TOWN is responsible to select tenants to stand for election to the Board by the whole tenant body.
- 1.3 TOWN has completed this work but was unable to find sufficient candidates to initiate an election. It has put forward Bill Guyan to be reappointed to the Board and Penny Duce to be appointed.

1.4 Bill and Penny's appointments will take effect from the AGM on 21 September 2010 and their terms of office will run until the AGM in September 2014.

2.0 Recruitment of Independent Board Members

2.1 As explained at the last meeting, Michael Jervis and Pat Southgate will be required to step down from the Board at this year's AGM.

2.2 The Board was informed at its last meeting that four applications had been received for the two vacancies. A fifth application was received after the deadline.

2.3 The Board appointed at its last meeting a Panel to progress the recruitment process, comprising Sylvia Calver, Brian Hillman and Paul Leader. The Panel appointed Brian as its Chairman. It was advised by the Assistant Director of Human Resources and Governance and the Executive Director (Resources).

2.4 The Panel shortlisted three of the applicants for interview.

2.5 In making its recommendations to the Board, the Panel was mindful of the skills gaps on the Board and, in particular, of the need to increase financial skills. The Panel is therefore recommending that Michael Jervis, a retired accountant, be reappointed to the Board and that Matthew Brown, an accountant working as Head of Finance and Planning for the National Construction College, be appointed.

2.6 Their appointments would take effect from the AGM on 21 September 2010 and their terms of office would run until the AGM in September 2013.

Freebridge Community Housing

Report to the Board

Author	Angus MacQueen Governance Officer	Report Type		Impact		
Related Work Ref.		For Decision	√	High	Medium	Low
		For Information			√	
Consultation	Governance Working Group, Chief Executive, Assistant Director of Human Resources and Governance					

Meeting Date: 26 July 2010

Report Title: Governance Working Group Report

Purpose: To report to the Board the outcomes of a recent meeting of the Governance Working Group.

Policy/Strategy Implications: None directly arising from this report.

Finance and VFM Implications: There will be a small budgetary impact resulting from the Loss of Earnings for Board Members Scheme.

Customer Care/Equality and Diversity Implications: None directly arising from this report.

Risk Assessment (cross-reference with FCH Risk Map):

Risk 1.1 – Failure to comply with regulatory and legislation requirements – Critical Impact, High Likelihood. It is intended that the contents of this report will help FCH to meet the regulatory requirement for good governance arrangements.

Risk 1.4 – Skill deficiency in Board or Management Team – Critical Impact, High Likelihood. It is intended that the Loss of Earnings for Board Members Scheme will encourage a wider pool of candidates for Board vacancies.

Recommendations: It is recommended that the Board:

- (i) Note the current situation regarding the reviews of the Board Member Code of Conduct and the Board Member Agreement.
- (ii) Approve the business case for the Loss of Earnings Scheme for Board members (attached at Appendix 1) and agree to the introduction of the Scheme with effect from 1 July 2010.
- (iii) Agree that there is no need to change the way that committee business is presented to the Board, other than for the Chairman to hand over directly to the Chairman of each committee, and to invite them to highlight any key points arising from the meeting.
- (iv) To note the action plan that has been developed to ensure adherence to the National Housing Federation's "Excellence in Standards of Conduct" Code for Members 2010.
- (v) To note the positions regarding the action plan to address areas of non-compliance with the new NHF 2009 Code of Governance – "Excellence in Governance", and regarding the Board Improvement Action Plan.

1.0 Background

- 1.1 The Governance Working Group met on 30 June 2010 and considered various items, as set out below.

2.0 Reviews of Board Member Code of Conduct and Board Member Agreement

- 2.1 The Working Group noted that FCH's replacement policies and procedures for Schedule 1 were currently being developed. Once this work had been completed, it would feed into the reviews of the Board Member Code of Conduct and the Board Member Agreement. The reviews were, therefore, on hold until that time. The target date was October 2010.

3.0 Loss of Earnings Scheme for Board Members

- 3.1 The Working Group considered the business case for the introduction of a Loss of Earnings Scheme for Board members. The Tenant Services Authority had been consulted, but had stated that they would not give advice as, under the new regime, it was for the Board to approve the business case and the introduction of the scheme. The Board needed to be satisfied that the business case could be justified. The Working Group was content to recommend approval of the business case to the Board.

4.0 Presentation of Committee Business to the Board

- 4.1 Following a recommendation from the Operations Committee, the Board had requested the Working Group to consider whether improvements could be made to the way that Committee business is presented to the Board (minute number 75/10(b) refers). The Working Group was largely satisfied with the way that Committee business is presented to the Board. However, it was suggested that the Chairman could hand over directly to the Chairman of each committee (rather than via the Governance Officer), and could invite them to highlight any key points arising from the meeting.

5.0 National Housing Federation's "Excellence in Standards of Conduct" Code for Members

- 5.1 Having adopted the National Housing Federation's "Excellence in Standards of Conduct" Code for Members 2010, the Board had requested the Working Group to ensure that FCH has in place all of the necessary actions, policies and procedures required by the Code (minute number 52/10 refers). The Working Group has developed an action plan to assist it to progress this work, and this is attached at Appendix 2 for the Board's information.

6.0 Other Action Plans

- 6.1 The Working Group is continuing to monitor the implementation of the action plan to address areas of non-compliance with the new NHF 2009 Code of Governance – "Excellence in Governance", and of the Board Improvement Action Plan, which has been developed following the 2009 Board appraisal process. At this stage, the Working Group did not have any issues of concern that it wished to raise with the Board.

Freebridge Community Housing Limited

Business case for the introduction of loss of earnings for Board members.

Content

1. Executive Summary
2. Board Profile
3. Guidance on Payment
4. Stakeholder Communication
5. The Case for Payment
6. Payment Levels
7. Risk Assessment
8. Timescale

1. Executive Summary

The Board of Freebridge Community Housing is fully committed to maintaining the highest possible standards of good governance. The Board understands that it has a role of crucial significance and that performance is fundamentally dependent on the quality of membership.

The Association has undertaken a detailed review of standards of governance in accordance with the National Housing Federation's code for members "Excellence in Governance", and the Board has appointed a "Governance Working Group" in order to complete a governance review.

The Board considered the recommendations of the Governance Working Group. In relation to a review of board member payment, the Board recognises that it is a major step to move from the traditional position of voluntary board membership to a paid board.

In considering the need for payment to improve the performance of the Board it concluded that payment was not appropriate; however, it felt that in order to ensure the following a loss of earnings payment should be introduced:

- A minimum level of contribution and commitment from all board members can be expected and recognised.
- Members with a broader age, skills and gender profile can be recruited and retained.

2. Board Profile

Freebridge Community Housing is an independent, registered provider which owns over 6700 properties, has a turnover in excess of £21m and employs 191 staff.

The Board comprises fifteen board members: seven tenant board members, five independents and three council nominations. The Association's constitution provides for rotating retirements of independent and tenant members. The overall maximum term for both tenant board members and independent board members is nine years.

For 2009/10 the gender profile of the Board comprised nine males and six females. There are no ethnic minority representatives. The average age of the Board is 63 years.

The Board operates a six weekly cycle of meetings and is supported by three committees. Typically each member would attend fifteen formal meetings in a year. In addition, members participate in informal meetings, conferences and around fifteen training events each year.

Currently the Association pays Board members out of pocket expenses and provides ICT equipment or an allowance to enable them to be consulted on key issues via email and to access information.

3. The Guidance on Payment

In considering this issue the Association has referred to the Housing Corporation's Good Practice Note 5, "Board Member Remuneration" June 2007. It is acknowledged that the Good Practice note was removed by the TSA in April 2010; however, the Board have agreed to follow this policy guidance until it adopts a revised policy.

4. Stakeholder Communication

The Board's proposal relating to "loss of earnings" does not involve significant sums. The rules and 'tenant promises' document allow for board payment, it is therefore felt appropriate to communicate the rationale for the decision rather than to carry out a stakeholder consultation.

5. The Case for Payment

The Governance Working Group has conducted a review, and the Association's Board believe that while it does not want to introduce payment at this stage no one should be excluded from taking a full and active role in board activities as a result of financial loss through absence from work.

The Board already have in place a board member agreement that supports the professional relationship and scrutiny of members' performance through an annual board member appraisal.

It is the Board's view that "loss of earnings" payments will assist the Board's performance in the following areas:

a) Recruitment and Retention of Board Members

It is the view of the Board that loss of earnings payment will facilitate the presence on the board of people with an appropriate mix of skills, experience and up to date knowledge. Although the Association has been successful in recruiting board members with a range of skills, some gaps remain – in particular financial management skills. It is also recognised that none of the tenant board members are in employment and again loss of earnings may make board membership a reality for a wider range of candidates.

b) Recognising Board Members' Commitment and Responsibilities

Due to increasing demands on board members to attend a range of events during normal working hours even a modest payment will enable a better level of attendance as it is not always appropriate for meetings to take place in the evenings.

6. Payment Levels

The Governance Working Group has considered payments made by other Associations and Arms Length Management Organisations.

It is proposed to pay a flat rate payment of £50 per half day and evening. Unless decided otherwise, the payment will be increased annually in line with the Retail Price Index (RPI). Payment will be made monthly in arrears following submission of a signed declaration from the member that a loss has been incurred.

7. Risk Assessment

The main risk to the Association of not paying 'loss of earnings' is that the Board is unable to attract the diverse range of candidates it needs to direct the business. If board members are not able to commit to any daytime events it limits the extent to which they can be engaged with the organisation.

It is recognised while "loss of earnings" will not be a solution for all board members the modest sum proposed will assist some circumstances.

The main risk of introducing "loss of earnings" payments is a reputational risk. This will be mitigated by developing a communication strategy to inform stakeholders how the payments will be applied.

8. Timescale

It is proposed to introduce the payment from the 1st July 2010.

NATIONAL HOUSING FEDERATION “EXCELLENCE IN STANDARDS OF CONDUCT” – CODE FOR MEMBERS 2010

ACTION PLAN TO ENSURE FREEBRIDGE COMMUNITY HOUSING FULL COMPLIANCE

Section	Required Action	Timescale	Comments/Progress
A2	State in relevant publicity that we comply with this Code	Ongoing Oct 2011 Annual Report?	
A3	Make a clear commitment to uphold the Code and adhere to high standards of conduct in each year’s annual report	Oct 2010 Annual Report initially?	
B1	Maintain and publish at least annually a register of Board members’ interests	Jan 2011 and ongoing	Publish in the annual accounts.
B2	Ensure that our Board member declaration of interest form complies with this list of declarable interests.	July 2010	
B3	Ask applicants for Board membership to complete declaration of interest form	July 2010	Completed
B5	Amend slightly declaration of interest wording on Board/committee agendas, to bring into line with the wording in the Code	July 2010	
C4 & C5	Enter details of Board payments into annual accounts	July 2011	

C6	Ensure that Board is responsible for recruitment and severance terms for the Executive and for Executive contracts.	Oct 2010	
C9	Include in the annual accounts the level of the Chief Executive's remuneration	We already do this.	Completed
D	Ensure that Standing Orders contain correct delegations for decisions on non-contractual payments to staff Publish policy on non-contractual payments to staff	Oct 2010 Oct 2010	
D8	Disclose in annual accounts total of severance and redundancy payments	July 2011	
E	Ensure there are clear policies on the entitlement of staff and Board members to benefits	Oct 2010	
E1	Establish general guidelines for the provision of social or welfare benefits	Oct 2010	
E3	Establish clear guidelines in respect of the provision of housing for staff, Board members or closely connected people.	Oct 2010	
E7	Establish clear guidelines in respect of the offer of employment to persons who are closely connected to a member of staff or	Oct 2010	

	Board member.		
E10	Clarify whether the Board wishes to abide by this entry, whereby Board members cannot be paid for services provided to the Association	Oct 2010	
F8	Include in Employee Handbook guidelines for taking leave for various non-FCH activities	Oct 2010	
F9	Establish gifts and hospitality rules and procedures	Oct 2010	
F10	Ensure there are clear and transparent policies relating to openness and confidentiality	Oct 2010	
G1	Make all Board members and staff aware of the requirements of the Code	Oct 2010	
G2	Board to carry out annual review of compliance in making self-assessment return and compliance statement to be included in annual report	July 2011 and Oct 2011	
G3	Ensure that auditors are required to include a review of compliance with the Code and disclosures in audit plans	April 2011	

G4	Reporting of breaches procedure to be included in Board Member Agreement and all staff contracts	Oct 2010	
G5	Establish procedure for dealing with reports of breaches	Oct 2010	

Completed items are shaded.

Freebridge Community Housing

Report to the Board

Author	Simon J Swanson Business Assurance Manager	Report Type	Impact		
Related Work Ref.		For Decision		High	Medium
		For Information	√		√
Consultation	Management Team				

Meeting Date: 26th July 2010

Report Title: Self Assessment Compliance Statement (SACS) & Tenant Promises Matrix

<p>Purpose: To allow the Board sight of Freebridge Community Housing's Self Assessment Compliance Statement and the Tenant Promises Matrix. A self assessment is not actually required by the TSA for the 09/10 year, as the requirements now calls for us to produce an Annual Report to all tenants by the 1st October 2010 instead. However given that this report will not be completed until late September we have informally maintained the Self Assessment process to ensure a continuity of knowledge. (This report has already been seen by the Audit Committee.)</p>
<p>Policy/Strategy Implications: None as a direct result of this report.</p>
<p>Finance and VFM Implications: None.</p>
<p>Customer Care/Equality and Diversity Implications: None.</p>
<p>Risk Assessment (cross-reference with FCH Risk Map): No return is required to be made to the Tenant Services Authority, however if an Annual Report is not published by the deadline (1st October 2010) it would place the organisation at risk of being judged to be non compliant.</p> <p>1.1 Governing Framework – Failure to comply with regulatory requirements Impact Critical Likelihood High</p>
<p>Recommendations: It is recommended that the Board :</p> <ul style="list-style-type: none"> (i) Note the contents of the Self Assessment Compliance Statement (attached at Appendix 1). (ii) Note the contents of the Tenant Promises Matrix (attached at Appendix 2).

Tenant Services Authority Code and Guidance Compliance 2009/10 – Self Assessment
Context & Specific Requirements for 2009/10

This year's self assessment is not actually required by the TSA, the requirements now call for us to produce an Annual Report to all tenants by the 1st October 2010. However given that this report will not be completed until late September it was thought that we should maintain the Self Assessment process in place for the moment to ensure a continuity of knowledge.

Compliance with Housing Corporation Circulars (new since last submission):

- 08/04: Statutory Housing Management Guidance on Anti- Social Behaviour Policies and Procedures - **COMPLIANT**
- 06/07: Amendment to Governing Documents – **COMPLIANT**
- 06/03: Registry Information Requirements – **COMPLIANT**
- 07/07: Internal Controls Assurance - **COMPLIANT**
- 08/07: Validation of performance reporting systems - **COMPLIANT**
- 09/07: Rents, rent differentials and service charges for housing associations - **COMPLIANT**
- 10/07: Housing Association disability and gender action plans - **COMPLIANT**
- 01/08: The General Consent - **COMPLIANT**

Issues raised through recent regulatory contact, Pls, surveys and other returns: -
TSA Assurance Analyst (letter – 9th November 2009) on 2008/09 SACS
SACS

“As this is the final year of self assessments in their current format, we will not be grading assessments or providing detailed feedback for improvement, and will only be confirming that statements are either acceptable or not. My overall conclusion from the review of your Self Assessment Compliance Statement is that the assessment is acceptable.”

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
1.1a <i>The Association's business plan demonstrates its priorities and strategy for achieving its objectives including commitments to residents, lenders and rent restructuring requirements.</i>	Business Plan Annual Strategic Milestones Model Business Planning cycle Corporate Priorities Model	Implement Service Plans April 2009 Updated Business Plan developed in consultation with Board, Tenants and ADs. Full Day Workshop April 2009 Strategic Milestones mapped Service Plans developed	09-10 Business Plan and corporate priorities outturn
1.1b <i>The association's business planning is informed by asset management information, which is reviewed regularly.</i>	DHS Investment Programme Stock Condition Survey Open Housing Assets Information Management system Stock / Needs Survey	Review of Asset Management Strategy took place although held over until Stock Condition Survey takes place in 2010/11. External review of affordability undertaken. Ongoing performance reports are presented to Board.	Revised Financial Plan July 2009
1.1c <i>Accounts and returns are submitted on time and demonstrate that the association is and will continue to be solvent.</i>	Outturn & Accounts RSR – submitted on time FSA Return submitted on time Capacity Model Quarterly returns	Unqualified Financial Statements approved – all return submitted on time. All returns submitted on time	FVA

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
<p>1.1d <i>Financial policies and procedures are evident. They ensure that the governing body has sufficient and timely information to inform its decision making processes.</i></p>	<p>Financial Regulations</p> <p>Treasury Management Strategy</p> <p>Financial Management policy and systems suite</p> <p>Board and Finance Committee work programmes</p> <p>Internal Controls Assurance Process</p> <p>Value for Money Strategy</p> <p>Procurement Strategy</p>	<p>Approved supplier list established</p> <p>Financial inclusion strategy approved</p> <p>Contracts register set up</p> <p>Electronic purchasing system established</p> <p>VfM Strategy target achieved</p> <p>Procurement Manager appointed</p> <p>Treasury Management Strategy updated</p> <p>Financial regulations updated and amended</p> <p>Board training on Treasury Management</p> <p>Resources and Risk Committee Appointed according to skill strengths</p>	<p>Efficiency register</p> <p>Board papers and minutes</p>
<p>2.1a <i>The association demonstrates its independence by conducting its affairs without undue reference to or influence by any other body unless it is part of a group structure where operating arrangements between group members are documented.</i></p>	<p>Stock Transfer Agreement</p> <p>Rules</p> <p>Board Terms of Reference and Board Member Code of Conduct</p>		<p>Outcome of Regular meeting with LA – as prescribed by Transfer Agreement</p>

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
2.1b <i>Membership policies and governing body composition do not compromise the association's independence.</i>	Rules Standing Orders Board Recruitment processes Tenant Shareholding Policy	Tenant Shareholding Policy rolled out and first lot of shareholders signed up, now at around 80. 5 Independents 3 Council Nominees 7 tenants	Board Composition:- After 2 nd AGM (Sept 07) 7 tenants 5 Independents 3 Council
2.1c <i>Individual governing body members act in a personal way and not as nominee/representatives of any other body unless the constitution so provides.</i>	Rules & Standing Orders Members' Code of Conduct Board Training Programme Board Member Agreement	Board Member training programme to focus on improving governance "Boardcraft" training programme commenced and completed. Board member appraisals rolled out and completed.	Register of Interests Board Minutes - Declarations of interests
2.2a <i>Effective governance arrangements.</i>	Rules & Standing Orders Members' Code of Conduct Board Training Programme Board Induction Programme Board Succession and Appointment Processes Board Succession Event programme Board Member Agreement Revised Committee Structure	New Board improvement plan developed further. Board Appraisal rolled out and completed. Board member payments to be debated.	Board Succession Event output

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
2.2b <i>The governing body is diverse, reflecting the communities the association serves and has a range of skills, experience and up to date knowledge.</i>	Independent Board Member Recruitment Policy and Process Tenant Board Member Succession & Election policy and framework Tenant Empowerment Strategy	Board appraisals Board member training plan Board E&D profile monitoring Board involvement in E&D Working Group Board E&D profiling	Board E&D profile monitoring Board Appraisals output Board Reports and minutes
2.2c <i>Organisational and management structures reflect the Associations business objectives.</i>	Business Plan Organisational Structure Chart Corporate, Key & Service Priorities model	Revised Asset Structure Finalised MT/EMT Structure Procurement Manager post appointment Additional Tenant Welfare Officer appointed Further review of Assets as Responsive repairs will move to PS and structure for post Decent Homes to be reviewed.	Property Services Action Plan Outcomes (targets as per Action Plan) Business Plan outturn – March 09 Operational Plan Assets 2009/10
2.2d <i>The governing body meets regularly. It ensures that the association acts within the terms of its constitution and relevant legislation.</i>	Rules Standing Orders Board and Committee Timetable Board Training Programme Board Agreement Revised Code of Conduct Revised Committee Structure	Board Training and Development programme Governance Review ongoing.	Board and Committee meeting records and minutes.

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
<p>2.3a <i>A code of conduct for the governing body and staff together with a payments and benefits policy is in place. Sound procurement practices are in place and contractual arrangements or partnerships with other bodies are clearly defined and documented.</i></p>	<p>Financial Regulations – FR7</p> <p>Revised Code of Conduct for members and staff</p> <p>Revised Schedule 1 Policy and guidance</p> <p>Procurement Policy</p> <p>Preferred Supplier List – Schedule 1 Assurance</p> <p>Framework Agreements with NNHT, e2 and Eastern Procurement</p> <p>Board Agreement</p>	<p>Annual Staff declarations of Interest Jul 09</p> <p>Annual review of list of Contractors Jul 09</p> <p>Review Employee Code of Conduct Dec 09</p> <p>List of approved contractors to be compiled.</p> <p>Introduction of Board Code of Conduct delayed because of NHF delays.</p> <p>DHS Contractor Monitoring</p>	<p>Schedule 1 / gifts and hospitality declarations record</p> <p>Records of General and Special Determinations (Schedule 1) - 1 special and 1 General Determination in 07/08.</p> <p>Preferred Supplier List – Schedule 1 assurance</p>
<p>2.3b <i>The association maintains a dialogue about its strategic objectives with its key stakeholders.</i></p>	<p>Business Plan</p> <p>Media coverage</p> <p>Tenant Newsletters</p> <p>TOgether Development Group Programme (Tenants and staff Consultation Group)</p> <p>Business Plan Consultation Model</p>	<p>Local Authority Housing Officer attendance at Operations Committee</p> <p>TOWN Performance sub-group engaged to challenge and scrutinise performance ongoing.</p> <p>TOWN Q&A with Housing and Property Services ADs – monthly.</p> <p>Regular meetings with Funders, Bank and Auditors</p> <p>FCH represented on the Local Strategic Partnership</p>	<p>TP Tracker feedback on tenant involvement</p> <p>Output on staff feedback and Staff Satisfaction (staff survey)</p>

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
<p>2.4a <i>Any material changes in activities are considered by the governing body, contained in the business plan and where necessary reported to the Corporation.</i></p>	<p>Business Planning cycle</p> <p>Rules – Charitable Status</p> <p>Risk Management Strategy</p> <p>Standing Orders – Delegated authorities to Committees and Management</p> <p>Business Plan – including Financials technical appendix</p> <p>Development Appraisal Model</p>	<p>Introduction of Brixx Financial modelling tool</p> <p>Validation of financial plan</p> <p>Business and Financial plans approved</p> <p>Funding market updates and risk assessment</p> <p>Changes to terms and conditions of employment for new employees and Property Service employees.</p>	<p>Audit and Resources and Risk Committees and Board Agendas and minutes</p> <p>Validation report</p>

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
<p>2.4b <i>Public funding invested in the association is protected and non social housing activities are managed within the association's risk management framework.</i></p>	<p>Financial Plan and sensitivity analysis of keys risks</p> <p>Development Appraisal model</p> <p>Rules (Charitable Aims)</p>	<p>Externally facilitated risk review</p> <p>Revised financial plan and development assumptions</p> <p>Development factored into Risk Map and evaluated through Development Appraisal model</p> <p>Grant conditions agreed by Board</p>	<p>Minutes of Resources and Risk Committee & Board</p> <p>Risk Maps</p> <p>Internal Audit reports</p>

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
<p>2.5a <i>The association is effectively accountable to its stakeholders. Current information about its activities is widely available to residents and other interested parties.</i></p>	<p>Tenant Involvement Policy</p> <p>Innovation into Action grant and action plan</p> <p>Tenant Empowerment Structure – TOWN & Area Forums</p> <p>Freebridge Empowerment model Rules – 7 out of 15 Board members at 2nd AGM</p> <p>Tenant Shareholding Policy</p> <p>Freebridge Empowerment Strategy</p> <p>Freebridge Compact</p> <p>Tenant Promises Monitoring Matrix</p> <p>TPTracker</p> <p>Streets Ahead – tenant newsletter</p>	<p>Full review and update of Website content Jun 09.</p> <p>Piloting using Twitter and Facebook to alert Freebridge ‘followers’ to Website updates and news items</p> <p>Review of Communications Strategy.</p> <p>Further develop for tenant section of Website.</p> <p>Communications Group set up to co-ordinate external and internal communications.</p> <p>Advertisements in local newspapers of planned activities.</p>	<p>TP Tracker</p> <p>Tenant Promises Monitoring Matrix</p> <p>Board Composition</p> <p>Service Review outcomes (according to programme)</p> <p>Compact – activity review (6 monthly)</p> <p>% tenants satisfied with FCH Communications</p>
<p>2.5b <i>Residents, housing applicants and others have ready access to an effective complaints and compensation policy, administered effectively. Independent Housing Ombudsman recommendations are actioned.</i></p>	<p>Customer Comments Policy and Complaints Procedure</p> <p>Essential Information Pack</p> <p>Right to Repair – Tenant Compensation Policy</p>	<p>Review of complaints procedure Jan 09. New procedure introduced Jan 09 to record monitor and learn from customer complaints.</p> <p>Moved over to Open Housing system July 09.</p> <p>Complaints procedure and complaint form available on website in 5 languages.</p>	<p>Monthly reports to Management Team. Quarterly monitoring reports to Board.</p>

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
<p>2.5c <i>The association considers a range of methods and opportunities to consult and obtain feedback from residents. It seeks to make an agreement developed in partnership with residents setting out how they will be involved, consulted and informed and how this will be resourced, measured, monitored and reviewed.</i></p>	<p>TOWN (Tenants of West Norfolk) & Area Forums</p> <p>“Staircase to Empowerment” & “Menu of Involvement” – from ‘Freebridge Friends’ to full Board membership</p> <p>Tenant Involvement Strategy</p> <p>TOgether development Group</p> <p>Tear-off slips in Tenant Newsletter</p> <p>TOWN Academy – training facility for tenants</p> <p>Freebridge Empowerment Strategy</p> <p>Repairs, Maintenance and Improvements Policy</p> <p>Freebridge Compact</p> <p>TPTracker</p>	<p>‘Getting to Know You survey’ continued.</p> <p>Service Strategy review.</p> <p>Fifty two ‘Let’s Talk’ roadshows occurred during the summer months of 2009.</p> <p>Tenant ICT suite now set up with help from the ICT team at FCH.</p> <p>Mystery Shopping</p> <p>Tenants involved in development of Service Standards</p> <p>Service Standards Updated.</p>	<p>TPTracker results</p> <p>STATUS Surveys</p> <p>DHS Satisfaction Surveys</p>

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
<p>2.5d <i>Where they so wish residents are supported enabling them to obtain the knowledge and skills to play an effective part in investment in and management of their homes and neighbourhoods. They are encouraged and supported to explore options.</i></p>	<p>Rules - Powers</p> <p>TOWN Academy – tenant training programme</p> <p>Financial support for constituted tenant groups</p> <p>“Staircase to Empowerment”</p> <p>DHS Investment Programme – Tenant Involvement Strategy</p> <p>Tenant Board Member Succession & Election Process</p> <p>Freebridge Empowerment Strategy</p> <p>FCH Compact</p> <p>Fully equipped workstation to encourage tenants to practice ICT and communication skills coaching and mentoring form TE Team</p>	<p>Staircase to Empowerment no longer occurring at FCH. Research taking place to provide alternative training with the BDA.</p> <p>Tenant Academy training programme ongoing.</p> <p>Tenant ICT suite now set up with help from the ICT team at FCH.</p> <p>Launch of MCAG social club and pre-school facilities. MCAG social club open but in a limited manner.</p> <p>Development and use of South Lynn Community house.</p> <p>NVQ qualifications offered to tenants through the Tenant Academy but none taken up at this time.</p>	<p>ESOL training 10 tenants.</p> <p>Numbers attending MC facilities</p> <p>Evidence of more stable community</p> <p>Numbers attending Community House</p>

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
<p>2.6a <i>Any areas where the need for improvement is identified are considered by the governing body and actions agreed with the TSA.</i></p>	<p>Report to Board on Regulatory Code</p> <p>Significant Events Policy</p> <p>Performance Management Strategy</p>	<p>Inspection Action Plan completed.</p> <p>Voids Improvement Plan</p> <p>Repairs ‘LEAN’ review</p> <p>Service review program</p> <p>Roll out of revised performance management system</p> <p>Housing Corporation/TSA consulted on significant events during year</p>	<p>Significant Events reported</p> <p>Committee and Board agendas and minutes (sent to HC)</p>
<p>2.6b <i>Annual and other returns are made promptly to the TSA and other regulators.</i></p>	<p>RSR returns</p> <p>Reg. Code Compliance Self Assessment</p> <p>Financial Returns</p> <p>Annual Efficiency Statement</p>	<p>All returns made on time</p>	<p>HCA</p>
<p>2.7a <i>The association is fair in its dealings with people, communities and organisations with which it has relationships and takes into account the diverse nature of their cultures and backgrounds.</i></p>	<p>Equality and Diversity Policy</p> <p>Racial Harassment Policy</p> <p>Independent and Tenant Board Member Recruitment Policies and framework</p> <p>TOWN E&D Statement</p> <p>Special Needs Policy</p>	<p>Exploring use of social networking to combat exclusion with Facebook and Twitter.</p> <p>Tenant profile and full tenant dataset completed</p> <p>E&D Impact Assessment Programme rolled out</p>	<p>Board and monitoring reports</p>

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
2.7b <i>The governing body has adopted an equalities and diversity policy that covers all aspects of equalities and includes race, religion, gender, marital status, sexual orientation, disability or age.</i>	Equality and Diversity policy CRE Action Plan	E&D Action Plan updated Improving monitoring reports	Tenants from BME backgrounds engaged Measures to be developed through E&D Strategy
2.7c <i>Specifically in relation to black and minority ethnic people the policy incorporates targets that associations should set in the following areas.</i> <ul style="list-style-type: none"> - lettings - tenant satisfaction - dealing effectively with racial harassment - governing body membership - staffing - representation in tenants associations <i>employment performance of suppliers/contractors and consultants</i>	Equality and Diversity policy Racial Harassment Policy Customer Care & Special Needs Policy Access to Housing Policy Anti-Social Behaviour and Neighbour Nuisance Policy Procurement Policy Independent & Tenant Board Member Recruitment Policies CRE Action Plan CoRe Letting data TPTracker Data	For 2009/10 sign up to Multi Agency Protocol – tackling hate crime incidents together June 2009 E&D monitoring introduced for services E&D impact assessment programme Staff and contractor guidelines published	Focus Group minutes Board Reports Monitoring Reports E&D impact assessments
2.8a <i>The association's risk management framework highlights key risks and how they are to be managed.</i>	Risk Management Strategy Performance & Risk framework Strategic Risk Maps Operational Risk Maps	Develop Risk Action Planning Further risk training for managers and Board External risk review	Reports to Audit and Resources and Risk Committees Risk Map & RAG status

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
2.8b <i>The governing body regularly reviews activities and policies and all new business decisions and there is a clear case for the proposed or existing direction of the association.</i>	Business Planning cycle Board and Committee forward plan and timetable Performance and Risk Management Strategies Board and Committee Report Template		Minutes of Board decisions (sent to HC)
2.8c <i>Approved terms of reference for the governing body and other committees and delegated authorities for staff are in place.</i>	Rules Standing Orders - Board and Committees Terms of Reference (SO4) & Scheme of delegated authorities to Management Team and Company Secretary	Reviewed all Standing Orders.	Board minutes – agreeing amendments to schemes of delegations
2.8d <i>There are internal control systems. Their effectiveness is regularly reviewed by the governing body and reported in the annual report.</i>	Financial Regulations e.g. FR4 – Financial Control Systems & Audit Internal Controls Assurance Process Internal Audit Plan	Business Assurance Report to Audit Committee and Board July 2009 Internal Control Statement in Statutory Accounts July 2009 Annual Internal Audit report publication July 2009 Business Assurance Manager Appointed	Audit and Resources and Risk Committees minutes Annual Internal Audit report Internal Control Statement Business Assurance Report

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
3.1a Rents are set in accordance with the rent restructuring formula	Rent Setting and Service Charge Policy Business Planning cycle Target Rents Stock Transfer Consultation Document – Tenants Promises – Rent Guarantee	Impact of negative RPE assessed and rent set in accordance.	Tenant Promises Monitoring Matrix % properties at target rent Alignment with Gov. Policy on Social Rent Reforms and rent guarantee for transferring tenants
3.1b <i>All residents have information about their landlord's rent policy and rent levels across the association's stock and in the relevant local authority area. All residents have information about their service charges including cost that their charges cover, how charges are budgeted and increase calculated.</i>	Consultation Document in respect of rent guarantee and service charges Rent Setting and Service Charging Policy Tenant Newsletter – Streets Ahead Homechoice advertisements publish all rents	Leaseholder policy and charging framework to be agreed Service Charge Policy updated.	Annual Publication of Rent levels and service charges

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
3.2a <i>The governing body receives regular reports on all areas of the association's performance. The association benchmarks its performance against other associations and organisations.</i>	Performance Management Strategy and Framework Quarterly performance monitoring Board and Committee reports on Key Business Indicators against targets/ upper quartile and average performance Corporate Priorities and Continuous Improvement Model Housemark Membership & benchmarking. Business Plan Performance Indicator Suite DLO Action Plan Internal Audit Programme and outturn reports / Action Plans	Roll out of revised Performance Management System Organisation benchmarks both performance data and good practice through Housemark, Housing Corporation and HQN	Board and Committee Reports Housemark – benchmarking inclusion
3.2b <i>All lettings and sales are recorded in the Continuous Recording of lettings system (CORE).</i>	Registered with CoRe	All lettings recorded in CoRe	CoRe data 100% lettings recorded in CoRe

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
3.2c <i>Services can be demonstrated to be relevant and accessible to customers and potential customers.</i>	Consultation Document – “Tenant Promises” Priority Research survey outcomes in respect of tenant priorities Access To Housing – Policy Homechoice (LA Choice Based Lettings) membership Customer Care, and Special Needs & Vulnerability Policies TPTracker Temporary Accommodation Agreement Tenancy Sustainment Pre-Eviction protocol Safe Surrender Protocol Adaptations Policy & procedures	Embracing Diversity Policy Alignment with ‘What Tenants Want’ outcomes Further customer care training for all staff July 09. Instigation of the Ask, Listen, Act and Learn principle. Mary Gober training begun. STATUS Survey commenced. Focus Groups commissioned.	Service Review outcomes Tenant Satisfaction Service take-up Rent Collection statistics

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
<p>3.2d <i>There are clear contractual arrangements and reporting and review mechanisms for the use of partners or agents.</i></p>	<p>Financial Regulations – FR7 - Tenders & Contracts</p> <p>DHS – Investment Programme – partnering contracts</p> <p>Cirrus – Community Alarms contract</p> <p>Invicta out-of-hours and community alarm service</p> <p>LA agreements –</p> <ul style="list-style-type: none"> -Homelessness -West Norfolk Homechoice -CCTV <p>Eastern Procurement Partnership Agreement</p>	<p>Contracts for years 5 and 6 of Decent Homes delivery reviewed and agreed.</p> <p>New contracts developed for repairs to non-traditional stock.</p>	<p>DHS Contractor KPIs monitoring.</p> <p>Community Alarm activity and performance monitoring</p> <p>Repairs & Void contractor performance monitoring</p>

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
<p>3.3a <i>Service provision is subject to challenge and change. The wishes of residents and others are balanced against available resources within a clear and transparent framework, according to the principles of Best Value. Progress in working towards improvements against a range of national and local performance indicators will be publicised by the association.</i></p>	<p>Consultation Document & “tenant promises”</p> <p>PRL alignment with offer document and DHS Investment Programme</p> <p>Performance Management Strategy and Process</p> <p>Continuous Improvement Strategy Statement (features VFM principles)</p> <p>Business Plan</p> <p>Business Planning Cycle</p> <p>Corporate Priorities Model</p> <p>Value for Money Strategy</p> <p>Eastern Procurement partnership agreement</p> <p>E2 Consortium agreement</p> <p>Tenant Empowerment Strategy</p> <p>Freebridge Compact</p>	<p>Review of Freebridge Compact occurred in June 2009.</p> <p>Fifty two ‘Let’s Talk’ roadshows occurred during the summer months of 2009.</p>	<p>Tenant Promises Monitoring Matrix</p> <p>Tenant Satisfaction with Opportunities available</p> <p>TOWN agendas and minutes</p> <p>Streets Ahead</p>

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
3.3b <i>Housing services and supporting functions are reviewed to ensure continued relevance.</i>	Corporate Priorities model Business Planning cycle Business Plan Continuous Improvement Strategy Statement Procurement Policy (features Best Value for Money challenge element) DLO Action Plan Asset Management Action Plan	Tenant dataset and profile 70% complete. Multi agency and tenants ASB conference April 09. Service Review completed and work continues via Action Plan.	Committee & Board Forward programmes and Policy Review cycle STATUS Surveying New ASB action plan.

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
3.4a <i>Permanent housing is sustainable, demonstrated by a commitment to effective protection of the environment and prudent use of natural resources.</i>	Energy Policy Asset Management Policy Repairs, Maintenance and Improvements Policy DHS – Investment Programme. DHS Contract 'environmental' clause Asset Management Strategy Development Strategy Corporate Priorities Model	Delivered rural exception site at Great Massingham.	SAP Rating Communal Areas utilities expenditure Tenants Satisfaction with Spec. on NORA development
3.4b <i>Housing stock is maintained in a lettable condition that exceeds statutory minimum requirements.</i>	Empty Property – Voids Policy Void standard (tenants consulted) DHS – Investment Programme Asset Management Strategy	Asset Management Strategy reviewed. Delivery of Phase 2 of sheltered scheme upgrades completed with the exception of one scheme. Budget for maintenance in 2009/10 agreed at levels to maintain delivery of promises. Ongoing.	Tenants describing condition of property as good or fairly good from STATUS
3.4c <i>Progress in achieving the Decent Homes Standards is monitored.</i>	Stock Condition Survey DHS Investment Programme - £73m over 6 years Asset Management Strategy	Asset Management Strategy reviewed. All delivery contracts reviewed.	DHS Programme KPIs SAP RSR Decent Homes Indicator

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
3.4d <i>There is a responsive repair service that meets legal and contractual obligations and is efficient and effective. It has published service standards and is sensitive to the needs of vulnerable residents</i>	Repairs, Maintenance and Improvement Policy Repairs KPIs Right to Repair and Compensation Policy DLO Action Plan Special Needs & Vulnerability Policy Repairs Categories and example jobs	Consultation under way to introduce new terms and conditions for operatives with a view to being in place by Sept 09.	Repairs KPIs and LPIs Tenants satisfied with Repairs service from STATUS Action Plan outcomes (regular reports to Board)
3.4e <i>All equipment and building components meet required legislative and regulatory standards.</i>	Health & Safety Policy Procurement Policy Assets Management Strategy Health & Safety Action Plan DHS Contracts	Revised Health and Safety Policy Staff training for Legionella. Aug 09. Consultant for CDM to cover all contracts.	Riddor Reports ‘near misses’ reports H&S Working Group minutes
3.4f <i>New developments comply with rethinking construction principles as advised by the Corporation.</i>	Development and Housing Needs Policy – explicit alignment with principles Development Strategy E2 Design Standard	Ongoing discussion with development partners and HCA to maximise opportunities.	

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
3.4g <i>Sinking fund payments made by leaseholders are held in trust.</i>	N/A - Currently no 'sinking fund'		
3.5a <i>Services are shaped around customers' needs.</i>	Consultation Document – “Tenant Promises” Tenancy and Starter Tenancy Tenant promises Monitoring Matrix PRL – Tenant Priorities Survey results Tenant Involvement Strategy Special Needs / Vulnerability Policy Customer Care Policy Tenant Empowerment Strategy Freebridge Compact Essential Information Booklet Starter Tenancy Policy 'Safe Surrender' Protocol	'Stay Put' temporary Accommodation Agreement to be developed / agreed with LA “What Tenants Want” – 10 point Customer First Plan aligned with Freebridge Policy Fifty two 'Let's Talk' roadshows occurred during the summer months of 2009. Tenant Survey's Tenant feedback from the 'Let's Talk Roadshows' was collated and provided to MT. Complaints monitoring	Choice Based Lettings nominations / allocations stats CoRe lettings information TWO service activity levels Tenant satisfaction % starter tenancies made up to fully assured tenancies

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
3.5b <i>Housing Corporation Resident Charters are provided to applicants and residents.</i>	HC Resident Charter	Working with Improving Neighbourhoods on Estate Partnership Agreements. Aug 09. Signed up to Fairstead Neighbourhood Charter.	
3.5c <i>Legal repossession of a property is sought as a last resort.</i>	Assured Tenancy Agreement Policy on Rent Collection and Arrears Recovery Neighbour Nuisance and Anti-social behaviour policy Shorthold – Starter Tenancy Policy Tenancy Sustainment Pre-Eviction Protocol Safe Surrender Policy	17 Evictions in 09/10. 0 demotions in 09/10.	Evictions & Legal proceedings activity
3.5d <i>Strategies are in place to tackle anti social behaviour.</i>	Neighbour Nuisance and Anti-Social Behaviour policy Anti-Social Behaviour procedures Consultation Document Transfer “Tenant Promise” – ASB post for FCH Rent Collection and Arrears Recovery Policy (parallel possession) Starter Tenancy Policy Essential Information Booklet	Multi Agency ASB Conference Apr 09 Continue to develop partnership working with Improving Neighbourhoods Purchase of noise monitoring equipment Use of Mediation Service	NN & ASB Activity data held. Legal Actions Media Coverage Tenant Satisfaction & Feedback
3.5e <i>Residents who exercise a purchase right receive timely written information about their property.</i>	Home Ownership Policy	10 RTBs completed in 09/10.	

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
<p>3.5f <i>Vulnerable and marginalised residents are provided with appropriate responsive housing services. Support and care arrangements (including liaison with other agencies) are in place, where appropriate.</i></p>	<p>Customer Care Policy</p> <p>Special Needs/Vulnerability Policy</p> <p>Transfer Agreement – budgetary provision for backlog in Adaptations</p> <p>Tenant Promises – new post Tenant Welfare Officer</p> <p>CSHS – Code of Practice – Sheltered Housing</p> <p>Safe Surrender Policy</p> <p>Tenancy Sustainment Pre-Eviction Protocol</p>	<p>Revised HM structure integrating support services into main stream services.</p> <p>Support service's service review</p>	<p>Continuous review of Tenant Welfare Officer case load and customer profile.</p>

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
3.6a <i>Lettings and sales policies are flexible non discriminatory and responsive to demand while contributing to the need to be inclusive and the need to ensure sustainable communities.</i>	Equality and Diversity policy Access to Housing Policy Home Ownership Policy WN Homechoice agreement CRE Action Plan	Obtaining full tenant profile getting closer. Board approved revised BME target for lettings Tenant Profiling exercise continues	Analysis of reasons for nominations refusals Analysis of Lettings to BME tenants
3.6b <i>Associations are able to demonstrate their cooperation with local authorities in homelessness review in the formulation of homelessness strategies and in the delivery of local authorities' homelessness functions.</i>	Nomination agreement and Temp. Accommodation agreement with LA as part of Transfer Agreement West Norfolk Partnership Homechoice (Choice Based lettings) agreement Access to Housing Policy Development and Housing Need Policy Safe Surrender Policy	Norfolk RSL Alliance membership – joint action plan in response to TSA Tackling Homelessness Strategy continues 09-10	CoRe figures not available until late summer 10
3.6c <i>When requested to do so by the local authority and to such an extent as is reasonable in the circumstances, associations provide a proportion of their stock to local authority nominations and temporary accommodation to the homeless.</i>	Nomination agreement and Temp. Accommodation agreement with LA as part of Transfer Agreement West Norfolk Partnership Homechoice (Choice Based lettings) agreement Access to Housing Policy Development and Housing Need Policy	Temp. Accommodation protocol review – formalised 'Stay Put' policy agreed	

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
3.6d <i>Criteria are adopted following consultation with authorities for accepting or rejecting nominees and other applicants for housing.</i>	West Norfolk Partnership Homechoice (Choice Based lettings) agreement Access to Housing Policy Development and Housing Need Policy		Statistics held iro numbers of nominations received from Council in which were rejected in accordance with FCH Access to Housing Policy
3.6e <i>Applicants are excluded from consideration from housing only when their unacceptable behaviour is serious enough to make them unsuitable to be a tenant and only in circumstances that are not unlawfully discriminating.</i>	West Norfolk Partnership Homechoice (Choice Based lettings) agreement Access to Housing Policy Neighbour Nuisance and Anti-social behaviour policy		Statistics held iro numbers of nominations received from Council in which were rejected in accordance with FCH Access to Housing Policy

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
<p>3.6f Lettings polices are:</p> <ul style="list-style-type: none"> - responsive to local authority housing duties - take account of the need to give reasonable priority to transfer applicants including applicants from other associations - are responsive to national, regional and local mobility and exchange schemes - are demonstrably fair and effectively controlled 	<p>LSVT Transfer Agreement</p> <p>Nominations and Temporary Accommodation Agreement</p> <p>West Norfolk Homechoice</p> <p>Access to Housing Policy (- Lettings, Transfers, Mutual Exchanges, Succession, Assignment)</p> <p>Relationship and Domestic Violence Policy</p>	<p>Quarterly Review of West Norfolk Home Choice</p>	<p>Statistics iro Properties let to existing HA tenants</p> <p>Statistic iro internal transfers</p>

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
3.7a <i>New homes meet long term priority needs in the area in which they are developed.</i>	Development and Housing Needs Policy Development Strategy	Pipeline properties aligned with housing need – broad consultation with LA and Parish Councils. Development Policy aligns with sub-regional Housing Market Assessment. Development Strategy implemented	Development Strategy outcomes – no. new properties and lettings trends
3.7b <i>The association cooperates and contributes to local authorities' strategic enabling role.</i>	Transfer Agreement Development and Housing Needs Policy	Continued liaison and review of key strategies Pipeline properties aligned with housing need – broad consultation with LA and Parish Councils. Development Policy aligns with sub-regional Housing Market Assessment.	Review outcomes
3.7c <i>Associations will be able to demonstrate their contribution to their objectives of neighbourhood renewal and regeneration either directly or through partnership particularly when working in deprived areas.</i>	Development and Housing Needs Policy Freebridge Empowerment Strategy Development Strategy	“Zone” areas on Hillington Square delayed pending Hemingway work. Develop use of Community House	Lettings trends in deprived areas ASB and NN trends in deprived areas No issues in letter general needs

Regulatory Code and guidance reference	Framework Documents Key supporting evidence	Progress in 2009 - 2010 What has FCH achieved in relation to the Regulatory Code in 2009 – 2010 – including performance against targets	Measuring up ... What measures / evidence of Code compliance status are or will be in place?
3.7d <i>The association demonstrates a commitment to sustainable development and works towards incorporating economic, social and environmental objectives in its activities.</i>	Development and Housing Needs Policy Energy Policy Asset Management Policy Asset Management Strategy Development Strategy	E2 New Build Design Guide adopted. Central Heating and Insulation Programme. External Works Improvement Programme, budget approved and programme in place.	SAP Ratings trends

STOCK TRANSFER MONITORING – Promises Tracking 2009-10

RSL Name	Freebridge Community Housing	Updated by	Simon J Swanson
RSL Number	L4463	Date	Year 4 (2009-2010)

Theme One : Delivery of home re-improvements

Promise number and Consultation Doc. Page ref.		Nature of Work	Progress to date / further work planned	Status
1	5 & 32-57	Decent Homes (+) Programme	<p>Ongoing Decent Homes Improvement Programme for housing stock throughout 2009-10, with volumes:</p> <ul style="list-style-type: none"> • 784 kitchens • 471 bathrooms • 754 rewires • 499 central heating systems • 1190 window installations (i.e. properties) • 742 doors <p>Total monthly spend throughout 09/10 averages £1.38m.</p> <p>Overall DHS non-compliance figure for housing stock reduced from 37% (as at 31 March 2009) to 28% for 31 March 2010</p> <p>Ongoing customer satisfaction monitoring of DHS Programme delivery (with 95.4% satisfaction ratings for 09/10).</p>	
2	15 & 34-57	Sheltered Housing Improvements	<p>Phase 1 (Neville Court, The Paddocks, Prince Henry Place, Southfields) and Phase 2 (Freebridge Haven, Henry Bell Close, Columbia Way, Emmerich Court, Orchard Close, Sunnyside) of scheme communal areas / facilities upgrade completed and completed with full tenant involvement and engagement in place via Sheltered United Forum.</p>	

Theme Two : Service Improvement

Promise number and Consultation Doc. Page ref.		Nature of Work	Progress to date / further work planned	Status
1	14	Improved Repairs Performance	<p>Significantly reduced operating financial loss of £91,000 for 09/10 (reduced from £290,000 for 08/09) for Property Services DLO.</p> <p>By category, performance levels were:</p> <p>Emergency repairs 98.3% (98.2% in 08/09) Urgent repairs 90.2% (93.6% in 08/09) Routine repairs 91.6 (98% in 08/09)</p> <p>Reduction in performance due to the changes in operatives Terms & Conditions and the new Schedules of Rates – the bedding in process was completed by March when all categories were back to being above target.</p> <p>Improved cost control and operating efficiency producing a reduced average job cost (across all categories) for Property Services DLO of £113 in 09/10 – reduced from £181 in 08/09.</p> <p>Variations (across all repair categories) were at 35% by value (54% by numbers) compared to 41% in 08/09 within Property Services DLO due to changes in Schedules of Rates.</p> <p>DLO Action Plan now completed and average re-let time at the end of 09/10 was 14 days.</p> <p>Tenant Satisfaction data with repairs service : 78% satisfied, 33% very and 44% fairly gathered in March 2010, compared to 72% satisfied, 26% and 44% fairly in January 2008.</p>	
2	6 & 35	Aids and Adaptations – clear pre-transfer backlog and meeting future need.	<p>Aids & Adaptations 08/09 :</p> <p>Year 2 07/08 had little impact of the waiting list due to 100% of budget spend in year 06/07 to clear back log. Year 08/09 started</p>	

working with Assets to identify properties which were on waiting list having DH work enabling cross funding. Relationship with ASS and OT team still improving and across other agencies within borough. Year 09/10, building on partnership working with the OT team and Borough Council Care & Repair Team on the draft service protocol in progress.

Recommendations from the Adult Social Services received :

April 06 to March 07 = 275
 April 07 to March 08 = 148
 April 08 to March 09 = 123
 April 09 to March 10 = 135

FCH have progressed the following cases :

Completed	Work in Progress <i>Pending Action</i>	Cases cancelled (Due to various reasons such as move / transfer other funding source or bereavement)
06/07 162	06/07 0	06/07 112
07/08 80	07/08 0	07/08 68
08/09 49	08/09 26	08/09 49
09/10 24	09/10 36	09/10 23
(09/10 cases now with care and repair = 52)		

Scheme Improvement Programme :

Phase 2 of the Sheltered Scheme communal upgrades has seen another four schemes completed with Sunnyside Close at Heacham receiving recognition in the Mayors Design Awards.

Ongoing quarterly monitoring of performance via Operations Committee of Board

3a	13 & 19	<p>New Posts : (a) Tenant Welfare (b) Caretakers (c) Empowerment Officers</p>	All posts staffed. 08/09 saw us “rebrand” the caretakers as Estate Improvement Officers. Additionally we now have a Neighbourhood Warden as part of that team. Dedicated rural presence now in place.		
3b	13	<p>New Posts : ASB Officer</p>	Post continues to be deferred by agreement of tenants – Updates to TOWN via ASB Conference in April 2009 and regular ongoing dialogue at monthly TOWN meetings.		
4	6 & 13	Assisted Gardening Scheme	Continued budget commitment to scheme, responsibility now with Assets.		
5	12 & 64-67	‘Firm but Fair’ policy on rent arrears	<p>Rent arrears performance for 09/10 were maintained at the same level as last year, 1.4% (net) - compared to 1.6% (net) in March 2008.</p> <p>Evictions decreased, with a total of 17 for non-payment of rent compared to 27 in 08/09.</p> <p>Tenancy Sustainment (Eviction Prevention) Protocol with Borough Council of King’s Lynn and West Norfolk Homelessness Team in effect from December 2007, and adopted by RSL Alliance in 2008.</p>		
6	12	Home Contents Insurance availability	Scheme continues to be available – 744 tenants signed up to scheme to date.		
7	16 – 18 & 27	Tenant Satisfaction	<p>Satisfaction rose from 74% in July 2008 to 81% in March 2010 (via Status Survey).</p> <p>Freebridge Community Housing undertook the ‘Let’s Talk Roadshow’ programme during 2009 to get a better understanding of the reasons for low satisfaction and a new post of Business Assurance Manager has been created which will in part improve the methodology for accessing satisfaction levels.</p>		

			Service standards have now been introduced and are being monitored.		
8	27 – 61	Complaints Procedure	Simplified, time limited three stage complaints process in use from Jan 09. Recording and monitoring system in place and reporting of trends, numbers and lessons learnt now in place.		
9	13 & 24	Starter Tenancies	<p>Assured Shorthold Starter Tenancy (ASST) regime in operation since Housing Stock Transfer April 2006</p> <p>ASST Policy document approved by Board June 2007, amended August 2007 re introduction of new Housing Management Appeals Process to include termination decisions re ASSTs.</p> <p>Review carried out in 2009 with a report to the Board who approved a maintaining of the status quo.</p>		

Theme Three : Affordable Rents					
Promise number and Consultation Doc. Page ref.		Nature of Work		Status	
1	3, 5 & 10-11	Delivery of transferring organisation's rent promises as outlined in offer document – 5 year Rent Guarantee.	<p>Full convergence will occur in 15/16 – due to rent guarantee and amended target rents - within Business Plan agreed at Transfer.</p> <p>Monitored by Finance Committee and Board.</p>		

Theme Four : Tenant involvement in decision making

Promise number and Consultation Doc. Page ref.		Nature of Work	Progress to date / further work planned	Status	
1	6, 16 & 18	Do you have tenant board members ?	Tenant Board Membership increased to 7 (of total 15) following second AGM September 2007.		
2	18 & 25	Are they elected or have they been appointed ?	Appointed in accordance with Tenant Board Member Succession Policy and full involvement of TOWN.		
3	5, 6 & 16-19	Empowerment Strategy (Funding) :	Maintained budget provision for 09/10 in excess of Offer Document commitment.		
4	5, 6 & 16-19	Freebridge Compact :	Tenant Compact reviewed and republished June 09		
5	17 & 18	Tenant Shareholding Policy :	Tenant Shareholding programme rolled out. At 09/10 year end we had over 75 shareholders.		
6	18 & 19	Area Forums :	Re-launch of Area Forums took place August 08 and further work on them was temporarily subsumed into the Let's Talk Roadshow events.		
7	25	Tenant Board member Succession / Election Policy and Framework :	See above items at 1 & 2.		
8	33	Tenant Involvement in DHS Contractor Selection :	<p>Full tenant involvement in initial contractor selection and appointment pre transfer April 2006</p> <p>Ongoing tenant involvement in monitoring of customer satisfaction with DHS contractor performance via both TOWN group and tenant Board Members on Operations Committee.</p>		

9	6, 17, 33 & 35	Tenant Involvement in identifying priorities re spend on Environmental Improvements :	See above item at 6.		
10	19	Tenant involvement in recruitment & selection of new posts promised in offer doc.	Standing commitment for re-involvement of tenants in recruitment and selection in the event of any further staff turnover / additional posts re Tenant Welfare Officer and Tenant Empowerment Team. Tenant representatives involved in the recruitment process for the Operations Director.		
11	16 – 19	TOGether Development Group	No TOGS occurred in 09/10 due to the Let's Talk Roadshow events throughout the year.		

Theme Five : Regeneration

Promise number and Consultation Doc. Page ref.		Nature of Work	Progress to date / further work planned	Status
1	6, 17	Rural Empowerment – Monks Close	Continued engagement with Monks Close community representatives and partner agencies. Refurbishment of Community Centre completed. New social club in place. Independent children nursery now operating from the centre. Fifty two Let's Talk Roadshow events occurred during the summer months of 09 covering a wide range of rural locations.	
2	3, 6, 7, 17 & 19	Nar-Ouse Regeneration partnership (NORA)	Ongoing representation (Chief Executive) throughout 09/10 upon multi-agency partnership NORA Steering Group overseeing development of new community facilities (school, shops, commercial enterprise units) and design of next phase of housing development – via position as lead RSL via Phase I (see below Theme 6-1).	

3	3, 7 & 16-19	Development Strategy and membership of e ² development consortium	Freebridge secured a £1.5million development grant in 07/08 from Housing Corporation's National Affordable Housing Programme for 08/11 – 45 new homes with total programme cost of £5.5million Ongoing partnership dialogue and participation within e ²		
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Theme Six : Delivering sustainable communities

Promise number and Consultation Doc. Page ref.		Nature of Work	Progress to date / further work planned	Status	
1	3, 7, 13 & 16-19	NORA Millennium Community	Community engagement and development strategy commenced in 2007/08, through 2008/09 and into 2009/10 within wider South Lynn area – includes a programme of doorstep visits by Tenant Empowerment Team, the opening of an estate office / community house facility to act as a focal point for engagement and integration of 'old' social housing stock with new NORA development. Community house now used by a number of agencies.		
2	3, 8, 13, 17 & 19	Safer, Stronger Communities	Freebridge membership and participation throughout 2008-9 upon Board of Safer Stronger Communities Fund (SSCF) investing £3.6million 2006-10 within King's Lynn and West Norfolk. Exit strategy completed with work now continuing with the Improving Neighbourhood Board. Freebridge continue lead role and participation upon Local Action Groups (LAGs) and Community Action Groups (CAGs) re local, 'on the ground' crime and disorder issues, plus representation on county-wide strategic (Partnership Tasking Group) police crime and disorder prevention forum.		
3	3, 8, 13, 17 & 19	West Norfolk Partnership (LSP)	Ongoing throughout 09/10 Freebridge representation upon Borough Council LSP at both Board (AD Housing) and Management Group (Housing Director) level to ensure Freebridge		

			– and wider social housing – agenda considered within wider strategic planning and initiatives.		
4	7 & 8	LA relationship	<p>Excellent operational relationships maintained and enhanced throughout 09/10 with Borough Council re homelessness, meeting housing need, combating and preventing ASB, disabled adaptations</p> <p>After invitation Freebridge also has a voting position on the King's Lynn and West Norfolk Growth Point Partnership, lead by the Borough Council.</p>		

KEY

Green	The RSL stock transfer is on target to deliver on promises / has delivered on promises.
Amber	The RSL stock transfer is unlikely to meet the target at the current level of progress. However, by taking remedial action, has the capacity to hit the target.
Red	The promises will not be delivered on target, even by taking remedial action.

Freebridge Community Housing

Report to the Board

Author	Tony Hall	Report Type		Impact		
Related Work Ref.		For Decision		High	Medium	Low
		For Information	√		√	
Consultation	Management Team					

Meeting Date: 26th July 2010

Report Title: 2010/11 Business Plan 1st Quarter Update

Purpose: To approve the 2010/11 Business Plan first quarter update.

Policy/Strategy Implications: None as a direct result of this report

Finance and VFM Implications: None as a direct result of this report

Customer Care/Equality and Diversity Implications: None as a direct result of this report

Risk Assessment (cross-reference with FCH Risk Map): The risk map was used as one of the reference points for the development of the original plan.

Recommendations: It is recommended that the Board

- (i) Note the 2010/2011 Business Plan - 1st quarter update

1) Background

1.1 The 2010/11 Business Plan first quarter update is set out at Appendix 1. Each action has been assessed with a RAG indicator and where appropriate there is commentary from the responsible officer.

1.2 The main points that I would draw to the Board's attention at this stage relate to the following areas.

a) Growth

A number of items will need reassessment by the new Assistant Director, Assets (Mr Stuart Mansell) who joins Freebridge on the 2nd August.

b) Tenant Empowerment

Members will be aware that Freebridge is part way through a service review. Stage 1 is complete and an outturn report is being prepared. The service has been restructured to more appropriately reflect our needs to address the new regulatory framework. At the time of writing the report we are part way through the recruitment process for the Assistant Director Communications and Tenant Engagement.

VISION	2010/11	Status	Responsibility & Timescale	Comments
1. Growth				
1.1 Developed balanced tenure portfolio in and around West Norfolk	1.1.1 Alignment of development plans with sub-regional priorities/risk/submarkets	A	Tony Hall Ongoing	Monitoring national policy development on regional special strategy and local single conversation priorities
1.2 To deliver a sustainable new build programme	1.2.1 Implement and review annual development plan	A	Stuart Mansell Ongoing	Fernlea Road and Wisbech Road schemes awaiting HCA approval. Great Massingham contractors on site
1.3 Completed Asset Management Review - identifying all possible development sites within existing land holding and implementation plans	1.3.1 Review assets for development potential or disposal and prioritise	A	Stuart Mansell August 2010 March 2011	
1.4 To establish a land bank to support development plans	1.4.1 Identify sites for acquisition	A	Stuart Mansell Ongoing	
1.5 Strategy in place for merger, acquisitions and partnerships	1.5.1 Research and review successful implementation of completed mergers.	A	Tony Hall March 2011	
1.6 Increase the supply of affordable housing under new management	1.6.1 Explore options to increase supply and identify most viable opportunities	A	Executive Ongoing	Discussions with other housing providers continuing

Business Plan 2010/11 - Draft 1st Quarter Update

VISION	2010/11	Status	Responsibility & Timescale	Comments
2. EMPOWERING TENANTS				
2.1 Fully developed empowerment framework with meaningful opportunities for customers to be involved as individuals and representative groups at all levels	2.1.1 Complete Tenant Empowerment Service Review	A	AD Communication and Resident Engagement March 11	Review of structure and appointment of new Assistant Director underway Revised activity plan being developed
	2.1.2 Identify options for tenant scrutiny and implement	A	AD Communication and Resident Engagement March 11	Timetable in development for April 2011 implementation
	2.1.3 Develop structure for opportunities for customer involvement on individual and collective basis	A	Executive October 10	Completed Customer Focus Groups (5) report to Board with updated action plan.
	2.1.4 Identify partner to assist in the delivery of Tenant Empowerment training.	A	AD Communication and Resident Engagement Ongoing	
2.2 A clear and transparent mechanism in place for tenant involvement to improve service delivery	2.2.1 Establish a tenant panel to monitor service improvement	A	Executive March 11	

Business Plan 2010/11 - Draft 1st Quarter Update

VISION	2010/11	Status	Responsibility & Timescale	Comments
3. FINANCIALLY SOUND				
3.1 Operating within Funding Covenants/ Requirements	3.1.1 Compliance with funding covenants	G	Malcolm Fry March 2011	Forecast will be within agreed limits.
3.2 Financially out-performed, transfer Financial Plan by £1m	3.2.1 £0.33m out performance	G	Malcolm Fry March 2011	2010/11 Budget set to achieve this target.
3.3 Financial capacity for the future plans	3.3.1 Review funding options	G	Malcolm Fry September 2010	Ongoing
	3.3.2 Explore opportunities to increase financial capacity	A	Sean Kent September 2010	
3.4 Overall core cost - basic average for LSVT's - more spent on 'front line' services, less on 'support'	3.4.1 Efficiencies targeted in Service Reviews and Operational Plans	A	Malcolm Fry June 2010	2010/11 data submitted to HouseMark June 2010. Results early August which will be fed into Service Reviews as required and to update current Operational Plans..
3.5 Property Services operating at a surplus and winning external work	3.5.1 Property Services in surplus for year	A	Colin Davison March 2011	First quarter results in line with expectations to achieve surplus at year end
	3.5.2 Planning for winning external work - Market analysis Capacity Planning and annual plan.	A	Colin Davison	External contract for joinery in progress Negotiations ongoing with similar organisations to FCH to provide maintenance services
3.6 £5.5M VAT money allocated to specific plans	3.6.1 £2.0m VAT contribution	A	Executive March 2011	

Business Plan 2010/11 - Draft 1st Quarter Update

VISION	2010/11	Status	Responsibility & Timescale	Comments
4. FIT FOR PURPOSE				
4.1 Business– infrastructure fully aligned to future plans	4.1.1 <i>Key initiative:</i> Investigate options for introduction of Customer Contact Centre and implement	A	Kassie Melnyk Nov 2010	Project planning for implementation commenced, launch targeted for late autumn 2010
	4.1.2 Sheltered Housing Service Charge Review and implementation	G	Kassie Melnyk	Service charge review completed, service charges levied on new tenancies in sheltered housing
	4.1.3 Prepare for short notice inspection.	A	Executive Ongoing	
4.2 Upper quartile/Beacon Performance (quality/cost/ volume) across key processes	4.2.1 <i>Key initiative:</i> Implement Performance Management Strategy including training	A	Sean Kent Ongoing	
4.3 Asset Management Strategy fully implemented	4.3.1 Commission stock condition survey with external validation	A	Stuart Mansell Jan 2011	Discussions commenced with Savills
4.4 ICT/Systems capacity aligned to current and future needs	4.4.1 Website Phase 2b (Content Management) developed	G	Dave Clements Aug 2010	Meeting to be arranged with Affinity New Media during July 2010
	4.4.2 Electronic Document Management Phase 1 planned and implemented	G	Dave Clements Sep 2010	Preferred supplier identified. Report to Board 26/7/2010

Business Plan 2010/11 - Draft 1st Quarter Update

VISION	2010/11	Status	Responsibility & Timescale	Comments
	4.4.3 Asset Management database operational	G	Dave Clements October 2010	Requirements to be reviewed once AD of Assets is in post
4.5 Health & Safety fully embedded, mainstreamed and promoted within the organisation	4.5.1 Develop and deliver annual Health & Safety Plan	A	Jo Whaley Development – April 10, re-schedule August 10 Delivery – March 11	Mike Grammer updating audit from 2009 and reporting to MT 20 th July on any outstanding areas for action for this years' H&S plan. Risk rating likely to be reduced in light of work already undertaken 09/10
4.6 Embedded culture to support future plans	4.6.1 Develop, agree and communicate behaviours that embed the values	G	Jo Whaley April 2010	Initial work completed to expand on the Values. Work now being undertaken to develop competencies based on the values for Sept. 10.
4.7 Effective Governance Structure	4.7.1 Implement Governance improvement plan	G	Tony Hall Oct 2010	Governance Working Group monitoring implementation of Action Plan
	4.7.2 Assess compliance with TSA new regulatory framework	G	Executive	Self Assessment Compliance Statement to the Board 26/07/10 Routine Engagement with TSA
4.8 Effective Communicator to external Stakeholders	4.8.1 Agree and implement Communications Strategy	G	Tony Hall/Sean Kent	Branding Workshops Completed new communication strategy agreed by the Board. 24/05/10

Business Plan 2010/11 - Draft 1st Quarter Update

VISION	2010/11	Status	Responsibility & Timescale	Comments
5. INVESTING IN PEOPLE				
5.1 High calibre people want to work for and stay with Freebridge	5.1.1 Review flexible working arrangements including Home Working	G	Jo Whaley – March 2011	
	5.1.2 Review Organisational Development Strategy	G	Sean Kent/Jo Whaley March 11	
5.2 Effective/visionary leadership within the organisation and wider sector	5.2.1 Coaching and mentoring approach developed	G	Jo Whaley – March 2011	AD's planned to attend course during 2010/11. Group also undertaken introductory course.
5.3 A workforce representative of the community we serve, and of an organisational culture which values diversity and offers equality of opportunity	5.3.1 E&D refresher training linked to Customer care	G	Jo Whaley – March 2011	
5.4 Values embedded and lived	5.4.1 Develop Staff Charter	A	Jo Whaley – June 2010 re-schedule August 10	Other priority recruitment work.
5.5 Principles of IIP embedded (IIP accredited)	5.5.1 Self Assessment for accreditation and action plan	G	Jo Whaley – March 2011	
5.6 Effective channels of communication throughout the organisation	Target 75% satisfaction 5.6.1 Implement internal Communication Strategy	G	Jo Whaley – Sept 2010	Satisfaction level of 81% achieved. Further analysis of results being undertaken for action plan.

Business Plan 2010/11 - Draft 1st Quarter Update

VISION	2010/11	Status	Responsibility & Timescale	Comments
5.7 Implemented competitive Remuneration Policy - rewarding staff according to their performance and contribution to the business	5.7.1 Revised pay and benefits package rolled out	G	Jo Whaley March 2011	
	5.7.2 New appraisals for PSD	A	Colin Davison/Jo Whaley – June 2010	Feedback being given to operatives on performance under new pay system.
	5.7.3 New Remuneration Strategy agreed and implementation begun	G	Jo Whaley – staged process	i) Competency development – Aug 10 ii) Broad band plus PRP pay structure proposal – Sept 10 iii) Benefits proposal Nov 10.
6. REGENERATING THROUGH PARTNERSHIP				
6.1 A key partner in community development activities to build community capacity	6.1.1 Targeted networking	G	Executive Team Ongoing	
	6.1.2 Agree and implement Community Development Plan	R	Robert Clarke March 2010	Timescale added
	6.1.3 Support key local initiatives	G	Robert Clarke Ongoing	Local initiatives continue to be supported
6.2 Delivering homes within sustainable communities and developing skills, capacity and employment opportunities through effective partnerships	6.2.1 Establish project framework for the redesign of Hillington Square	G	Tony Hall Ongoing - Key Milestones to be established by Sept 2010	Project Manager appointed - lead officer Robert Clarke lead Board member Ray Johnson. Steering Group met 22/06/10 and are developing project plan.
	6.2.2 Secure 8 new training places and jobs	A	Stuart Mansell Ongoing	
6.3 Completed the Decent Homes Programme and agreed 'Decent Homes Plus'	6.3.1 Delivery in accordance with all targets	G	Stuart Mansell September 2012	DHS implementation on target.

Business Plan 2010/11 - Draft 1st Quarter Update

VISION	2010/11	Status	Responsibility & Timescale	Comments
7. RESPONSIVE LANDLORD				
7.1 Doing the 'Basics' very well	7.1.2 Complete Sheltered Housing Service Review	A	Jan Mitchell Due for completion late 2010	Draft of service review report now in early production. Gwen Davenport (critical Friend) meeting with JM 16/7/10 Sheltered review in progress, due for completion late 2010
	7.1.2 Asset Management Review	A	Stuart Mansell	Need to establish new timetable
7.2 Upper quartile on 'customer satisfaction with opportunities for involvement'.	Target 85% customer satisfaction	G	Tony Hall/Executive	Status survey result to be reported to the Board - Sept 2010
7.3 Deliver personalised customer care	7.3.1 <i>Key initiative:</i> To agree and implement a customer care strategy	G	Tony Hall Mary Gober Pilot March 2010	Pilot completed. Board approved full programme 19/04/10. Implementation on target.
	7.3.2 Develop local service standards	G	Robert Clarke March 2011	TSA National Pilot has been completed (May 2010) – working with Communications team for wider roll out/approach
	7.3.3 Customer care and complaint handling training.	G	Tony Hall	Customer Care training incorporated into Mary Gober Customer Excellence programme.

Freebridge Community Housing

Report to the Board

Author	Tony Hall	Report Type		Impact		
Related Work Ref.		For Decision		High	Medium	Low
		For Information	√		√	
Consultation	Management Team					

Meeting Date: 26th July 2010

Report Title: Management Team and Tenant Empowerment Structure - Updates

Purpose:

To update members on changes to the Management Team and Tenant Empowerment structures and to advise them on the progress with recruitment to these senior posts.

Policy/Strategy Implications:

None as a result of this report.

Finance and VFM Implications:

All costs are contained within approved budgets.

Customer Care/Equality and Diversity Implications:

These teams have a significant impact on those policy areas. Recruitment has tested candidates' understanding of these issues.

Risk Assessment (cross-reference with FCH Risk Map):

- 1.4 Skill deficiency in Board or Management team. Risk Critical, Likelihood High.
- 1.7 Failure in relationship with TOWN. Risk Critical, Likelihood Significant.
- 7.1 Failure in tenant communication. Risk Critical, Likelihood Significant.
- 7.4 Failure to adhere to Community Gateway principles and achieve tenant empowerment. Risk Critical, Likelihood Low.
- 7.5 Failure in internal communication. Risk Critical, Likelihood Significant.
- 8.1 Lack of staff resources or skills. Risk Critical, Likelihood Significant.

Recommendations: It is recommended that the Board

- (i) Note the revised structures set out in appendix 1 and 2

1. Background

Management Team Structure

- 1.1 The Board have previously agreed the management team structure comprising an Executive Team of three supporting six Assistant Directors each responsible for a functional area. Since then an additional Assistant Director Communications and Tenant Engagement has been added to the team.

Appendix 1 sets out the structure

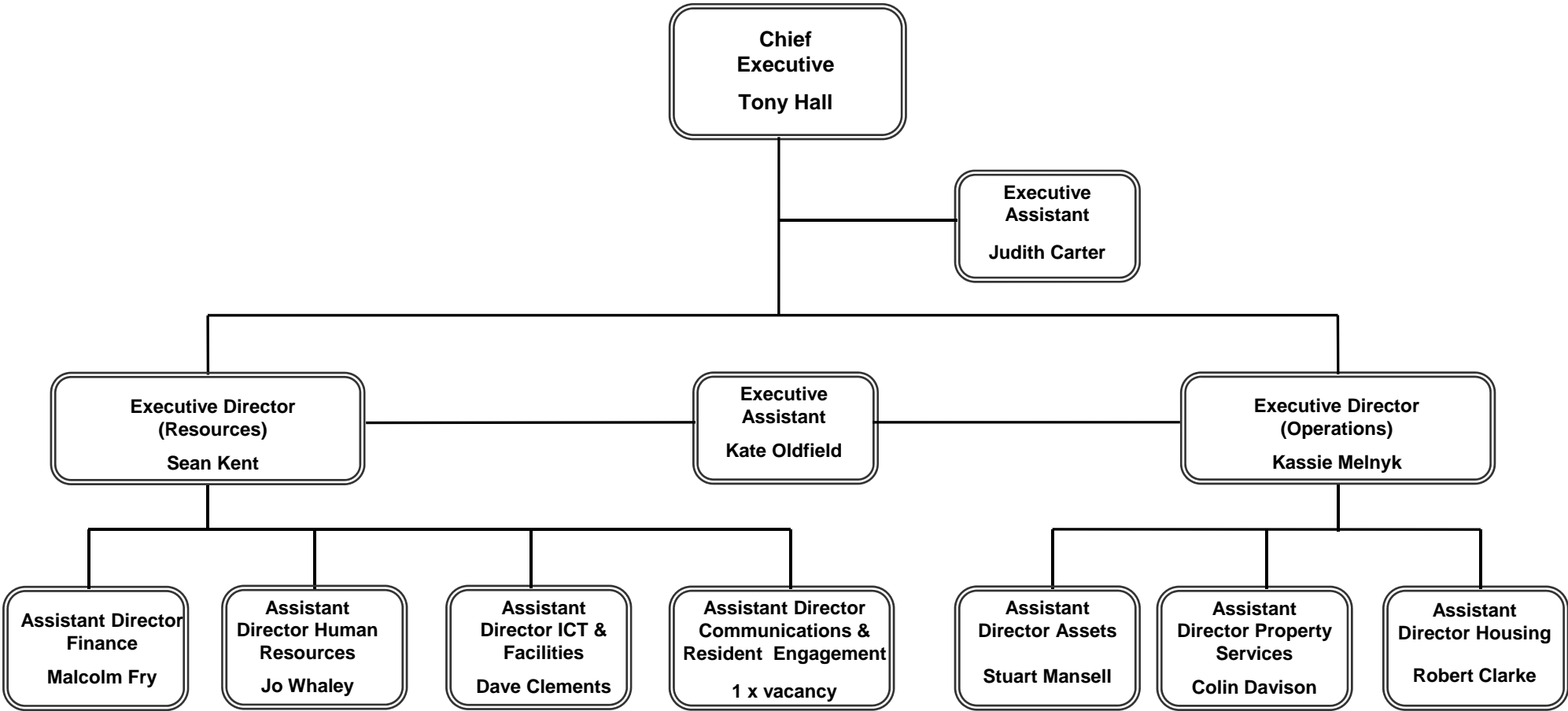
- 1.2 At the present time Kassie Melynk is facilitating the function of the Executive Director Operations on an interim arrangement. The Board previously agreed that this would continue to December 2010. The recruitment process for a permanent Executive Director is part way through at the time of writing this report and I will update members at the meeting.

Tenant Empowerment Team

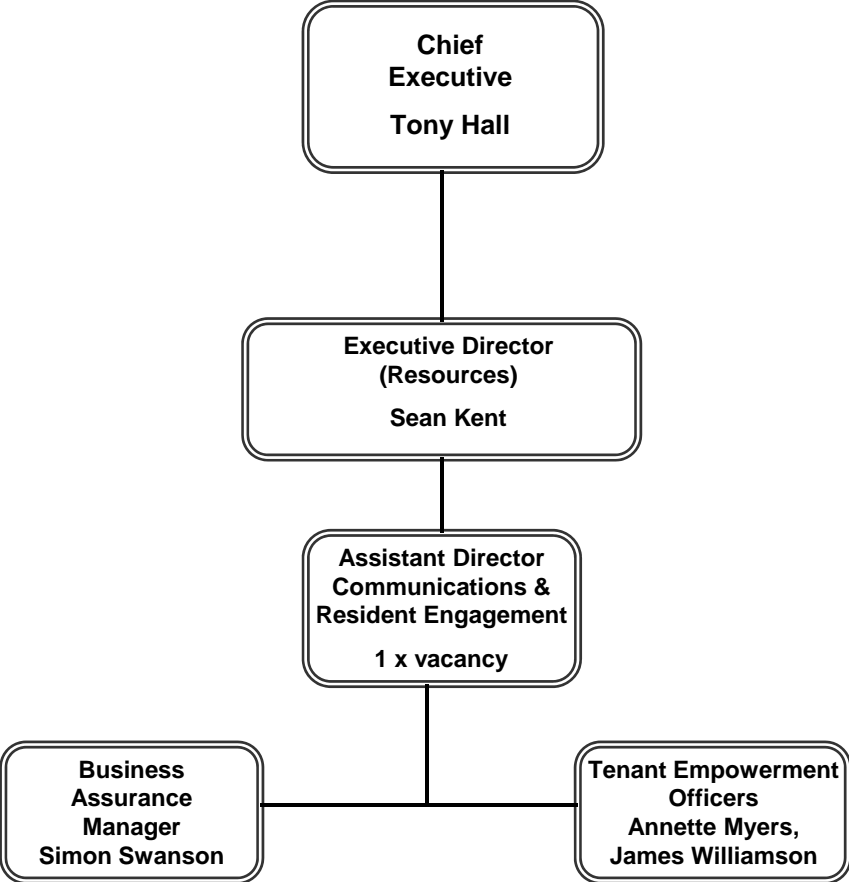
- 1.3 An opportunity has been taken to restructure the Tenant Empowerment Team to reflect the changes needed to meet the requirements of the new Regulatory Framework. Following the retirement of the Tenant Empowerment Manager a new Assistant Director role has been established and the Business Assurance Manager has joined the team.
- 1.4 This structure should provide the resources to focus on a more wide reaching engagement programme and will enable us to develop and implement our Communications Strategy.

Appendix 2 sets out the team structure.

EXECUTIVE STRUCTURE



COMMUNICATIONS & RESIDENT ENGAGEMENT STRUCTURE



Freebridge Community Housing

Report to the Board

Author	Jo Whaley	Report Type		Impact		
Related Work Ref.		For Decision		High	Medium	Low
		For Information	√	√		
Consultation	Management Team and Health and Safety Committee					

Meeting Date: 26th July 2010

Report Title: Annual Health and Safety Update

Purpose: To update the Board on health and safety activity over the year and progress towards reducing the overall risks associated with Freebridge activities.

Policy/Strategy Implications:

The current health and safety policy is to reviewed and brought back to the Board in September 2010.

Finance and VFM Implications:

All activities reported on help to reduce potential costs associated with accidents and incidents and subsequent claims from employees/customers and possible fines levied by the Health and Safety Executive.

Customer Care/Equality and Diversity Implications:

Equality Impact Assessment to be completed on revised policy and procedures in due course. Improving health and safety practices will improve the working environment for staff and customers alike.

Risk Assessment (cross-reference with FCH Risk Map):

Risk 11.0 Health and Safety, Legislation not complied with – Impact catastrophic, Likelihood high – currently, see body of report for update.

Recommendations: It is recommended that the Board:

- (i) Note the content of the report.

Annual Health and Safety Update

1. Policy and Arrangements

Freebridge maintains a relationship with an external health and safety advisor, Mike Grammer of West Norfolk Safety. From 1 April 2010 Mike has been contracted to provide an on-site health and safety presence three days a week, however during 2009/10 he has been working for us on an ad-hoc basis as and when need arose. Mike is currently supporting the Assistant Director of Human Resources in a review of the health and safety policy with a view to bringing an updated policy to the Board in September.

Tony Hall continues to lead on health and safety, as CEO he has ultimate responsibility for our actions and activities, whilst delegating the day to day controls to others within the organisation. Tony chairs the health and safety committee, which meets six-weekly. In the last year a number of managers have received certificated training from IOSH (Institute of Occupational Health and Safety) and now form the nucleus of the committee, together with union representatives.

Colin Davison also holds monthly meetings with the union representatives at the Property Services Department (PSD) and runs these jointly with John Rix, Health and Safety and Facilities Manager. John continues to work closely with Mike Grammer to update PSD records, provide induction training for new starters, review Risk Assessments and safe systems of work for all jobs undertaken by operatives and maintains regular health and safety checks and inspections.

2. Activities Completed 2009/10

In 2009 Mike Grammer carried out a full audit of health and safety activity and compliance with relevant legislation, both in relation to our duties as an employer and as a landlord. He 'rated' our performance according to a traffic light system and the areas highlighted as requiring attention are tabled at Appendix 1, together with details of actions completed to date and further plans. A number of additional activities highlighted in last year's report to the Board have now been completed.

- Legionella training for a number of employees
- Refresher manual handling training for all staff
- Number of PSD Operatives obtained CSCS cards (Construction Skills Certification Scheme).
- PSD staff received training in dynamic risk assessment. This enables them to visually assess the dangers of situations and respond appropriately and to plan in advance for possible risks to be faced.

3. Further activities planned 2010/11

Mike Grammer has recently reviewed his audit from last year and taken account of works completed or underway. Mike has recommended priority areas for work during 2010/11, in addition to those continuing from Appendix 1 as follows:

- New driver training at PSD (in-house assessors to be trained)
- Procedure needed for fork lift driver monitoring
- Health and Safety area on intranet to be developed so all policy/procedure in one place
- Programme needed for management of CoSHH
- Review of over-arching Health and Safety Policy and management responsibilities

Mike has also suggested consideration be given to 'defensive driver' training for all who drive on our behalf and a stress management programme.

4. Occupational Health

As reported last year a variety of Occupational Health practices are now in place; however, just one person was referred for a pre-employment medical (because of something they had highlighted in their application), there was also just one early retirement on medical grounds at PSD. We provide an Employee Assistance telephone helpline for all staff and in addition we have supported two staff with face to face counselling for stress and depression. We provide annual flu jabs for staff who want them and also offer Hepatitis inoculations to staff who may come into contact with used needles and other drug paraphernalia. This winter we developed a flu pandemic action plan and initiated some early interventions to minimise contamination risks.

5. Accident Monitoring

The H&S Committee review accidents, considering whether investigation and any subsequent action is satisfactory and whether further action is recommended. They also look for any trends or patterns, which need further investigation. In the year there were 34 accidents reported, a reduction on 2008/09, when there were 41. In 08/09 the greatest number of accidents was as a result of manual handling activities, closely followed by slips, trips and falls. The picture was very similar in 2009/10, although by far the majority of slips and falls related to icy weather conditions over the prolonged cold snap. All staff have gone through refresher manual handling training over the last year. As in 08/09 we had four accidents reportable to the HSE under RIDDOR (over three day injuries), none of which have been followed up by the HSE:

- A labourer broke his foot when a heavy tool propped up against his vehicle by a colleague fell over. He was off for 12 days. (Disciplinary action was subsequently taken against the employee causing the accident)
- A bricklayer not wearing his safety goggles got cement dust in his eye and was off for four days (disciplinary action was subsequently taken against him)
- An Estate Improvement Officer fell down stairs after tripping on rubbish left in a communal stairwell and suffered bruising; he was off for 12 days.
- A tradesman sustained minor injury to his groin from a tenant's over exuberant guide dog when standing outside the front door. He was off for four days.

In addition a small number of incidents have been reported and these are used to instigate a review of procedures to prevent a future accident. There is a separate procedure for reporting acts of violence and aggression resulting in injury or trauma. Freebridge has a zero tolerance approach to such acts.

6. Risk

Health and Safety appears on the corporate risk map and has remained a 'high risk' area since transfer. Management Team will be considering a recommendation by Mike Grammer to split the risk into 'Fire Safety' and 'Health and Safety' as they are covered by (and would be prosecuted under) different legislation. Fire should always be categorised as having potentially 'catastrophic' consequences, however Mike feels we are now in a position to reduce the likelihood (of a catastrophic event) from 'high' to 'significant', as a result of the number of risk assessments done and action plans in place to carry out necessary works and activities. General Health and Safety, as a result of activities already completed and plans to complete others in coming months, should be reduced from 'High' risk to 'low' risk, with an impact of 'Significant' rather than 'catastrophic'. There will be a verbal update at the meeting.

7. Conclusion

Clearly there has been and continues to be a lot of activity around health and safety and the development of a health and safety culture, however there is still some work to be done and actions are underway this year to address outstanding issues.

We have an objective, as part of the corporate goal 'Fit For Purpose', to develop and implement a health and safety action plan and longer term to achieve a ROSPA (Royal Society for Prevention of Accidents) award by 2012. As research shows that the working environment is one of the factors that affects employee perception of and satisfaction with their employer, it was good to see that employee agreement with the statement 'this organisation takes health and safety seriously', in the 2010 staff survey, has increased to 93% from 76% in 2008.

Annual Health and Safety Update

APPENDIX 1

Required Activity	Timetable	Comments
<ul style="list-style-type: none"> • Fire Risk Assessments requirement to complete an assessment for all communal areas of flats and schemes (200+) 	Completed	Action plans being drawn up by Assets for remedial works identified. New FRA's needed as schemes refurbished.
<ul style="list-style-type: none"> • Lone Working – greater protection needed for most vulnerable lone workers, especially out of hours 	Completed	Sheltered housing team provided with GPS 'badge' with microphone connection to control centre.
<ul style="list-style-type: none"> • Accident and Incident Investigation – improved process needed and 'learning' from incidents 	Completed	Group of managers trained in accident investigation, revised form/procedure drawn up.
<ul style="list-style-type: none"> • CoSHH – Control of substances hazardous to health, some gaps in risk assessment and training (Estates Improvement officers and Sheltered schemes) 	End July 2010	EIO's trained and products used risk assessed. Sheltered schemes outstanding as at 1 July 2010.
<ul style="list-style-type: none"> • Training of new employees (PSD) – more detailed induction in health and safety needed 	Completed	All new staff now receiving three day health and safety induction. Programme to cover all existing staff with refresher underway.
<ul style="list-style-type: none"> • Control of Contractors – evidence of policy/procedure/safe systems/accident records etc needed from high risk contractors and process for validating and on-going monitoring. 	Ongoing Oct 2010	Process of collecting evidence from contractors begun, being reviewed by Mike Grammer alongside Assets and Colin Davison. Spot checks on site to be undertaken by Mike Grammer.
<ul style="list-style-type: none"> • Electrical inspections – programme of inspection and maintenance/replacement needed for communal buildings 	Part completed Oct 2010	Inspection programme in place. Assets to draw up programme for remedial works.
<ul style="list-style-type: none"> • Asbestos – updated asbestos register for communal areas to be maintained (as and when material removed) 	Part completed Oct 2010	Register being updated however some outstanding 'removals' to be reflected (so currently showing 'worst case scenario')
<ul style="list-style-type: none"> • Hillington Square – some concerns around roof access and working at height for employees/contractors and escape route for tenants in case of fire. 	Ongoing	Health and safety consultant involved in re-design project and meeting with Wayne hemingway.