

FREEBRIDGE BOARD MINUTES AND ASSOCIATED REPORTS

25 JULY 2011

FREEBRIDGE COMMUNITY HOUSING (FCH) BOARD

**Minutes of a Meeting of the Board held on
Monday 25 July 2011 at 6.05pm in the
Conference Room, Juniper House,
Austin Street, King's Lynn**

PRESENT:

Ray Johnson (Chairman)
Lesley Bambridge
Matthew Brown
Nigel Donohue
Irene Gammon
Bill Guyan
Michael Jervis
Paul Leader
Ian Pinches
Colin Sampson

ALSO PRESENT:

Steve Clark (observer)

IN ATTENDANCE:

Tony Hall	-	Chief Executive
Sean Kent	-	Executive Director (Resources)
Abigail Ellis	-	Executive Director (Operations)
Michelle Playford	-	Assistant Director of Communications and Customer Engagement
Malcolm Fry	-	Assistant Director of Finance (minute Numbers 102/11 - 110/11)
Robert Clarke	-	Assistant Director of Housing (minute numbers 102/11 - 121/11)
Angus MacQueen	-	Company Secretary

102/11 APOLOGIES

An apology for absence was received from Sylvia Calver.

103/11 MINUTES

The minutes of the meeting held on 23 May 2011 were confirmed as a correct record and signed by the Chairman.

104/11 MATTERS ARISING

- **Quality Social Housing, Real Estate Investment Trust (Minute Number 90/11)**

In answer to a question, the Chief Executive said that that negotiations were ongoing with Quality Social Housing and the Borough Council. The possibility of a 20-year, rather than a 10-year, model was being investigated.

105/11 DECLARATIONS OF INTEREST

Irene Gammon, as a resident of Hillington Square, and Lesley Bambridge, as the ward councillor for Hillington Square, declared interests in the items at minute number 117/11, Opportunities for Tenure and Funding at Hillington Square, and at minute number 118/11, Hillington Square – Procurement of Structural Engineer and Mechanical & Electrical Engineer. The Board was content that they should remain in the room during the items, but they did not vote.

Ian Pinches declared an interest in the item at minute number 126/11 – Appointment to the Resources and Risk Committee – as his appointment to the Committee was recommended. The Board was content that he should remain in the room during the item, but he did not vote.

106/11 CHAIRMAN'S UPDATE

The Chairman gave an update on his activities as Chairman since the last meeting.

As well as weekly meetings with the Chief Executive, the Chairman had attended the following:

- Asset Management training for Board members run by e². This had been very well attended by Freebridge Board members.
- An evening meal with the e² Chairs. This had been a very useful opportunity to share good practice.
- A meeting of the National Housing Federation's Planning Sub-Committee, of which he was a member.
- Two meetings of the Hillington Square Steering Group. He was really excited at how the Hillington Square project was progressing.

107/11 CHIEF EXECUTIVE'S UPDATE

(a) Consultation on the Localism Bill

The Chief Executive said that the National Housing Federation was looking for housing associations to feed into its formal response to the consultation on the Localism Bill, to ensure that any new planning system supported social housing. An amendment to the Bill was to be tabled by Lord Best to address a contradiction in the law whereby local authorities could impose a

requirement that new build was retained as social housing in perpetuity, whilst stock transfer associations were required to allow transferring tenants the Right to Buy. This was an issue on which Freebridge had requested the National Housing Federation to lobby.

(b) National Affordable Homes Programme 2011-2014

The Chief Executive reported that Freebridge, along with all of the e² partners, had received all of the grant requested under the Homes and Communities Agency's National Affordable Homes Programme 2011-2014. In Freebridge's case, this amounted to £1.4 million for 72 units (around £20,000 per unit). This was fantastic news both for Freebridge and for the provision of affordable housing in King's Lynn and West Norfolk. The next step was to work through the legal agreement with the Homes and Communities Agency.

(c) Hillington Square

Confidential item

(d) Staff Conference

Confidential item

(e) Visit from Australian Housing Association

The Chief Executive reported that representatives of Affordable Community Housing Limited, based in New South Wales, had visited Freebridge over two days in June. The visitors appeared to have found their time with Freebridge useful. They had been particularly interested in stock transfer and tenant engagement.

Nigel Donohue joined the meeting at this point.

108/11 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 4 July 2011.

Recommendations 1 and 2, as listed in the report, were considered under item 8 of the agenda (minute number 109/11 below), and recommendations 3, 4 and 5 were considered under item 9 of the agenda (minute number 110/11 below).

109/11 INTERNAL CONTROLS ASSURANCE ANNUAL REPORT 2010/11 (report not available – confidential)

The Executive Director (Resources) presented the Internal Controls Assurance Annual Report 2010/11. The report explained the requirements of the business assurance exercise and 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 Board considered the report, noting that it had previously been considered by the Audit Committee. Paul Leader, Chairman of the Audit Committee, advised that the Committee had been pleased that Freebridge had received an assessment of “moderate assurance” from the Internal Auditor, which, it had been informed by the Internal Auditor, placed Freebridge in the top quartile.

With reference to section 2.5 (“Internal Audit”) of the report, a member commented that the following sentence was unclear: “It [Internal Audit] provides independence and objective assurance across a whole range of Freebridge’s activities.” This should either have read “...across a wide range...” or “across the whole range...” The Executive Director (Resources) undertook to ensure that the wording was clarified for future years.

Having noted the recommendations of the Audit Committee, the Board

RESOLVED:

- 1) That the Internal Controls Assurance Annual Report 2010/11, as presented, be approved.
- 2) That the statement of internal controls, as presented, be approved for inclusion in the Association’s statutory financial accounts 2010/11.

110/11 [DRAFT STATUTORY ACCOUNTS 2010/11\(click here to go to report\)](#)

The Executive Director (Resources) presented a report which detailed the Association’s draft statutory accounts 2010/11, 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 2010/11 and the Letter of Representation to the External Auditor.

The Board took assurance from the fact that the accounts had been reviewed by External Audit, the Audit Committee, and the Resources and Risk Committee (as management accounts), as well as by the professional financial officers employed by the Association.

The Board thanked the Assistant Director of Finance and his team for their hard work in preparing the accounts.

Having noted the recommendations of the Audit Committee, the Board

RESOLVED:

- 1) That the statutory accounts 2010/11, 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 2010/11, 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.

111/11 [RULE AMENDMENTS \(click here to go to report\)](#)

The Company Secretary presented a report which set out proposed amendments to the Rules for recommendation to the 2011 AGM.

RESOLVED: That approval of the Rule amendments attached to the report be recommended to the 2011 AGM, as presented, subject to consultation with the funders.

112/11 [CUSTOMER ENGAGEMENT POLICY \(click here to go to report\)](#)

The Assistant Director of Communications and Customer Engagement presented a report which set out the revised version of the Customer Engagement Policy; this had previously been presented to the Board in draft and then subject to tenant consultation.

The Assistant Director of Communications and Customer Engagement tabled a draft leaflet; this was intended to be a readable and accessible summary of the Policy and would be made available to tenants. The Board welcomed the draft leaflet as a user-friendly document. In answer to a point from a member, the Assistant Director of Communications and Customer Engagement explained that the leaflet had been written in such a way as to emphasise certain messages and in Plain English; however, she would check before issuing it that it was not too repetitious.

RESOLVED:

- 1) That the revised Customer Engagement Policy be approved, as presented.
- 2) That it be agreed that the Customer Engagement Policy and associated commitment leaflet replace the Tenant Compact.

113/11 [REVIEW OF FINANCIAL INCLUSION POLICY \(click here to go to report\)](#)

The Executive Director (Resources) presented a report which reviewed the Financial Inclusion Policy.

In terms of fuel poverty, the Executive Director (Resources) highlighted that Freebridge would continue to seek bulk ordering schemes from which tenants could benefit when purchasing their fuel.

In answer to a question, the Executive Director (Resources) said that Freebridge had engaged a company to help new tenants assess their options for fuel tariffs. The Tenant Welfare team also supported tenants who had been the victims of mis-selling, for instance of fuel or financial products.

RESOLVED: That the revised Financial Inclusion Policy be approved, as presented.

114/11 **REVIEW OF BUSINESS CONTINUITY STRATEGY AND GUIDELINES** (report not available – confidential)

The Executive Director (Resources) presented a report which reviewed the Business Continuity Strategy and Guidelines.

The Executive Director (Resources) said that the ICT element of the Strategy had been tested and had stood up well; the results had been reported to the Resources and Risk Committee. A full, surprise test would now be planned.

RESOLVED: That the revised Business Continuity Strategy and Guidelines be approved, as presented.

115/11 **AMENDMENT TO STANDING ORDERS (SCHEME OF DELEGATION)** ([click here to go to report](#))

The Executive Director (Resources) presented a report which put forward an amendment to Standing Orders to reflect the day-to-day working of the Association.

The Board wished it to be clarified within the amendment that the authority was granted in relation to developments previously approved by the Board, and so asked for the word “approved” to be inserted in the recommended wording.

RESOLVED: That the following paragraph be added to Standing Order 9 – Delegated Authority to the Executive Director (Operations):

”4.2h Authorise the Association entering into legal Agreements relating to its approved developments”.

116/11 **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.

The Chief Executive advised that this year’s AGM would not be preceded by an open tenant event, as the open tenant events had not been well attended in previous years.

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

117/11 **OPPORTUNITIES FOR TENURE AND FUNDING AT HILLINGTON SQUARE**

Confidential item

118/11 **HILLINGTON SQUARE – PROCUREMENT OF STRUCTURAL ENGINEER AND MECHANICAL & ELECTRICAL ENGINEER**
(report not available – confidential)

The Executive Director (Operations) presented a report which sought approval for inviting tenders to procure the services of a Structural Engineer and Mechanical & Electrical Engineer for the Hillington Square project. The report also advised of the intention to procure a Partnering Adviser for the project; this did not require Board approval in view of the level of cost involved.

In answer to a question, the Executive Director (Operations) confirmed that the costs of the procurement could be covered from existing revenue budgets.

RESOLVED: That tendering for the following services for Hillington Square be approved:

- Structural Engineer
- Mechanical & Electrical Engineer.

119/11 **STOCK CONDITION SURVEY 2011** (report not available – confidential)

The Executive Director (Operations) presented a report which described the findings of the 2011 stock condition survey.

The Executive Director (Operations) apologised that the “Actual Spend” figure in Table 1 of the report had slipped down into the wrong box.

The Executive Director (Operations) highlighted that the continued affordability of the thirty years work programme had not differed significantly from the previous survey.

A member pointed out that the new budgetary provision for insulation works fitted with Freebridge's wish to assist tenants facing fuel poverty.

The Board noted the report and

RESOLVED: That the continued delivery of Decent Homes work as defined within the Financial Plan 2011 be approved.

120/11 NOTICE OF VARIATION TO THE SUPPORTING PEOPLE CONTRACT

Confidential item

121/11 OPTIONS APPRAISAL FOR HARPLEY COURT SHELTERED SCHEME (report not available – confidential)

The Assistant Director of Housing presented a report which advised of the outcomes of the options appraisal for the Harpley Court sheltered scheme.

In answer to questions, officers made the following points:

- Should the Board decide to decommission the site, officers would prepare a strategy for communicating the decision positively and sensitively. A pack of information would also be prepared for those individuals who might be questioned about the decision by the media.
- A meeting would be held shortly with the 12 tenants currently resident on the scheme, to communicate the Board's decision.
- Should the site be decommissioned, officers would work closely with each of the 12 tenants, and where appropriate their relatives, to ensure that suitable alternative accommodation was found for them. All of the tenants would be moved out as far as possible within the same timeframe, so that there would not be one or two people left on their own on the scheme for some time.
- The decommissioning of the site would be an opportunity to better meet the housing needs of the local area.
- A decision to decommission the site would require consultation with the funders. The scheme was charged to the security trustee, and would need to be removed from the valuation.
- If the site were sold for redevelopment, it would be subject to clawback by the Borough Council. Negotiations would, therefore, be required with the Council, or it might be necessary to mothball the site for the remaining four and a half years of the clawback agreement.

RESOLVED:

- 1) That it be accepted that the Harpley Court sheltered scheme is no longer viable and that the site be decommissioned.
- 2) That officers produce a communications strategy to explain the decision.
- 3) That officers seek to match residents' aspirations in terms of re-housing and provide appropriate compensation.

- 4) That officers appraise the site for redevelopment, ensuring that local housing need is met.

122/11 TRADING SUBSIDIARY (report not available – confidential)

The Company Secretary presented a report which sought agreement in principle to the establishment of a non-charitable trading subsidiary and to agree the next steps.

RESOLVED:

- 1) That the establishment of a non-charitable trading subsidiary be approved in principle.
- 2) That the Governance Working Group be requested to develop the proposal further and report back to the Board.

123/11 2011/12 BUSINESS PLAN FIRST QUARTER UPDATE (click here to go to report)

The Chief Executive presented a report which set out the first quarter update to the 2011/12 Business Plan.

The Chief Executive clarified that the corporate bond target for the average number of days lost through sickness was 10.7 days (not 10.7% as stated in section 3.2 of the report).

The Chairman and the Chief Executive both commented on the significant progress that had already been made on the three development schemes that were planned for delivery during this financial year. The Board asked that its thanks be passed on to the those staff responsible for taking these projects forward so quickly.

The Board noted the report.

124/11 BOARD MEMBERS DECLARATIONS OF INTEREST – UPDATE (click here to go to report)

The Company Secretary presented a report which provided an update to the schedule of Board members' declarations of interests.

RESOLVED: That the amendments to the schedule of board members' interests published on Freebridge's website be approved as described in the report.

125/11 **BOARD MEMBERS' MILEAGE RATES (click here to go to report)**

The Company Secretary presented a report which sought to establish the principle of aligning board member mileage rates with the HM Revenue and Customs rates, with effect from 6 April 2011.

RESOLVED:

- 1) That the Board Member Agreement be amended to specify that the board member private vehicle mileage rate is set in line with the HM Revenue and Customs rate and will change as and when the HM Revenue and Customs rate changes.
- 2) That the current HM Revenue and Customs rate of 45p per mile take effect as the board member private vehicle mileage rate from 6 April 2011, the date of its introduction.
- 3) That the Board Member Agreement be amended to specify that the mileage rates for carrying passengers, motorcycles and bicycles are set in line with the HM Revenue and Customs rates and will change as and when the HM Revenue and Customs rates change.

126/11 **APPOINTMENT TO THE RESOURCES AND RISK COMMITTEE (click here to go to report)**

The Company Secretary presented a report which sought to fill the vacancy on the Resources and Risk Committee.

RESOLVED: That Ian Pinches be appointed to the Resources and Risk Committee.

127/11 **APPOINTMENT OF SHAREHOLDERS** (report not available – confidential)

The Company Secretary presented a report which requested the Board to consider applications for tenant shareholding. He explained that, since the agenda had been issued, one further application had been made. He tabled the list of applications which had been updated to include this.

RESOLVED: That the eight applications for tenant shareholding contained in the tabled list be approved.

128/11 **ANNUAL HEALTH AND SAFETY UPDATE** (report not available – confidential)

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 Freebridge activities.

The Executive Director (Resources) highlighted that there had been an increase in accidents reported when compared with last year. This had been investigated, and it appeared that it was the result of better reporting, rather than any changes in working practices creating more accidents.

The Board was particularly pleased to note that Freebridge had been awarded a prestigious Gold Award by the Royal Society for the Prevention of Accidents.

The Board noted the report.

129/11 ANNUAL EQUALITY AND DIVERSITY IN EMPLOYMENT UPDATE (report not available – confidential)

The Executive Director (Resources) presented a report which provided an update on staff recruitment over the last year in relation to equality and diversity in employment, and which commented on any actions taken, or to be taken, to improve any aspect of employment in relation to equality and diversity.

The Board noted the report.

130/11 TENANT SATISFACTION SURVEY (click here to go to report)

The Assistant Director of Communications and Customer Engagement presented a report which advised of the results of the recent STATUS tenants' survey.

The Board was particularly pleased to note the increase in customer satisfaction.

The Board noted the report.

131/11 STAKEHOLDER AND PARTNER PERCEPTION SURVEYS (report not available – confidential)

The Assistant Director of Communications and Customer Engagement presented a report which set out the findings of the first Freebridge stakeholder and partner perception surveys.

The Assistant Director of Communications and Customer Engagement advised that a focus group with partners would be held later that week; a letter to partners and stakeholders, together with the Business Plan, would also be sent out shortly. The local Member of Parliament, Henry Bellingham, had been invited to visit.

It was acknowledged that, whilst most of Freebridge's dealings at Parliamentary level were with Mr Bellingham, as the substantial proportion of Freebridge properties was situated in King's Lynn, Elizabeth Truss MP also

covered an area that incorporated a large number of Freebridge properties. She, too, would be invited for a visit.

The Board noted the report.

132/11 **URGENT ACTION TAKEN – EMPLOYMENT OF CLOSE RELATIVE OF EXISTING EMPLOYEE** (report not available – confidential)

The Board noted a request for urgent action that had been approved, to employ a close relative of an existing employee.

133/11 **URGENT ACTION TAKEN – PROPOSED PURCHASE OF PROPERTY** (report not available – confidential)

The Board noted a request for urgent action that had been approved, to purchase the property known as 21 Hollycroft Close, Emneth, with the vendors to remain as fully assured tenants.

134/11 **URGENT ACTION TAKEN – NEW ALLPAY CONTRACT** (report not available – confidential)

The Board noted a request for urgent action that had been approved, to enter into a new contract with Allpay, through Northern Housing Consortium, for the provision of tenant rent payment facilities.

135/11 **WORK UPDATE** (report not available – confidential)

The Company Secretary presented the work update, which included the following:

- Action Sheet
- Future Work Programme of the Board.

The Board noted the update.

136/11 **COMMITTEE MINUTES**

Confidential item

137/11 **ANY OTHER BUSINESS**

- **Committee Memberships**

In answer to a question, the Chairman advised that it was intended to review Committee memberships after this year's AGM.

138/11 NEXT MEETING

The Board noted that its next ordinary meeting was scheduled for Monday 5 September 2011 at 6.30pm; a special meeting was scheduled for Monday 8 August at 7.00pm.

The meeting closed at 8.20pm, the Board having resolved to continue to sit at 8.05pm.

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 – 4 July 2011		For Information		√		
Consultation						

Board Meeting Date: 25 July 2011

Report Title: Audit Committee Recommendations

Purpose: To present the recommendations from the Audit Committee meeting held on 4 July 2011.
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 Freebridge 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 – 4 July 2011

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

Recommendations –

1. That the Board adopt the Internal Controls Assurance Annual Report 2010/11.
2. That the Board adopt the draft Statement of Internal Controls (for inclusion in the Association's statutory financial accounts 2010/11).

[Please note: Consideration of recommendations 1 and 2 should be deferred until item 8 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 2010/11 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, subject to the following amendments:
 - change the references to the Housing Corporation and the Registrar of Friendly Societies on the front page;
 - remove references to Schedule 1; and
 - insert a note explaining the credit on pension funding.

[Please note: Consideration of recommendations 3, 4 and 5 should be deferred until item 9 of the agenda.]

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: 25th July 2011

Report Title: Draft Statutory Accounts 2010/11

Purpose: This report presents the Association's Draft Statutory Accounts 2010/11, including the Board of Management Report, Operating and Financial Review, Auditors Report and Financial Statements (Appendix 1).

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 (Appendix 2).

Also attached is the Letter of Representation for the Board's approval (Appendix 3)

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 Freebridge Risk Map):

1.1 Failure to comply with regulatory or legislative requirements – Critical Impact, High Likelihood.

Recommendations: It is recommended that the Committee:

- (i) Approve the Draft Statutory Accounts 2010/11, as attached, and authorise the Chairman of the Board, the Chairman of the Resources & Risk Committee, the Chief Executive and the Executive Director (Resources) to sign this on behalf of the Board, as recommended by the Audit Committee.
- (ii) Approve the Key Issues Memorandum 2010/11 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 UK Corporate Governance Code issued in 2010 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 auditor 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 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 Committee.

The assumptions used in the property and pension valuations are in line with previous years, Except for future pension increase which are have been assumed to be based on the Consumer Prices Index (CPI) as opposed to the Retail Prices Index (RPI) used previously.. A detailed report setting these all out in detail will be available at the committee meeting. The Committee is not required to specifically approved the financial statements, that remains the role 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 18 May 2011, a reconciliation between these and the Statutory accounts is available, upon request.

The External Auditors 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 2011****INDEX**

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**Tenant Services Authority Registration No. L4463
Industrial and Provident Societies No. 29744R**

Board of Management Report Year Ended 31 March 2011

The Board of Management present the financial statements of the Association for the year ended 31 March 2011.

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 £3,234m. 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 2011. The valuation of £120.000m, (2010 - £103.666m) increases the Revaluation Reserve by £11.733m and has been incorporated in these financial statements.

Board Members

The following were Board of Management members during the year to 31 March 2011:

Raymond Johnson	- Independent member, Chairman from 26 July 2010
Michael Stone	- Tenant member, Chairman until 26 July 2010 (resigned 23 August 2010)
Paul Leader	- Tenant member, Vice-Chairman from 21 September 2010
Brian Hillman	- Independent member, Vice-Chairman until 26 July 2010 (resigned 21 Sept 2010)
Sylvia Calver	- Tenant member
Nigel Donohue	- Independent member
Irene Gammon	- Tenant member
William Guyan	- Tenant member
Geoffrey Hipperson	- Council member
Michael Jervis	- Independent member
Colin Sampson	- Council member
Lesley Bambridge	- Council member
Matthew Brown	- Independent member (appointed 21 September 2010)
Sylvia Pomeroy	- Tenant member (resigned 26 July 2010)
Barbara Davis	- Tenant member (resigned 21 September 2010)
Patricia Southgate	- Independent member (resigned 21 September 2010)

Subsequent to the year end Ian Pinches joined the board 11 April 2011 and Geoffrey Hipperson resigned 25 May 2011.

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 provider 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under these laws the Board must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent
- follow applicable United Kingdom Accounting Standards and the Statement of Recommended Practice: Accounting by registered providers 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and 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. 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 auditor 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 auditor 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. Although compliance with the Housing Corporation's circular on Internal Controls Assurance is no longer mandatory for Housing Providers the circular 07/07 remains in place as best practice until such time a new standard emerges. As a result of this and in continued accordance with the Housing Corporation's circular, the Board received an annual report from the Management Team outlining the work undertaken an offering an opinion on the adequacy and effectiveness of the system of internal controls.

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 2010/11 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 2011, 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.
- 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 Codes of Governance 2010 – “Excellence in Governance” and “Excellence in Standards of Conduct” 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 member's 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:

- Not all complaints are captured and there was no formal follow up process following the resolution of complaints.
- The updating of the asbestos Register.
- Weaknesses were noted in relation to the documentation standards and adherence to Anti Social Behaviour processes.
- The development of a new asset management strategy.
- The recording of tenant calls containing payment was a breach of Payment Card Industry security standards (PCI).
- Data Protection and Fair Processing Notices are not included on all forms used to collect personal data.
- One employee had transactional access to all areas of the OpenHousing system.

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 have been maintained in order to determine best practice.

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor to the Association will be put to the Members at the forthcoming Annual General Meeting.

By order of the Board.

AR MacQueen
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 had a five year Business Plan which had seven main themes. They were:-

1. **Growth**
2. **Empowering Tenants**
3. **Financially Sound**
4. **Fit for Purpose**
5. **Investing in People**
6. **Regeneration through Partnership**
7. **Responsive Landlord**

As at 31st March 2011 a new three year Business Plan was being developed with four main themes with accompanying visions. They are:-

1. **Increasing Satisfaction**... to develop a corporate culture that supports Customer Excellence.
2. **Community Focused**... to support our communities through working with people in ways which helps them to have a greater influence over decisions which affect their lives.
3. **Appreciating Assets**... to develop an effective Asset Management Strategy that delivers a range of approaches, products and priorities.
4. **Increasing Capacity**... to clear understanding of our costs and internal resources.

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 2011 this figure had risen to 81%. During the first five years the Association carried out the following number of jobs on installations:

Windows	4,059
Doors	4,850
Central Heating	2,737
Kitchens	2,469
Bathrooms	1,789
Other works	2,328
Total	18,232

The Association purchased no shared ownership properties during the year. The turnover of the Association during the period to 31st March 2011 was £23.578m. This gave rise to an operating deficit of £1.957m. 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.

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 thirteen for the year whilst Shared Ownership properties invested in by the Association achieved two 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 Failure to comply with regulatory and legislative requirements	Identifies risks that may arise from lead regulator standards or change of Government.
2 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.
3 Hillington Square	Project to improve a 1960's urban low rise complex. A sustainable solution has to be provided with only limited funds available.
4 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.
5 Poor subcontractor performance	Control and clarification as to who is responsible for ensuring work is performed to the Association's work specifications.
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 Failure to implement audit recommendations	Relevant and robust internal controls need to be in place. It is therefore important to implement appropriate audit recommendations.
8 Poor financial performance (Property Services)	As an in-house service it is important that it provides Value for Money to the Association, part of which is to achieve a break-even position.
9 Health and Safety (Fire)	Ongoing training has taken place during the year.

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)	99.4%	98.5%
Urgent Repairs- Completed within Housing Corporation target timescale (7 days)	99.0%	96.5%
Routine Repairs- Completed within Housing Corporation target timescale (1 month)	98.4%	96.0%

Void Repairs

- Rental loss from void properties as a percentage of total maximum rental income 0.90% (2009/10 1.03%) against a target of 1.50%.
- Average re-let time per vacancy 12 days (2009/10 30 days) against a target of 12 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 2010/11 was 22.5% (2009/10 16.8%). Voluntary Turnover was 11.7% (2009/10 9.4%). 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 surveys and Tenant Focus Groups. 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 17-20 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 29-32.

Housing Properties:

At 31st March 2011 the Association owned 6,744 housing properties. The properties are carried in the balance sheet at the revalued amount of £120.000m. 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 2011, 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 £57.0m borrowings at the end of the year £40.0m falls due for repayment in more than one year.

Interest rate risk

At the 31st March 2011 the Association's net debt position after interest rate hedging included a net exposure of £9.0m to floating interest rate risk. In order to manage interest rate risk the floating rate and fixed rate debt is reviewed twice a year by reference to the financial plan and detailed cash forecasts.

Pensions

The deficit has decreased this year due to the fact that the financial assumptions at 31st March 2011 are more favourable than they were at 31st March 2010 due to the increase in the real discount rates and that future increases are now linked to the Consumer Prices Index (CPI) as opposed to the Retail Prices Index (RPI) previously used. Mortality assumptions have also been altered to reflect increases in life expectancy which has also affected the value of liabilities.

Cash Flows

The cash flow statement on page 15 shows that during the year the Association had a net cash outflow from activities of £1.931m and made net interest payments of £2.055m. The operating activities are stated after expending some £13.756m on the improvement programme.

Current liquidity

The Association had drawn £57.0m of its £110m agreed long term facilities at 31st March 2011. 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.

Independent auditor's report 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 2011 which comprise the income and expenditure account, the balance sheet, the cash flow statement, the statement of total recognised surpluses and deficits, the note of historical cost surpluses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the housing 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 housing 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 housing association and the housing 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 the auditor

As explained more fully in the Statement of Board's Responsibilities set out on page 2, the board is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2011 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the Industrial and Provident Societies Acts, 1965 to 2002, the Housing and Regeneration Act 2008 and The Accounting Requirements for Registered Social Landlords General Determination 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts, 1965 to 2002 requires us to report if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

**GRANT THORNTON UK LLP
STATUTORY AUDITOR
CHARTERED ACCOUNTANTS
NORWICH**

<u>Income & Expenditure Account for the Year Ended 31st March 2011</u>	Note	2011 £'000	2010 £'000
Turnover	2	23,578	23,543
Operating Costs	2	(25,535)	(27,829)
Operating Deficit		(1,957)	(4,286)
Surplus on Sale of Housing Accommodation	2c	170	48
Deficit on Disposal of Other Fixed Assets		-	(1)
Surplus in respect of VAT Sharing Agreement with BCKLWN	23	697	501
Pension Fund Interest and Similar Charges	6	(89)	(115)
Bank Interest Payable and Similar Charges	7	(2,055)	(1,656)
Deficit on Ordinary Activities Before Taxation		(3,234)	(5,509)
Tax on Deficit on Ordinary Activities	8	-	-
Deficit for the Year		(3,234)	(5,509)

<u>Statement of Total Recognised Surpluses & Deficits for the Year Ended 31st March 2011</u>	Note	2011 £'000	2010 £'000
Deficit for the Year		(3,234)	(5,509)
Unrealised Surplus on Revaluation of Completed Housing Properties	18	11,733	9,971
Actuarial Surplus/(Deficit) Relating to Pension Scheme	22	5,400	(6,908)
Total Recognised Surpluses and (Deficits) for the Year		13,899	(2,446)
Total Surpluses and (Deficits) Recognised Since Last Annual Report		13,899	(2,446)

Results, as reported, relate wholly to continuing activities.

<u>Note of Historical Cost Surpluses and Deficits for the Year Ended 31st March 2011</u>	Note	2011 £'000	2010 £'000
Reported Deficit on Ordinary Activities Before Taxation		(3,234)	(5,509)
Realisation of Property Revaluation Surpluses of Previous Years	18	171	110
Difference Between Historical Cost Depreciation and Revalued Depreciation	18	499	287
Historical Cost Deficit on Ordinary Activities Before and After Taxation		(2,564)	(5,112)

The notes on pages 17 to 32 form part of these financial statements

<u>Balance Sheet</u> <u>as at 31st March 2011</u>	Note	2011 £'000	2010 £'000
Tangible Fixed Assets			
Housing Properties at Valuation	9	121,839	104,741
Other	10	2,299	2,240
Total Tangible Fixed Assets		<u>124,138</u>	<u>106,981</u>
Current Assets			
Cash at Bank and in Hand		271	2,193
Stock	11	225	361
Debtors due within 1 Year	12	16,770	19,585
Debtors due after 1 Year - VAT sharing agreement with BCKLWN	12	<u>23,348</u>	<u>35,656</u>
Total Current Assets		40,614	57,795
Current Liabilities			
Creditors: amounts falling due within 1 Year	13	<u>(21,436)</u>	<u>(24,948)</u>
Total Current Liabilities		<u>(21,436)</u>	<u>(24,948)</u>
Net Current Assets (excluding pension asset)		19,178	32,847
Total Assets Less Current Liabilities		<u>143,316</u>	<u>139,828</u>
Long-Term Liabilities:			
Creditors: Amounts falling due after more than 1 Year	14	78,348	81,451
Pension Deficit	22	<u>46</u>	<u>7,354</u>
Long Term Liabilities		<u>78,394</u>	<u>88,805</u>
Capital & Reserves:			
Called Up Non-Equity Share Capital	15	-	-
Revaluation Reserve	18	73,387	62,324
Income & Expenditure Account	18	<u>(8,465)</u>	<u>(11,301)</u>
Total Long-Term Liabilities Including Capital & Reserves		<u>143,316</u>	<u>139,828</u>

These financial statements were approved and authorised for issue on 25th July 2011 and signed on behalf of the Board of Management by the following:

R. Johnson Chairman of the Board of Management

M Jervis Chairman of the Resources & Risk Committee

A Hall Chief Executive

S Kent Executive Director (Resources)

<u>Cashflow Statement</u> <u>for the Year Ended 31st March 2011</u>	2011 £'000	2010 £'000
Net Cash Outflow From Operating Activities	(2,022)	(2,192)
Returns On Investment and Servicing of Finance		
Interest Paid	(2,055)	(1,656)
	<u>(2,055)</u>	<u>(1,656)</u>
Capital Expenditure		
Purchase and Development of Housing Properties	(6,468)	(5,997)
Payments to Acquire Tangible Fixed Assets	(247)	(165)
Disposal Proceeds - Right To Buy	319	180
Disposal Proceeds - Shared Ownership 2nd Tranche Sales	51	-
	<u>(6,345)</u>	<u>(5,982)</u>
	(8,400)	(7,638)
Net Cash Outflow Before Financing	<u>(10,422)</u>	<u>(9,830)</u>
Financing		
Loan Received	8,500	11,500
	<u>8,500</u>	<u>11,500</u>
(Decrease)/Increase in cash in the year	<u>(1,922)</u>	<u>1,670</u>

**Notes to the Cash flow statement
for the Year Ended 31st March 2011**

**Reconciliation of Operating (Deficit) to Net Cash (Outflow)
from Operating Activities**

	2011	2010
	£'000	£'000
Operating Deficit	(1,957)	(4,286)
Depreciation Charge	1,127	957
Assets in Course of Construction Written Off	34	26
Loan Arrangement Fee	33	92
Employer Contributions	(597)	(599)
Service Costs (Gains)/Deficits	(1,399)	407
Surplus from VAT Sharing Agreement	697	501
Decrease in Stock	65	326
Decrease in Debtors	15,123	18,709
Decrease in Creditors	(15,148)	(18,325)
Net Cash Outflow from Operating Activities	(2,022)	(2,192)

Analysis of Changes in Net Debt

	2011	2010
	£'000	£'000
Cash in Hand, at Bank	271	2,193
Net Cash Balances	271	2,193
Debt due within 1 Year	(17,000)	(20,500)
Debt due after 1 Year	(40,000)	(28,000)
Non-Cash Movement - Loan Arrangement Fee	-	33
Total Net Debt	(56,729)	(46,274)

Reconciliation of net Cash Flow to Movement in Net Debt

	2011	2010
	£'000	£'000
(Decrease)/Increase in cash for the year	(1,922)	1,670
Cash inflow from increase in debt	(8,500)	(11,500)
Loan Arrangement Fee	(33)	(92)
	(10,455)	(9,922)
Net Debt at 1st April	(46,274)	(36,352)
Net Debt at 31st March	(56,729)	(46,274)

Notes to Financial Statements for the Year Ended 31 March 2011.

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 28 March 2011. Recognising rental income on a daily basis would have the effect of reducing turnover by £210,000 (2010 - £276,000)

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.

2. a) Analysis of Income and Expenditure

<u>Particulars of Turnover, Cost of Sales, Operating Costs and Operating Deficit 2011</u>	Turnover 2011 £'000	Operating Costs 2011 £'000	Operating Deficit 2011 £'000
Turnover from Social Housing Lettings (Note 2b)	23,210	(25,535)	(2,325)
Non-Social Housing Letting	329	-	329
Other Activities	39	-	39
Total	23,578	(25,535)	(1,957)

<u>Particulars of Turnover, Cost of Sales, Operating Costs and Operating Deficit 2010</u>	Turnover 2010 £'000	Operating Costs 2010 £'000	Operating Deficit 2010 £'000
Social Housing Lettings (Note 2b)	23,127	(27,829)	(4,702)
Non-Social Housing Letting	364	-	364
Other Activities	52	-	52
Total	23,543	(27,829)	(4,286)

2. b) Analysis of Income and Expenditure

<u>Particulars of Income and Expenditure from Social Housing Lettings</u>	General Needs and Sheltered Housing 2011 £'000	General Needs and Sheltered Housing 2010 £'000
Rent Receivable Net of Identifiable Service Charges	22,592	22,461
Shared Ownership Proceeds	87	180
Charges for Support Services	427	427
Service Income	308	290
Gross Rental Income	23,414	23,358
Voids	(204)	(231)
Turnover from Social Housing Lettings (Note 2a)	23,210	23,127
Management Services	(1,546)	(3,009)
Services	(3,257)	(3,039)
Routine Maintenance	(4,296)	(4,284)
Planned Maintenance	(1,285)	(1,547)
Major Repairs Expenditure	(13,788)	(14,662)
Bad Debts	(149)	(151)
Depreciation	(1,127)	(957)
Shared Ownership Cost of Sales	(87)	(180)
Operating Costs on Social Housing Lettings	(25,535)	(27,829)
Total Deficit on Social Housing Lettings	(2,325)	(4,702)

2 c) Proceeds of sale of housing properties in the year were £370k with cost of sales of £200k. A surplus on disposal of £170k 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), £466k was received by BCKLWN during the year. Included in the amounts disclosed above was the full staircasing of a shared ownership property. The proceeds received in respect of this property were £51k with no cost being allocated.

3. Deficit on Ordinary Activities Before Taxation	2011	2010
	£'000	£'000
<u>Deficit on ordinary activities before taxation is stated after charging</u>		
Depreciation: Housing Properties	939	815
Depreciation: Tangible Fixed Assets	188	142
<u>Auditor's Remuneration:</u>		
In their capacity as auditor (inclusive of VAT)	20	20
In respect of other services (inclusive of VAT)	4	5

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:

	2011	2010
	£'000	£'000
Emoluments (including pension contributions and benefits in kind)	348	347
The highest paid Director and Chief Executive	127	130
Total aggregate pension contributions in respect of services as a Director	35	32
Total business expenses reimbursed to Directors	4	7
Directors expenses in respect of loss of earnings	2	2

The number of Directors to whom benefits are accruing under the defined benefits scheme is 3. 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.

5. Employee Information

	2011	2010
<u>Employee Numbers During Year:</u>	No.	No.
Average number of employees including part time employees	201	192
Average number of employees expressed in full time equivalents	191	181
<u>Employee Costs During Year:</u>	2011	2010
	£'000	£'000
Wages & Salaries (excluding severance and redundancy payments)	4,912	4,639
National Insurance Contributions	403	383
Pension Costs - Defined Contribution Scheme	32	7
Pension Costs - Defined Benefit Scheme Current Service Cost	714	403
Pension Costs - Defined Benefit Scheme Past Service Gain	(2,114)	-
Total Employee Costs	3,947	5,432

Note: The change in linking the pension increase to CPI rather than RPI has had the effect of creating a reduction in the pension liability. This reduction in liability is shown as a past service gain with in the revenue account.

	2011	2010
	£'000	£'000
Severance and Redundancy Payments	115	14

6. Interest Payable Similar Expenditure

	2011	2010
	£'000	£'000
Net other finance expenditure on pension scheme	89	115
Total Interest Payable	89	115

7. Interest Payable and Similar Charges

	2011	2010
	£'000	£'000
Bank Interest Payable	2,055	1,656
Total Interest Payable	2,055	1,656

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.

9. Fixed Assets - Housing Properties

	Rented Traditional Build £'000	Rented Non Traditional Build £'000	Shared Ownership £'000	Under Construction £'000	Total £'000
<u>Cost or Valuation:</u>					
As at 1st April 2010	90,465	13,201	744	331	104,741
Additions	4,535		2	1,931	6,468
Transfer from Current Assets			71		71
Transfer	428	778		(1,206)	-
Disposals	(185)	(16)		(34)	(235)
Surplus on Revaluation 31st March 2011	9,294	1,500			10,794
Cost as at 31st March 2011	104,537	15,463	817	1,022	121,839
Depreciation as at 1st April 2010	-	-	-	-	-
Charge for the Year	(651)	(288)			(939)
Revaluation Surplus	651	288			939
Depreciation as at 31st March 2011	-	-	-	-	-
Net book value as at 31st March 2011	104,537	15,463	817	1,022	121,839
Net book value as at 31st March 2010	90,465	13,201	744	331	104,741

Historical cost equivalents are as follows:

	Rented Traditional Build £'000	Rented Non Traditional Build £'000	Shared Ownership £'000	Under Construction £'000	Total £'000
Gross Cost at 1st April 2010	40,317	2,151	744	331	43,543
Additions	4,535		2	1,931	6,468
Transfer from Current Assets			71		71
Transfer	428	778		(1,206)	-
Disposals	(27)	(3)		(34)	(64)
Gross Cost as at 31st March 2011	45,253	2,926	817	1,022	50,018
Less depreciation:					
Brought forward	(980)	(144)	-	-	(1,124)
Charge for the Year	(395)	(45)			(440)
Net Book Value as at 31 March 2011	43,878	2,737	817	1,022	48,454

Expenditure to works on existing properties:	2011 £'000	2010 £'000
Amounts Capitalised	4,535	5,297
Amounts Charged to Income and Expenditure Account	13,788	14,662
Total	<u>18,323</u>	<u>19,959</u>

On 31 March 2011 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 £120.000m takes into account the Tenant Services Authority 'performance indicators' for Registered Providers 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>£ 120,000,000</u>

All properties are freehold.

The valuation includes non-depreciable land of £36,901,595, (2010 £34,046,450)

Housing stock had previously been revalued on 31 March 2010 at £103,666m by the aforementioned surveyors, Savills

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10. Tangible Fixed Assets - Other

	Freehold Buildings £'000	Freehold Land £'000	Office Fittings & Equipment £'000	Computer Hardware & Software £'000	Total £'000
<u>Cost</u>					
As at 1st April 2010	1,768	200	303	463	2,734
Additions During Year			13	234	247
Disposals				(1)	(1)
Cost as at 31st March 2011	1,768	200	316	696	2,980
Depreciation as at 1st April 2010	(157)	-	(119)	(218)	(494)
Charge for the Year	(40)		(31)	(117)	(188)
Disposals				1	1
Depreciation as at 31st March 2011	(197)	-	(150)	(334)	(681)
Net book value as at 31st March 2011	1,571	200	166	362	2,299
Net book value as at 31st March 2010	1,611	200	184	245	2,240

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

11. Stock	2011	2010
	£'000	£'000
Shared Ownership Properties	-	158
Stock	225	203
Total Stock	225	361

12. Debtors	2011	2010
	£'000	£'000
Rent Arrears	1,176	1,121
Rent Arrears - Bad Debt Provision	(538)	(428)
Debtors - BCKLWN	38,348	53,484
Prepayments	305	342
Other Debtors	827	722
Total Debtors	40,118	55,241

All debtors are due within one year excluding the estimation for the VAT Sharing Agreement Debtor and the prepaid loan sharing agreement cost £23,348,000 (2010: £35,656,000)

13. Creditors: Amounts falling due within one year	2011	2010
	£'000	£'000
Bank Loans maturing in less than one year	17,000	20,500
Trade Creditors	293	730
Rents paid in advance	98	104
Accruals and deferred income	3,235	2,878
Wages, VAT, PAYE and National Insurance	126	118
Other Creditors	684	618
Total Creditors falling due within one year	21,436	24,948

Wages, VAT, PAYE and National Insurance accrual includes £5,103 in respect of defined contribution pension scheme outstanding (2010 £1,681)

14. Creditors: Amounts falling due after more than one year	2011	2010
	£'000	£'000
Bank Loans falling due for repayment between one and five years	28,000	27,967
Bank Loans falling due for repayment in more than five years	12,000	-
VAT Sharing Agreement - BCKLWN	38,348	53,484
Total Creditors falling due after more than one year	78,348	81,451

<u>Analysis of debt by maturity date:</u>	2011	2010
	£'000	£'000
Maturing in less than one year	17,000	20,500
Maturing between one and five years	28,000	28,000
Maturing in over five years	12,000	-
Total outstanding debt	57,000	48,500
Loan arrangement fee	-	(33)
Total Debt	57,000	48,467

Of the total loans above, £57.0m 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 4.01%. 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.

15. Called Up Share Capital	2011	2010
	£	£
Shares of £1 each fully paid and in issue at the beginning of the year	84	15
Shares cancelled during the year	(5)	-
Shares issued in the year	46	69
Total Called Up Share Capital	125	84

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.

16. Capital Commitments	2011	2010
	£'000	£'000
Contracted less certified	2,315	763
Authorised by the Board of Management but not contracted	8,940	1,938
Total Capital Commitments	11,255	2,701

17. Operating Leasing Charges and Commitments

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

	2011	2010
	£'000	£'000
Rentals payable on operating leases	213	190

At 31 March 2011 the Association had the following annual operating lease commitments on leases expiring:-

Operating Lease Charges and Commitments - Vehicles	2011	2010
	£'000	£'000
Between one and five years	<u>216</u>	<u>233</u>

18. Reserves	Income & Expenditure Account	Revaluation Reserve	Total
	2011	2011	2011
	£'000	£'000	£'000
Balance brought forward	(11,301)	62,324	51,023
Revaluation Surplus for year		11,733	11,733
Deficit for year	(3,234)		(3,234)
Transfer of amount equivalent to additional depreciation on revalued assets	499	(499)	
Realisation of revaluation surplus on properties sold in year	171	(171)	
Actuarial Gains	5,400		5,400
Reserve as at 31st March 2011	<u>(8,465)</u>	<u>73,387</u>	<u>64,922</u>

19. Housing Stock

The number of units of housing accommodation in management at 31 March 2011 was:

	2011	2010
	No.	No.
General Needs Housing	6,121	6,115
Sheltered Homes	623	623
Total Housing Stock	<u>6,744</u>	<u>6,738</u>

As at 31 March 2011 there were 2 properties (2010 - 12) 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 2011 were £597k (2010 £599k). 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 £632k to include an increase in contribution from 17% to 18%.

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:

Pension - Main Actuarial Assumptions

	31st March 2011	31st March 2010
	% p.a	% p.a
Pension Increase	2.8%	3.8%
Salary Increase	5.1%	5.3%
Expected Return on Assets	6.7%	6.9%
Discount Rate	5.5%	5.5%

The post-retirement mortality assumptions used to value the benefit obligation are based on the relevant actuarial tables PFA92 and PMA92. Based on these assumptions, average future life expectancies at age 65 for current pensioners are 21.2 years for a male member and 23.4 years for a female member. For future pensioners this rises to 23.6 years and 25.8 years respectively.

Fair Value and Expected Return on Assets

<u>Expected Return</u>	31st March 2011	31st March 2010
	Long Term	Long Term
	Return % p.a	Return % p.a
Equities	7.5%	7.8%
Bonds	4.9%	5.0%
Property	5.5%	5.8%
Cash	4.6%	4.8%
Total	6.7%	6.9%

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of that period (ie as at 31 March 2010 for the year to 31 March 2011).

<u>Fair Value</u>	31st March 2011	31st March 2010
	£'000	£'000
Equities	11,930	10,799
Bonds	2,939	2,740
Property	1,902	1,612
Cash	519	967
Total	17,290	16,118

<u>Net Pension Liability</u>	2011	2010
	£'000	£'000
Estimated Employer Assets	17,290	16,118
Present Value of Scheme Liabilities	(17,336)	(23,472)
Net Pension Liability	(46)	(7,354)
<u>Analysis of Amount Charged to Operating Deficit</u>	2011	2011
	£'000	% of Payroll
Current Service Cost	714	21.9%
Past Service Gain	(2,114)	(54.8%)
Interest Cost	1,215	37.2%
Expected Return on Employer Assets	(1,126)	(34.5%)
Total Operating Charge	(1,311)	(40.2%)
<u>Reconciliation of Defined Benefit Obligation</u>	2011	2010
	£'000	£'000
Opening Defined Benefit Obligation	23,472	12,433
Current Service Cost	714	403
Interest Cost	1,215	867
Contributions by members	222	232
Past Service Gain	(2,114)	-
Actuarial (losses)/gains	(5,794)	9,907
Estimated Benefits paid	(379)	(370)
Closing Defined Benefit Obligation	17,336	23,472
<u>Reconciliation of Fair Value of Employer Assets</u>	2011	2010
	£'000	£'000
Opening Fair Value of Employer Assets	16,118	11,906
Expected return on assets	1,126	752
Contributions by members	222	232
Employer contributions	597	599
Actuarial (losses)/gains	(394)	2,999
Estimated Benefits paid	(379)	(370)
Closing Fair Value of Employer Assets	17,290	16,118

History of Experience Gains and Losses

	2011	2010	2009	2008	2007
	£'000	£'000	£'000	£'000	£'000
Fair Value of Employer Assets	17,290	16,118	11,906	13,837	11,779
Present Value of Defined Benefit Obligation	(17,336)	(23,472)	(12,433)	(12,456)	(13,240)
(Deficit)/Surplus	(46)	(7,354)	(527)	1,393	(1,461)
Experience (Losses)/Gains on Assets	(394)	2,999	(4,030)	395	(98)
Experience Gains/(Losses) on Liabilities	3,324	-	-	(694)	(7)

To date experience gains / losses have realised gains of £1.495m.

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.

Freebridge Community Housing

Report to the Board

Author	Angus MacQueen	Report Type		Impact		
Related Work Ref.		For Decision	√	High	Medium	Low
		For Information		√		
Consultation	Borough Council of King's Lynn and West Norfolk					

Meeting Date: 25 July 2011

Report Title: Rule Amendments

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

Policy/Strategy Implications: None

Finance and VFM Implications: Solicitors have been engaged to draft the changes to the Rules and take them through the registration process, the total cost being £400 + VAT.

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

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

Risk 1.1 – Failure to Comply with Regulatory and Legislation Requirements – Critical Impact, High Likelihood. Freebridge 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 Annual General Meeting 2011 approval of the Rule amendments attached at Appendix 1 to this report, subject to consultation with the funders.

1.0 Background

- 1.1 At its meeting on 7 March 2011, the Board gave its support to a proposal to reduce the size of the Board from 15 members to 12, the component parts being five independents, five tenants and two Council nominations (minute number 29/11 refers). This decision followed consultation with all tenants by means of an article in the December 2010 issue of Streets Ahead and with the Tenants Of West Norfolk (TOWN) group. No adverse comments were received from these consultation exercises.
- 1.2 The Board requested that the Borough Council be consulted on the proposal, but that this be delayed until after the local elections in May 2011, so that it was considered by the new administration.
- 1.3 The consultation with the Borough Council has now been completed and it has indicated that it has no objections to the proposal.

2.0 Rule Amendments

- 2.1 For the proposal to take effect, amendments to Freebridge's Rules will need to be agreed at a General Meeting. Our solicitors, Trowers and Hamlins, have drawn up draft Rule amendments accordingly, and these are attached at Appendix 1.
- 2.2 As well as enabling the reduction in the size of the Board as proposed, the draft Rule amendments include (at D8.1) a change to the rotation of retirement of tenant board members, so that it fits with five tenant board members, rather than seven. This has the effect of returning the tenant board member term of office to three, rather than four years, and of bringing it back in line with that of independent board members.

3.0 Next Steps

- 3.1 Should the Board agree to the draft Rule amendments, they will be forwarded to Freebridge's funders for consultation.
- 3.2 Subject to no adverse comments being received from the funders, they will be recommended for approval at the Annual General Meeting on 20 September 2011. They would then need to be registered with the Tenant Services Authority and Financial Services Authority before they could take effect.

- 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 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 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 | <p>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 <u>T</u>the board shall consist of fifteen <u>twelve</u> board members PROVIDED THAT in the event that the number of board members shall consist of fewer than fifteen <u>twelve</u> and/or otherwise does not comprise of the numbers set out in this <u>Rule D2</u> the remaining board members shall use all reasonable endeavours to appoint further board members and may act notwithstanding this rule.</p> <p>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.</p> <p>D2.32 <u>32</u> Following the second annual general meeting of the association after the transfer three <u>Two</u> board members shall be Council board members appointed in accordance with rule D10.</p> <p>D2.43 <u>43</u> No more than five <u>four</u> board members shall be local authority persons.</p> <p>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.</p> |
|----|--|

- D2.64 ~~Following to the second annual general meeting of the association after the transfer, seven~~ Five tenant board members shall be tenant board members appointed in accordance with rule D8.
- D2.75 No more than ~~seven~~ five board members may be tenants.
- D2.86 ~~At least one third of the~~ Five board members shall be independent board members appointed in accordance with rule D9 ~~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 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.

Election and appointment to the board

D8 D8.1 At the annual general meeting of the Association in 2012 and every subsequent annual general meeting tenant board members shall retire from office in the following rotation:

(i) at the annual general meeting in 2012, two tenant board members shall retire;

(ii) at the first subsequent annual general meeting, a further two tenant board members shall retire; and

(iii) at the second 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 (iii).

~~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.

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 The council shareholder shall have the right to nominate no more than ~~three~~two 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

Freebridge Community Housing

Report to the Board

Author	Michelle Playford	Report Type		Impact		
Related Work Ref.		For Decision	√	High	Medium	Low
		For Information			√	
Consultation	Management Team, Board, Customers					

Meeting Date: 25th July 2011

Report Title: Customer Engagement Policy & Strategy

Purpose: To present the revised version of the Customer Engagement Policy & Strategy 2011-2013 (attached at Appendix 1) which has been subject to Board and tenant consultation.

Policy/Strategy Implications: - The Customer Engagement Policy & Strategy 2011-2013 replaces the Tenant Involvement Policy and Tenant Empowerment Strategy. It complements the Communications Policy and the Communications & Customer Engagement Strategic Activity Plan 2010-2012.

Finance and VFM Implications: - The Customer Engagement Policy and Strategy has been developed as part of the Tenant Empowerment Service Review. Through this process, reviews are being conducted across activities such as the Tenant Academy, strategic customer engagement opportunities such as the Tenant Event and Tenant Awards, and activities which deliver equality and diversity. The review is being used to market test and measure effectiveness of the activities to make savings and ensure ongoing Value for Money.

Customer Care/Equality and Diversity Implications: - Customer care is central to the policy and the policy statement makes reference to Freebridge's consumerist approach. The policy has also been the subject of an Equality Impact Assessment, and the strategy outlines the accessible and diverse opportunities which will be delivered.

Risk Assessment (cross-reference with Freebridge Risk Map): -
 1.3 Significant Events lead to adverse publicity – Critical Impact, Low Likelihood
 1.7 Failure in relationship with TOWN – Critical Impact, Significant Likelihood
 7.1 Failure in tenant communication – Critical Impact, Significant Likelihood
 7.3 Inappropriate organisational image – Marginal Impact, Significant Likelihood
 7.4 Failure to achieve tenant empowerment – Critical Impact, Low Likelihood
 7.7 Failure to deliver transfer promises – Catastrophic Impact, Low Likelihood
 12.0 Failure to address Equality and Diversity issues effectively – Marginal Impact, Significant Likelihood

Recommendations: It is recommended that the Board:

- (i) Approves the revised Customer Engagement Policy & Strategy 2011-2013 (attached at Appendix 1).
- (ii) Agree that the new Customer Engagement Policy and Strategy and associated Commitment leaflet replace the Compact.

Development

1.1 Following consultation at the last Board meeting, the Customer Engagement Policy & Strategy has been revised to reflect feedback from board members. The revisions were:

- To include tenant 'representatives' in the definition of customer;
- To include 'exceed' in reference to our regulatory and legal equality requirements.

1.2 Consultation with tenants was subsequently carried out and the Policy and Strategy was posted out to 30 tenants who had previously expressed an interest in engaging with Freebridge on project consultation. This stage of the consultation revealed feedback concerning making the documents accessible through the use of Plain English and less jargon. Another comment concerned exploring how we work with our partners to ensure that they meet our customer engagement requirements.

1.3 The policy and strategy was the subject of a focus group which was attended by nine tenants. The tenants were generally very positive about the policy and strategy but raised a few points:

- Freebridge needs to insert a line which states that when we can't adapt our services in line with customers' wishes, we will explain why;
- The references to TOWN need to clarify that Freebridge is providing a supporting role.

With these changes incorporated, the group approved the Policy and Strategy.

1.4. The focus group then considered the Freebridge Compact. The group felt that the publication was a historic document which was more appropriate to transfer than now. The overall consensus was that Freebridge's relationship with its customers has developed since this was produced and the new Customer Engagement Policy and Strategy cover all the key aspects of engagement between Freebridge and customers.

1.5 The group felt that it was inappropriate to update the Compact and wanted a leaflet produced which summarises Freebridge's approach to engagement, and the opportunities for involvement. It was agreed by the group that a brief, Plain English leaflet, available online and in hard copies, was the best way in which to communicate our policy and strategy.

1.6 The leaflet – named 'Our Commitment to Customer Engagement' - will be distributed to all tenants, either within Streets Ahead or as a separate mailing.

Objective: Empowerment



Customer Engagement Policy			
Last Reviewed	May 2011	Next Review	May 2013
Responsible Officer	Assistant Director of Communications & Customer Engagement		

1. Policy statement

Freebridge Community Housing is committed to putting the customer at the heart of our activities through actively encouraging and facilitating meaningful opportunities for engagement which have a genuine impact on, and link to, our services.

Freebridge will actively seek to encourage participation from all sections of the communities in which we operate through the delivery of a varied, dynamic customer engagement programme which meets the diverse needs of our customers.

Freebridge will maintain open, accessible and honest channels of engagement and communication with our customers, ensuring that 360° feedback is sought and given.

Freebridge will adopt a consumerist, can-do, proactive approach to engaging tenants.

2. Definitions

For the purposes of this policy, 'customer' refers to:

- Existing and potential tenants (or their representatives),
- Leaseholders
- Shared owners of a Freebridge property.

3. Policy objectives

Freebridge Community Housing will aim to:

- Meet the needs of our customers, by ensuring we are easy to do business with, to increase satisfaction;
- Deliver appropriate, well-planned and timely opportunities and structures for customer engagement across the business so that our customers can have an input on services which impact upon them;
- Respond to customer feedback through adapting the services we provide, and communicating to our customers when, where and why we have made relevant changes;
- Provide a variety of accessible opportunities for involvement which meet the diverse needs of our customers;
- Be dynamic and creative, through continuously improving and innovating the opportunities for engagement to ensure high levels of participation and interest from our customers;
- Deliver all customer engagement activity with a listening approach, recognising the meaningful impact that customers have on the continuous development and improvement of our business;
- Recognise that we all have a role in keeping our customers engaged, and behave accordingly;
- Exceed our regulatory and legal equality responsibilities.

4. Responsibilities

Board and management:

The Board has a corporate responsibility for ensuring that Customer Engagement is promoted and that this policy and strategy underpins all aspects of the Association's work. The Board has a responsibility to ensure that customer engagement is delivered effectively at board-level through ensuring a level of tenant board membership. The Executive Team has responsibility for developing the organisational culture which embeds customer engagement within the fabric of Freebridge. Managers are individually and corporately responsible for ensuring that the policy and strategy is implemented in their particular areas of responsibility.

Staff, contractors and suppliers:

All staff, regardless of job title or remit, should have an understanding that customer engagement is of crucial importance to the continuous development and improvement of the business. Through use of the Ask, Listen, Act, Learn approach, staff, contractors and suppliers will obtain feedback which can be used to make meaningful developments and improvements to our services.

Customers:

Freebridge expects that all customers treat our workers with respect and courtesy and recognise that we will not always be able to adapt our services based on all of their comments. When we cannot adapt our services, we will feedback to customers the reasons why.

5. Strategy

5.1 Corporate culture

Freebridge is putting the customer at the heart of the organisation through the development of an organisational 'customer care' culture. Alongside this, we will promote the importance of customer engagement through this policy and through providing, and promoting, opportunities for engagement across the business.

5.2 Corporate standards

Freebridge will ensure that every member of staff understands what principles must guide customer engagement through customer engagement standards. The delivery of these principles will be supported practically by the development of a toolkit which will allow staff across the organisation to deliver effective, appropriate, financially-viable and inclusive opportunities for engagement. In addition, the Local Offer to our customers will be promoted and delivery against the standards outlined in the Offer will be managed by the Tenant Panel.

5.3 Governance

Freebridge will embed customer engagement into the Governance of the organisation through ensuring tenant representation on the board. Customer engagement will further be built into Freebridge's governance arrangements with the establishment of the Tenant Panel, whose programme of work will feed into the Board. Actions and recommendations from the Tenant Panel will be taken forward formally into the organisation to translate into improvements and adaptations.

5.3 Formal groups and structures

Freebridge will provide appropriate support and advice to formal customer groups, attending meetings and events as resources allow.

5.4 Accessible and diverse opportunities

Freebridge will meet the diverse needs of our customers through offering a range of inclusive, accessible engagement opportunities. Opportunities will include, but are not exclusive to, focus groups, meetings, events, engagement through our customer magazine *Streets Ahead*, the Tenant Academy, the Tenant Awards and other activities which will allow us to reach our customers. We will ensure that our engagement is accessible and recognises differing customer needs through communication which is clear and easy to understand and activities which are inclusive.

5.5 Dynamic, creative and innovative engagement

Freebridge will seek to maximise customer participation and innovation through delivering a dynamic programme of customer engagement with a creative approach which allows us to look for new and innovative ways of engaging customers. We will continuously improve our opportunities for engagement and, where appropriate, we will bring in new ways of working to complement tried and tested methods.

5.6 Training and capacity building

We will provide appropriate training and capacity-building to our customers to allow them to access our opportunities for engagement. We will provide training and ongoing support for members of our Tenant Panel to allow them to fulfil their membership effectively. We will, where appropriate, also offer training to develop customers' skills to support them in accessing services.

5.7 Technology

We are currently using technology effectively to engage customers through our use, and ongoing development of, social media. We will continue to develop our use of technology, and we will, where possible, aim to be early adopters of new technological advancements so that we can offer our customers further opportunities to engage with us through technology in the way which they prefer.

5.7 Surveys

Freebridge carries out regular surveys, such as the STATUS survey, which provides an insight into our customers and their needs. We will continue to deliver timely and appropriate surveys so that we can maintain our knowledge of our customers and deliver appropriate engagement opportunities to them.

5.8 Feedback

We will seek to ensure we provide feedback to our customers following their involvement in engagement opportunities. We will provide this feedback through a variety of methods, used as appropriate, such as through our social media channels, through our customer magazine *Streets Ahead*, or through targeted letters to customers. We will also provide feedback to our customers on how we are performing through the annual tenant report.

5.9 Consultants and contractors

We will ensure that consultants and contractors who are working on behalf of us understand the importance of engaging customers and that where appropriate, they offer opportunities for involvement in activities they are carrying out for Freebridge. We will provide support and guidance to consultants and contractors on what we expect from them in terms of customer engagement, and we will offer practical advice on how this should be delivered.

6. Monitoring

We will monitor performance across the areas covered by this policy and report it to the Board and Tenant Panel as part of our ongoing performance monitoring. In addition we will have an action plan and accompanying outputs that will be monitored and reviewed by the Management Team and progress reported to the Tenant Panel and Board. The new Corporate Bond targets will ensure that customer views are taken into account.

7. Review

This policy will be subject to ongoing review in the light of experience, changes in legislation and Association policy and meeting the needs of our customers.

8. Risk Management

The risks associated with a failure to promote Customer Engagement and the activities set out in this strategy will be identified and included within the Association's Risk Map. The Risks will be managed in accordance with the Association's Risk Management Strategy.

9. Equality and Diversity

This policy and strategy has been subject to an Equality Impact Assessment. All activities proposed in the action plan will be subject to Equality Impact Assessments prior to their introduction.

Customer Engagement Strategy 11-13 Action Plan

Area	Actions	Responsibility (Deadline)
Corporate Culture and Standards	<ul style="list-style-type: none"> • Develop Freebridge Customer Engagement standards and toolkit • Promote the new policy, standards and toolkit via briefings for MT and service area teams • Promote the Local Offer to tenants • Oversee the effective delivery of the standards in the Local Offer through the Tenant Panel 	<p>AD CCE, June 2011</p> <p>CCE, June 2011</p> <p>AD H, AD CCE, April 2011</p> <p>Tenant Panel, June 2011 onwards</p>
Governance	<ul style="list-style-type: none"> • Ongoing recruitment of tenant board members • Ongoing recruitment of Tenant Panel members • Appointment of facilitator for the Tenant Panel • Recruitment and training for new Tenant Panel members • First meeting of Tenant Panel • Ongoing support of Tenant Panel 	<p>CS, ongoing</p> <p>CCE, ongoing</p> <p>ED(R), AD CCE, TOWN, April 2011</p> <p>Facilitator, CCE, April – May 2011</p> <p>May 2011</p> <p>CCE, ongoing</p>
Formal groups and structures	<ul style="list-style-type: none"> • Support the review of TOWN aims and objectives • Support the review of Sheltered United aims and objectives • Ongoing support of TOWN and Sheltered United 	<p>AD CCE, TOWN, May 2011</p> <p>AD CCE, Sheltered United, May 2011</p> <p>CCE, ongoing</p>
Accessible and diverse opportunities	<ul style="list-style-type: none"> • Service review of existing opportunities for engagement • Development of new customer engagement opportunities plan to include the following reviewed methods for engagement: <ul style="list-style-type: none"> ○ Strategic engagement events (e.g. Tenant AGM) ○ Streets Ahead ○ Tenant Panel ○ Tenant Awards ○ Tenant Academy ○ Social media • Scoping of equality and diversity of opportunities in existing structure • Recommendations of developments and improvements to ensure ongoing equality and diversity in engagement • Scoping of youth opportunities for engagement • Recommendations of developments and 	<p>ED(R), CCE, Comms Group, Jan – July 2011</p> <p>AD CCE, July 2011</p> <p>BAM, E & D Group, April 2011</p> <p>BAM</p> <p>BAM, May 2011</p>

	improvements to opportunities for youth engagement	BAM, June 2011
Dynamic, creative and innovative opportunities	<ul style="list-style-type: none"> • Ongoing research into new and creative opportunities for engagement and communication through media monitoring and attendance at conferences • Opportunities and ideas generation at quarterly meetings 	<p>CCE, ongoing</p> <p>CCE, quarterly</p>
Training and capacity building	<ul style="list-style-type: none"> • Review and update the programme of training through the Tenant Academy • Look for shared opportunities for training with partners • Offer training and capacity building to the Tenant Panel • Appropriate and outcome-led training and capacity building for the CCE team 	<p>AD CCE, CCEO, April 2011</p> <p>AD CCE, CCEO, April 2011</p> <p>April – May 2011</p> <p>CCE, October 2011 and October 2012</p>
Technology	<ul style="list-style-type: none"> • Review and redesign of the website • Ongoing development of the Facebook and Twitter pages 	<p>CCE, ICT, April – July 2011</p> <p>CCEO, BAM, ongoing</p>
Surveys	<ul style="list-style-type: none"> • STATUS Survey to be completed • Ongoing watch on satisfaction surveys post STATUS 	<p>BAM March – April 2011</p> <p>BAM ongoing</p>
Feedback	<ul style="list-style-type: none"> • Establish principles for providing feedback in the Freebridge Customer Engagement standards and toolkit • Provide feedback opportunities whenever communicating or engaging • Annual tenant award 	<p>AD CCE, June 2011</p> <p>CCE, ongoing</p> <p>BAM, September 2011</p>
Consultants and contractors	<ul style="list-style-type: none"> • Provide support to consultants and contractors through promotion of the Freebridge Customer Engagement standards and toolkit 	AD CCE, July 2011
Promotion of this strategy	<ul style="list-style-type: none"> • The Customer Engagement, Policy Strategy and Plan will be shared with customers through an accessible document made available through the website, Streets Ahead and in leaflet format 	CCE, July 2011

Key ED(R) = Executive Director (Resources); AD CCE = Assistant Director of Communications & Customer Engagement; CCE = Communications & Customer Engagement Team; CCEO = Communications & Customer Engagement Officer; BAM= Business Assurance Manager; AD H = Assistant Director Housing; CS = Company Secretary; E & D Group = Equality & Diversity Group; ICT = ICT Team.

Freebridge Community Housing

Report to the Board

Author	Sean Kent Executive Director (Resources)	Report Type	Impact		
Related Work Ref.		For Decision	√	High	Medium
		For Information		√	
Consultation	Executive Team				

Meeting Date: 25 July 2011

Report Title: Review of Financial Inclusion Policy, Strategy and Action Plan

Purpose: To review the Financial Inclusion Policy, Strategy and present the revised Action Plan.
Policy / Strategy Implications: This report introduces a revised Financial Inclusion Action Plan.
Financial and VFM Implications: There are no immediate financial implications as a result of this report.
Customer Care/Equality and Diversity Implications: No implications
Risk Assessment (cross-reference with Freebridge Risk Map): 2.5 Poor income or benefit collection Impact–Critical – Likelihood-Low
Recommendations: It is recommended that the Board: <ul style="list-style-type: none"> (i) To note the report and to approve the revised Financial Inclusion Policy, Strategy and Action Plan.

Introduction

This report reviews the Financial Inclusion Policy & Strategy, advises on actions which have been carried out and presents a revised action plan for 2011-13. The core of the strategy is our commitment to provide services and benefits that are accessible to all tenants and staff.

The specific achievements that have been completed from the previous action plan are set out below.

The Financial Inclusion action plan 2009 -11

Activity	Outcomes
<ul style="list-style-type: none"> • Maximising tenants' incomes 	<ul style="list-style-type: none"> • Train staff to provide specific advice on maximising income • Work with the County and Police to publicise and discourage illegal lending (loan sharks) • Support local furniture exchange schemes • Research Social enterprise initiatives to determine appropriate level of involvement • Identify and support appropriate social enterprise initiatives • Review existing rent payment methods and investigate new options • Individual advocacy and support for vulnerable tenants • Promoting Freecycle and similar initiatives within west Norfolk
<ul style="list-style-type: none"> • Fuel Poverty 	<ul style="list-style-type: none"> • Promote Credit Union fuel loan schemes • Improve the energy efficiency of our properties • Provide advice on energy efficiency • Investigate the installation of renewable energy sources of heating in our properties, such a solar panels and ground heat.
<ul style="list-style-type: none"> • Benefits Advice 	<ul style="list-style-type: none"> • Promote Welfare Service at tenancy sign up • Introduce advice for prospective tenants especially first time households
<ul style="list-style-type: none"> • Financial Advice 	<ul style="list-style-type: none"> • Train staff to provide debt advice • Investigate the preferential provision of financial advice to our tenants directly or independently
<ul style="list-style-type: none"> • Financial Services 	<ul style="list-style-type: none"> • Support the introduction of the Norfolk Credit Union to West Norfolk • Ensure preferential access to the Norfolk Credit Union for our tenants. • Promote the service of the Norfolk Credit Union for low costs loans and saving
<ul style="list-style-type: none"> • Financial Capability 	<ul style="list-style-type: none"> • Promote and provide information on Norfolk Credit Union
<ul style="list-style-type: none"> • Organisational Approach 	<ul style="list-style-type: none"> • Development of Financial Inclusion Strategy • Raise awareness throughout the Association of Financial Exclusion • Promote the Norfolk Credit Union to staff in respect of low cost loans and savings

Future developments in Financial Inclusion Strategy and Action Plan

It is envisaged over the next 12 months that Freebridge will continue to embed the financial inclusion approach into day to day operations, procedures and communications.

Objective TBA



Policy 4 Financial Inclusion Policy			
Last Reviewed	June 2011	Next Review	June 2013
Responsible Officer	Executive Director (Resources)		

1. Policy Statement

Freebridge Community Housing recognises the need to reduce financial exclusion not only to lower rent arrears levels but also to provide individuals with access to mainstream financial services. This is seen as an important step towards social as well as financial inclusion which fits in with the Association’s overall role in developing communities.

Tackling financial inclusion has become a Government priority and all social housing landlords have a key strategic role in achieving the Government’s challenges with regard to improved rent collection. In order to be effective the Association recognises the need to adopt a positive and pro-active approach to tackling financial exclusion. A tenant’s lack of financial awareness can have a serious impact on our ability to collect rental income which then impacts upon corporate cash flows.

2. Defining Financial Exclusion

In the simplest terms it is; ‘the inability of individuals, households or groups to access necessary financial services’ (Chartered Institute of Housing).

There are a number of ways that the problem manifests itself;

- Lack of access to a bank or building society account
- [Lack of access to necessary financial services such as insurance and pensions](#)
- [Lack of knowledge of available means tested benefits.](#)
- An inability to save even small amounts
- Arrears of rent, utility or council tax payments
- Disconnection from utilities
- [Reliance on credit from sources other than high street banks.](#)
- [Fuel poverty – increases in utility costs have exceeded increases in benefits.](#)

Even if households can access the above products and services they may still be financially excluded as they are unable to manage their money and stay informed about financial matters. This is referred to as financial incapability.

3. Objectives

The specific objectives to enable Freebridge to promote financial inclusion, are:

- 1 – Maximising customers income
- 2 – Ensure access to high quality benefit and money advice
- 3 – Improving access to financial services
- 4 – Promoting financial capability

4. Strategy

Freebridge recognises that partnership working is the key to the success of financial inclusion work. It is important to maximise the effectiveness of areas which are our strengths and maximise our own work with others to deliver financial inclusion priorities.

The Association's Financial Inclusion Strategy focuses on the following main areas:-

Maximising Tenants income

- Provide affordable social housing including low cost home ownership
- Ensure effective rent arrears management, identifying debts early and offering affordable repayment agreements
- Promote the take up of benefits via awareness campaigns and individual support
- Promote and support Social enterprise initiatives

Tackle fuel poverty by:

- Switch homes to the cheapest supplier when a tenancy concludes,
- Maximise the energy efficiency of our properties through our Asset Management Strategy,
- Provide advice on cost effective fuel and energy efficiency measures
- Consider the possibility of joining or developing an Energy Club.

Ensure access to high quality benefit and money advice by:

- Provide all new tenants with a financial health check to ensure they are claiming the benefits they are due, particularly housing benefit, and identify any money problems.
- Offer all tenants, but particularly those who are vulnerable, access to welfare rights advice.
- Signpost tenants to appropriate money advice from independent advice agencies.
- [Partner with money advice and benefit agencies to support and promote access to information and obtaining entitlements.](#)

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Improve access to financial services by:

- Provide financial and promotional support to credit unions offering affordable loans and quality savings products, including micro-loans for small business, or home improvement loans for low income owner occupiers.
- Partner with banks to support and promote access to basic banking services, especially bank accounts
- Offer affordable home contents insurance with rent.

Promote Financial Capability

- Support the development of initiatives to improve tenant financial capability
- Provide information about low cost credit and promoting savings and money management skills
- Promote financial awareness skills

Take a whole organisation, strategic approach by:

- Develop a long term approach based on clear social, business and organisational rationales.
- Engage with other social landlords, and partners in the delivery of their financial inclusion strategy.
- Fully engage front line housing staff in the delivery of the strategy.

5 The Financial Inclusion action plan 2011 -13

Activity	Outcomes	Responsibility (Deadline)
<ul style="list-style-type: none"> • Maximising tenants' incomes 	<ul style="list-style-type: none"> • Ensuring that rents remain affordable • Promote payment methods including Direct Debit/Standing Order to discourage rent arrears • Targeted benefits awareness campaigns • Explore opportunities for employment schemes 	CE (Annually) ED(O) – on-going ED(O) ED(O) - on-going
<ul style="list-style-type: none"> • Fuel Poverty 	<ul style="list-style-type: none"> • Investigate the set up of bulk ordering schemes • Promote the bulk ordering schemes • Train four members of staff to NVQ level 3 in Energy Efficiency Advice. 	ED(O)- May 2011-(7/11)
<ul style="list-style-type: none"> • Benefits Advice 	<ul style="list-style-type: none"> • Introduce Service Standards for Welfare service • Investigate providing advice via ICT • Hold "Benefits Events" • Partner /service level agreements with welfare agencies 	ED(R) ED(O) – July 2012 ED(O) – April 2012
<ul style="list-style-type: none"> • Financial Advice 	<ul style="list-style-type: none"> • Establish a financial information web page • Hold a "Money Fair" with partners 	ED(R) ED(O) – July 2012
<ul style="list-style-type: none"> • Financial Services 	<ul style="list-style-type: none"> • Support the recruitment of Credit Union Village Representatives • Signpost potential Rural Branch Representative to Norfolk Credit Union. • Review home contents insurance scheme 	ED(O) ED(O) –

<ul style="list-style-type: none"> Financial Capability 	<ul style="list-style-type: none"> Research Financial Capability training packages Promote financial capability training and initiatives Train staff to deliver Financial Capability training Deliver Financial Capability training 	December 2011 ED(O) – November 2011 ED(O) – November 2011 ED(R) ED(O) – March 2012
<ul style="list-style-type: none"> Organisational Approach 	<ul style="list-style-type: none"> Promote Financial Awareness skills to staff and provide access to training 	CE

Key CE – Chief Executive; ED(O) – Executive Director (Operations); ; ED(R) – Executive Director (Resources)

6. Responsibility

The responsibility for financial inclusion lies with all members of staff and this will ~~has~~ be reinforced during a variety of training and communication events carried out in the future. The Management Team has the responsibility to ensure that financial inclusion is being promoted and that Board members are kept informed. Members of Management Team have the responsibility to maintain an up to date awareness and understanding of good practices in their own areas of operation and to ensure that these are investigated and implemented if appropriate.

7. Consultation

In developing this strategy, FCH aims to consult effectively with stakeholders. We will continually seek opportunities to consult with such groups and individuals at a strategic and operational level. In delivering this strategy we will seek opportunities to work with our partners to ensure a joined up and integrated approach to Financial Inclusion.

9. Review and Monitoring

The overall responsibility for delivery and monitoring of the Financial Inclusion Strategy rests with the Chief Executive reporting through the Board. This strategy will be subject to a periodic formal review to ensure that it continues to meet its objectives and take accounts of good practice developments.

Monitoring should not only focus on the direct inputs and outcomes of the proposed activities such as the number of advice cases; welfare benefit identified; and Credit Union take up, but also periodically consider possible indirect results such as reduced rent arrear levels; numbers of Notices of Seeking Possession; number of court cases; number of evictions and the level of write offs. A reduction in overall costs of delivering the income recovery service or the cost of empty property management may well provide a justification for increased investment in Financial Inclusion.

10. Risk Management

The risks associated with a failure to promote Financial Inclusion and the activities set out in this strategy will be identified and included within the Association's Risk Map. The Risks will be managed in accordance with the Association's Risk Management Strategy.

11. Equality and Diversity

The Policy and strategy has been subject to an Equality Impact Assessment. All activities proposed in the action plan will be subject to Equality Impact Assessments prior to their introduction.

Freebridge Community Housing

Report to the Board

Author	J. Beckett	Report Type		Impact		
Related Work Ref.		For Decision	√	High	Medium	Low
		For Information				√
Consultation	Executive Director (Operations) Development Manager					

Meeting Date: 25th July 2011

Report Title: Amendment to Standing Orders (Scheme of Delegation)

Purpose:

To make an amendment to Standing Orders (Delegations) to reflect the day to day working of the Association.

Policy/Strategy Implications:

Standing Orders are part of the Association's governance framework.

Finance and VFM Implications:

None

Customer Care/Equality and Diversity Implications:

None directly although having authority delegated means that customers will not be delayed whilst waiting for a Board decision.

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

The amendments to the Scheme of Delegation will ensure that there is less risk of challenge that the Association is acting outside of its powers.

Recommendations: It is recommended that the Board

- (i) Approve the amendment to Standing Order 9 as set out in the body of this report.

1. Many of Freebridge's developments require Freebridge as landowner to enter into legal Agreements such as s106 (Planning) Agreements, s38 (Road) Agreements and s185 and s104 (Drainage) Agreements. There is currently no reference in the scheme of delegation authorising the entering into of legal Agreements relating to development and therefore Board authority would be required.
2. It is therefore proposed to include within Standing Order 9 – Delegated Authority to the Executive Director (Operations) – the following paragraph:

“4.2 h Authorise the Association entering into legal Agreements relating to its developments .”

3. There are no legal implications arising directly from this report. The purpose of the report is to ensure that documents required to be entered into can be dealt with quickly and so not hold up work on developments.

Freebridge Community Housing

Report to the Board

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

Meeting Date: 25th July 2011

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 2011) 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 2010/11 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 with Freebridge 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.
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Appendix 1

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

Freebridge Community Housing's Board Membership, Recruitment and Succession Policy states that Freebridge will seek to ensure that Board members collectively possess experience and understanding of most or all of the following if they are to discharge their responsibilities effectively:

- The housing needs to be met by Freebridge;
- General business skills, including the management of staff and property,
- Finance;
- Other relevant or specialist skills, such as commercial, investment, risk management, legal, health, social services, property management, housing development and building, public relations, marketing, and information technology;
- Direct knowledge of the needs and aspirations of the communities and people served by Freebridge, including equal opportunities;
- Working with local authorities and other public sector agencies;
- Strategic management and planning in a public or private body;
- Leadership and working as an effective team;
- Knowledge of the external framework as it affects Freebridge, including financial markets, political imperatives and operating environment;
- Effective communication skills and an ability to focus on key issues facing the organisation;
- The ability to foster a culture that enhances commitment, enthusiasm and excellent performance from the staff.

The Freebridge Board Member Agreement states that board members are expected to conduct themselves in a way that demonstrates Freebridge's values and the Nolan principles of standards in public life.

Freebridge's values are: Working Together, Empowerment, Integrity, Customer Focus, and Enthusiasm.

The Nolan principles are: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership.

The Board undertakes an annual review of its performance, which includes the following:

- Assessment of the balance of skills
- Assessment of the effectiveness of the Board
- Assessment of training needs
- Assessment of the diversity of the Board
- Individual board member appraisal.

Board members completed an appraisal process during 2010/11. This process was led by the Chairman, supported by the consultancy firm, Campbell Tickell. As a result of the process, a Board improvement plan was 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.

Board members have been involved in a wide range of training sessions and seminars during the year including joint training with e² Board members, Mary Gober customer excellence training and Governance Training with Karen Cooper from Campbell Tickell.

Appendix 2

The Policy for admitting new shareholders

Freebridge's key policy objectives in respect of the issue of shares are to: -

- involve tenants and various stakeholders in the business of FCH;
- operate an inclusive, open and transparent shareholder policy in line with tenant promises, Freebridge's Rules, National Housing Federation Code of Governance good practice, and Freebridge's policies on Equal Opportunities & Diversity and Customer Engagement.

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

Shareholding is available to all tenants (subject to conditions). As at 11 July 2011 there were 127 tenant shareholders.

Appendix 3

The Board's report on the Community Empowerment Strategy

2010-2011 saw a shift in focus from Tenant Empowerment to Communications & Customer Engagement with the establishment of the new service area. To inform the work of the service area, a series of reviews took place throughout the year to enable the team to take stock of achievements to date and identify areas for improvement and development. The reviews took place as part of the wide-ranging Tenant Empowerment Service Review which was finalised in summer 2011, with a series of recommendations and an action plan developed. A new customer engagement policy and strategy was also produced through the review process which will guide Freebridge's approach to customer engagement.

A key achievement of the last twelve months has been the establishment of the Tenant Panel which met for the first time in June 2011. The Panel was established through a recruitment process, following the appointment of an independent facilitator. The Panel provides an opportunity for tenants to learn new skills and play a role in improving Freebridge's services.

Other, more established engagement activities were delivered in 2010-2011, including the Tenant Awards which attracted around 100 tenants. The Tenant Academy also continued to operate, with attendees of the ESOL classes being presented with certificates in recognition of their involvement. Events and focus groups were held to allow tenants to have their say on projects and key Freebridge activities.

With the new focus on communications, the Freebridge brand was developed to ensure consistency in our visual communications. Based on the brand development and feedback from readers, the customer magazine Streets Ahead was revamped. And media relations and engagement with our stakeholders through social media allowed us to continue to raise our profile.

2010-2011 – Key Community Empowerment Achievements

- 2011 Tenant Awards
- Tenant Panel launched
- Tenant Empowerment Service Review
- Support for TOWN, including support for a review event
- Support for Sheltered United
- Capacity-building opportunities through the Tenant Academy
- Engagement with tenants through Facebook and with stakeholders through Twitter
- Engagement with the media resulting in increased press coverage
- Revamped customer magazine Streets Ahead
- New website under development
- A series of focus groups for tenants on subjects such as the website, Streets Ahead and the customer engagement policy and strategy
- Opportunities to feedback through mechanisms such as the STATUS survey
- Consultation with tenants around the Local Offer resulting in engagement with 1,000 tenants
- Freebridge tenants took part in the Norfolk Housing Alliance conference and tenant group.

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: 25th July 2011

Report Title: 2011/12 Business Plan 1st Quarter Update

Purpose: To note the 2011/12 Business Plan first quarter update.

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

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

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

Risk Assessment (cross-reference with Freebridge 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 2011/2012 Business Plan - 1st quarter update

1 Background

- 1.1 The 2011/12 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. For clarity the RAG status is categorised as follows:

Red Won't be completed within the year
 Amber In progress
 Green Completed

2 Progress Report on Key Projects

- 2.1 At this stage of the Plan's implementation the majority of the RAG status reports are 'Amber' with some early completions already identified 'Green' as completed. Although this is the case there are some major activities that are giving us concern and will require closer scrutiny. The Board will receive separate updates on these during the year.

- Supporting People Strategy - changes in funding from the County Council will require us to radically review the Sheltered Housing service. Information from the County Council about their Procurement Strategy has been slow to materialise. A variation to the Supporting People contract has been received reducing our income from October 2011 by £60,000, and £120,000 in subsequent years. The current contract

terminates in April 2013. The additional costs have been factored into the current year's budget. An option appraisal is being developed for the Board's consideration.

- Hillington Square Regeneration Project - progress on the development of regeneration plans are on schedule following significant consultation events. Preliminary costs are being assessed. Funding options will form part of a separate report to the Board.
- Remuneration Strategy - the Board have agreed changes to improve the organisation's Remuneration Strategy. At its core is a shift from automatic cost of living increases to a performance based culture. The two Unions representing some salaried employees have strongly rejected these proposals. Negotiations are continuing; however, these are causing delays to the full introduction of the Strategy.

3 Progress Report on Corporate Bond Targets

3.1 90% Customer Satisfaction

Revised survey scheduled for March 2012.

3.2 Average days lost to sickness (10.7%)

Current average is 2 days lost to sickness.

3.3 Conclude Tenancy Visit pilots (500)

The first 'Out and About' pilot commenced on 14 July 2011 at Downham Market where 40 tenancies were successfully visited.

3.4 85% Satisfaction with views taken into account

Revised survey scheduled for March 2012.

3.5 95% Decent Homes

Revised figure currently 79.8% of properties are now decent.

3.6 18 new homes

On track to deliver 18 new homes within the financial year. Current position:

Fairstead Estate	12 units completion February 2012
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Ferndale	1 unit completion November 2011
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Lady Jane Grey Rd	2 units completion November 2011
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3.7 200 new skills

The 2011/12 appraisals are currently being completed which identify the areas for the development of new skills.

3.8 £333,000 cost reduction target

Management Team discussions have commenced on the development of a cost reduction strategy.

VISION	2011 - 2012	STATUS	RESPONSIBILITY AND TIMESCALE	PROGRESS
1. INCREASING SATISFACTION				
1.1 Increasing employee satisfaction in order to develop a corporate culture that supports Customer Excellence	1.1.1 Implement the Remuneration Strategy.	A	Jo Whaley Mar 12	Elements developed and subject to on-going Union consultation. New appraisal process launched Staff communication plans under discussion.
	1.1.2 Embed the Mary Gober training/coaching. Commence in-house induction.	A	Jo Whaley Mar 12	Inductions started. Next two-day course being arranged. Coaching supervision underway.
	1.1.3 Identify External Validation scheme and self assessment.	A	Jo Whaley Mar 12	Early stages of research commenced.
1.2 Embed customer engagement in continuous improvement	1.2.1 Establish Tenant Panel.	G	Michelle Playford June 11	Nine members appointed to the Panel; first meeting held to agree Terms of Reference. Further monthly meetings planned. The September meeting will focus on the Local Offer and allow the Panel to carry out its first service review.
	1.2.2 Develop Local Offer to include customer satisfaction and improving repairs and maintenance.	A	Robert Clarke Mar 12	First tailored Local Offer to be launched at Monk's Close August 11
	1.2.3 Asset Management Service Review.	A	Peter Nourse Nov 11	Service has commenced with an Assets Away Day with activity scoping in early July.
	1.2.4 Tenant Engagement Service Review.	A	Michelle Playford July 11	All stages of the service review have been completed, including collating feedback from a critical friend. Eleven mini-service reviews for different elements of the service area have been completed. The final report and action plan is in progress.
1.3 Increase feedback in order to demonstrate learning (Ask, Listen, Act, Learn)	1.3.1 Improve Complaints Process establish clear procedures to improve response times.	A	Abigail Ellis	Liaising with Comms Team for structure for complaints review. Benchmarking of peer processes commenced.

VISION	2011 - 2012	STATUS	RESPONSIBILITY AND TIMESCALE	PROGRESS
	1.3.2 Feedback mechanisms - re-launch Mystery Shopping. Focus Groups.	A	Abigail Ellis/Robert Clarke Mar 12	Training and first exercise May 11. Low take up for training and quality of first shop was disappointing. Process being reviewed and checks with RP peer group. Second exercise due Sept 11
	1.3.3 Annual Satisfaction Surveys.	G	Michelle Playford	STATUS survey completed in April and showed overall improvement in satisfaction. The Star Survey will take place in March 2012.
1.4 Improve communication and access to services, ensuring that FCH is 'Easy to do business with' whilst providing VfM	1.4.1 Customer Contact Centre - develop strategic plan and implement the first phase.	A	Robert Clarke Dec 11	To commence September 11
	1.4.2 Behavioural Influencers - assess opportunities and establish pilots.	A	Sean Kent	Awaiting feedback from The Cabinet Office. Beginning to explore other opportunities as potential fall backs.
1.5 Improve choice in order that individual needs are met	1.5.1 Revise Customer Profiling survey and collect additional data.	A	Robert Clarke July 11	Form to be redesigned
	1.5.2 Diversity Impact Assessments - continue rolling review and integrate into service reviews.	A	Sean Kent	Ongoing
2. COMMUNITY FOCUSED				
2.1 Support our communities through working with people in ways which will help them to have a greater influence over decisions which affect their lives	2.1.1 Complete Community Development Strategy to include employment, training and capacity building opportunities and commence implementation.	A	Robert Clarke Dec 11	Commence Sept 11
	2.1.2 Tenancy Visits - agree and implement programme of pilots.	A	Robert Clarke	Pilots to commence June 11
2.2 Working in partnership to improve our residents economic and social well being	2.2.1 Local Partnerships - Influencing partnerships' objectives to meet tenants' needs.	A	Tony Hall	Executive meeting with Divisional Police Commander. Executive Director (Ops) chairing Health and Social Care Initiative Core Group. Various meetings with Borough Council representatives.

VISION	2011 - 2012	STATUS	RESPONSIBILITY AND TIMESCALE	PROGRESS
	2.2.2 Local Procurement - establish baseline data and set target for future activity.	A	Malcolm Fry Aug 11	Baseline data being collated, targets to be set
	2.2.3 Revise Financial Inclusion Strategy and Develop Digital Inclusion Strategy.	A	Malcolm Fry / Dave Clements March 12	Digital Inclusion : Research taking place, draft report to be prepared for Management Team
2.3 Demonstrate a commitment to improving neighbourhoods	2.3.1 Hillington Square - Consult and complete design pilot - start on site.	A	Peter Nourse Mar 12	First consultation to take place between 22-25 June, with second later in the summer 2011, aiming for planning submission Oct 11 with on-site start March 12.
	2.3.2 Local Charters - Grow Neighbourhood Charters as appropriate.	A	Robert Clarke April 11	'Challenge the Charter' events to commence August 11 on Hillington Square
	2.3.3 Estate Walkabouts - Agree approach and set targets. Publish programme for residents.	G	Robert Clarke	Programme published.
2.4 Influence local and national policy makers to help meet the needs of our communities	2.4.1 Media & Stakeholder Influencing - complete Influencer audit and deliver action plan.	G	Michelle Playford Ongoing	Influencer and partner perception surveys completed and findings analysed. Delivery of targeted engagement activity underway, starting with a partner focus group in July. Media engagement is ongoing with proactive and reactive media relations.
	2.4.2 Providing Support for Smaller Charities - Agree extent and approach. Agree scope with Purfleet Trust, Arts Centre & Thornage.	A	Tony Hall	SLA agreed with KL Arts Centre. Representation on the Purfleet Trust Management Board. Continued working arrangements with Thornage Hall. Exploring opportunities with True's Yard and Pregnancy Choices

VISION	2011 - 2012	STATUS	RESPONSIBILITY AND TIMESCALE	PROGRESS
3. APPRECIATING ASSETS				
3.1 Develop an effective Asset Management Strategy that delivers a range of approaches, products and priorities reflecting our assessment of local markets	3.1.1 Revise Asset Management Strategy and agree corporate objectives.	A	Abigail Ellis	Policy and Strategy developed ready for next Operations Committee prior to going to the Board.
3.2 Improve effective Asset Management in order to understand the long term performance of our asset portfolio and the investment performance of each individual property [Making best use of what we have got]	3.2.1 Asset Management Database - analysis of requirements for stock condition information. Validate and collect information.	A	Peter Nourse Nov 11	Meeting arranged with ICT to identify gap analysis between information required and what Open Housing currently provides with a view to developing options.
	3.2.2 Devise Under Occupation Strategy and action plan. Implement pilots.	A	Abigail Ellis	Policy and strategy developed. Full process for discussion at Management Team Sept 11 before feed into Operations Committee and Board.
3.3 Improve analysis of our asset portfolio to maximise new affordable housing in order to meet local need	3.3.1 Stock Rationalisation Plan.	A	Peter Nourse Oct 11	On track - being developed in parallel with Asset Management Strategy and Development Strategy
	3.3.2 New Affordable Homes - build 18 new homes.	A	Peter Nourse Mar 12	On track to meet target
3.4 Improve overall satisfaction in the quality of tenant homes including optimising energy efficiency measures	3.4.1 Decent Homes and Development of Investment Plan - program Stock Condition Survey work plan. Procurement of partners.	A	Peter Nourse Nov 11	Savills Stock condition data loaded onto Open Housing to develop investment plan and procurement options.
	3.4.2 EEDA Bid for retrofitting pilot successful. Prepare and commence.	A	Abigail Ellis July 11	Bid being developed in liaison with ERDF representative. 1 st draft submitted May 11 and feedback considered. Bid in end July 2011.

VISION	2011 - 2012	STATUS	RESPONSIBILITY AND TIMESCALE	PROGRESS
	3.4.3 Complete approach analysis to wider energy efficiency measures - identify funding including "Green Deal". Consider pilots.	A	Peter Nourse Aug 11	On track to meet targets
4. INCREASING CAPACITY				
4.1 Clear understanding of our operating costs in order to achieve cost reductions	4.1.1 Benchmarking and Reducing costs - target reductions from agreed areas.	A	Malcolm Fry July 11	Housemark submission made. MT meeting arranged July 11 to progress Cost Reductions
	4.1.2 Revised Procurement Strategy produced	A	Malcolm Fry Sept 11	Current strategy being reviewed in preparation for update
4.2 Improve internal capacity	4.2.1 Developing Skills - Review training approaches Improve identification of outcomes.	A	Jo Whaley July 12	Definition of '200 skills' being developed. New Personal Development Plans introduced as part of revised appraisal process and guidelines produced. Recommendations to MT due, on revised approach to training evaluation.
	4.2.2 ICT Strategy - map and review existing information storage, improve access to reporting tools, improve usage of existing systems.	A	Dave Clements Information Storage: Target Dec 11	To commence 2 nd quarter
		A	Reporting Tools: Target Sep 11	To commence 2 nd quarter
		A	Improved Usage of Existing Systems: Target Jan 12	ASB requirements specification being drawn up. Asset Management Focus Group meeting Jul 11 to consider requirements
4.2.3 Agree and implement Succession Planning approach.	A	Jo Whaley Sept 11	Succession Planning Strategy - draft to MT Aug 11	

VISION	2011 - 2012	STATUS	RESPONSIBILITY AND TIMESCALE	PROGRESS
4.3 Income maximisation and impact on affordability	4.3.1 Fairer Futures Investment Plan - identify funding options.	A	Sean Kent March 12	Revised Financial Plan with funders awaiting their approval. Quality Social Housing opportunity progressing.
	4.3.2 Service Charging - implement phase 2 of sheltered and identify general needs charges.	A	Robert Clarke April 12	Project Team in place general needs service charging to be rolled out April 12
	4.3.3 Supporting People Strategy - restructure sheltered services.	A	Robert Clarke Dec 11	Paper to Board for consideration July 2011
4.4 Selling services	4.4.1 Stock management opportunities - agree approach and develop draft systems and procedures. Review current opportunities.	A	Abigail Ellis	Ongoing
	4.4.2 Agree and implement PSD Business Plan.	A	Colin Davison Mar 12	The plan is moving forward with key areas identified for discussion prior to implementation by Mar 12
4.5 Improving governance	4.5.1 Revise Board Development Plan.	A	Tony Hall	Governance Working Group planned for Autumn 2011

Freebridge Community Housing

Report to the Board

Author	Angus MacQueen	Report Type		Impact		
Related Work Ref.		For Decision	√	High	Medium	Low
		For Information				√
Consultation						

Meeting Date: 25 July 2011

Report Title: Board Members' Declarations of Interest – Update

Purpose: To report an update to the schedule of Board members' declarations of interest.

Policy/Strategy Implications: Declarations of interest are made in line with FCH's Board Member Agreement.

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 Freebridge 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.

Recommendations: It is recommended that the Board:

- (i) Note the contents of the report.
- (ii) Approve the amendments to the schedule of board members' interests published on Freebridge's website, as described in the report.

- 1.1 Ian Pinches, as a new board member, has completed a declaration of interest form. Ian has made no declaration of interest on the form, other than that he is a member of Fincham Parish Council. It is proposed to reflect this in the schedule of board members' interests published on the Freebridge website.
- 1.2 Meanwhile, Geoffrey Hipperson has left the Board, and so his entry in the schedule of board members' interests on the Freebridge website has been removed.
- 1.3 Steve Clark has completed a declaration of interest form, in anticipation of becoming a board member on 20 September 2011. Steve has made no declaration of interest on the form. It is proposed to reflect this in the schedule of board members' interests published on the Freebridge website, when he becomes a board member.

- 1.4 Nigel Donohue will be leaving the Board on 20 September 2011, and it is proposed to remove his entry in the schedule of board members' interests on the Freebridge website with effect from that date.

Freebridge Community Housing

Report to the Board

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

Meeting Date: 25 July 2011

Report Title: Board Members' Mileage Rates

Purpose: To establish the principle of aligning board member mileage rates with the HM Revenue and Customs rates, with effect from 1 April 2011.

Policy/Strategy Implications: The report recommends amendments to Freebridge's Board Member Agreement.

Finance and VFM Implications: The report recommends a small increase in the private vehicle mileage rate that can be claimed by board members, with effect from 1 April 2011.

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

Risk Assessment (cross-reference with Freebridge Risk Map):
None

Recommendations: It is recommended that the Board:

- (i) That the Board Member Agreement be amended to specify that the board member private vehicle mileage rate is set in line with the HM Revenue and Customs rate and will change as and when the HM Revenue and Customs rate changes.
- (ii) That the current HM Revenue and Customs rate of 45p per mile take effect as the board member private vehicle mileage rate from 6 April 2011, the date of its introduction.
- (iii) That the Board Member Agreement be amended to specify that the mileage rates for carrying passengers, motorcycles and bicycles are set in line with the HM Revenue and Customs rates and will change as and when the HM Revenue and Customs rates change.

- 1.1 The Board Member Agreement stipulates the board member private vehicle mileage rate as 40p per mile.

- 1.2 This figure was set in line with the HM Revenue and Customs mileage rate. However, the Board Member Agreement does not explain this nor specify that the figure should be changed if the HM Revenue and Customs mileage rate changes.
- 1.3 Consequently, when the HM Revenue and Customs rate changed on 6 April 2011, to 45p per mile, it was not possible to automatically change the board member rate, and this has remained at 40p per mile.
- 1.4 Board members are asked to agree to the principle that the board member private vehicle mileage rate is set in line with the HM Revenue and Customs rate, and will change should this rate change. The Board Member Agreement would need to be amended to reflect this.
- 1.5 It is further proposed that the increase to 45p takes effect from 6 April 2011. This would mean that those board members who have made mileage claims since 6 April 2011 would receive payment of the difference, as they would have been paid at the 40p rate.
- 1.6 Finally, the rates in the Board Member Agreement for carrying passengers (5p per mile), motorcycles (24p per mile) and bicycles (20p per mile) were also set in line with the HM Revenue and Customs rates. Although these have not changed for some time, it seems prudent to amend the wording in the Board Member Agreement to enable them to be changed should the HM Revenue and Customs rate change in the future.

Freebridge Community Housing

Report to the Board

Author	Angus MacQueen	Report Type		Impact		
Related Work Ref.		For Decision	√	High	Medium	Low
		For Information				√
Consultation	Board Chairman, Chairman of the Resources and Risk Committee, Chief Executive, Executive Director (Resources), Ian Pinches					

Meeting Date: 25 July 2011

Report Title: Appointment to the Resources and Risk Committee

Purpose: To fill the vacancy on the Resources and Risk Committee.

Policy/Strategy Implications: None

Finance and VFM Implications: None

Customer Care/Equality and Diversity Implications: None

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

Risk 1.1 – Failure to Comply with Regulatory and Legislation Requirements – Critical Impact, High Likelihood. Freebridge has a regulatory requirement to achieve good governance, and making the right appointments to committees contributes to this.

Recommendations: It is recommended that the Board:

- (i) Appoint Ian Pinches to the Resources and Risk Committee.

- 1.1 The resignation from the Board of Geoffrey Hipperson has left the Resources and Risk Committee with only three members (the quorum being three).
- 1.2 It is intended to review all committee memberships at the Board's meeting on 17 October 2011. In the meantime, however, it is felt important to fill the vacancy on the Resources and Risk Committee, so as to reduce the possibility of inquorate meetings and to add to the existing skills on the Committee.
- 1.3 Ian Pinches joined the Board in April 2011, and has not yet been appointed to a Committee. Having worked in senior accounting roles in the housing sector, his skills and experience are well suited to the Resources and Risk Committee, and he has indicated an interest in joining the Committee.

Freebridge Community Housing

Report to the Board

Author	Simon J Swanson	Report Type	Impact		
Related Work Ref.		For Decision		High	Medium
		For Information	√	√	
Consultation	Tenant Representatives				

Meeting Date: 25th July 2011

Report Title: Tenant Satisfaction Survey

Purpose: The purpose of this report is to advise of the results of the recent STATUS tenants' survey.

Policy/Strategy Implications: None.

Finance and VFM Implications: None.

Customer Care/Equality and Diversity Implications:

To make Freebridge Community Housing more aware of their tenants needs and their views on Freebridge Community Housing.

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

2.1 Housing Management–Failure in customer satisfaction, critical impact – low likelihood

7.1 Relationships–Failure in tenant communication, critical impact – significant likelihood

7.7 Relationships–Failure to deliver transfer promises, catastrophic impact–low likelihood

Having carried out a tenant survey this has given us information which tells us how we are performing in line with our business.

Recommendations: It is recommended that the Board:

- (i) Note the report.

1.0 Introduction

Previously we have carried out two kinds of survey amongst tenants. These being the comprehensive regulated STATUS surveys which were carried out in January 2008, July 2008, January 2009 and March 2010. In between these we carried out monthly 'climate' surveys sent to about 200 tenants to provide a snap shot using just 10 questions of our own choice. During 2009 it became apparent that the response rate to the monthly 'climate' survey was declining quite dramatically. We therefore believed that this might be due to an 'survey fatigue' amongst our tenants. As a result of this we decided to suspend the climate.

The STATUS survey was sent out to 2,500 plus tenants and responses were received back from 1,030 tenants, thus giving a response rate of 40.2% - a similar response to the previous year which was in turn significantly higher than 2009 and 2008. As per last year one aspect of this survey which differentiates it from others is that in addition to the General Needs survey, which had previously also included sheltered tenants we undertook a completely separate survey for sheltered tenants. The results of both surveys are reported separately together with a combined score. The combined score is most comparable to previous surveys, albeit there is possibly a greater proportion of sheltered tenants. Therefore the separate and combined scores are detailed separately.

2.0 Results

A summary of the three keys measures that are used nationally from the survey follows :

	Combined				General Needs	Sheltered	Combined
	Jan-08	Jul-08	Jan-09	Mar-10	March 2011		
Taking everything into account, how satisfied or dissatisfied are you with the services provided by housing association?	75.2%	76.7%	76.9%	84.3%	86.2%	93.7%	88.2%
Generally, how satisfied or dissatisfied are you with the way your housing association deals with repairs and maintenance?	71.79%	72.45%	74.20%	82.4%	85.0%	94.0%	86.9%
How satisfied or dissatisfied are you that your views are being taken into account?	55.05%	56.38%	59.59%	73.5%	75.0%	80.0%	76.1%

The current Business Plan target for customer satisfaction is 90%.

It is again encouraging to note that for all three measures the proportion of tenants that are 'very' or 'fairly satisfied' has increased and as a result the combined figure has increased across the board.

The results of the STATUS survey were also analysed by all six diversity strands and they revealed no statistical differences with exception of the expected difference that in general older tenants are more satisfied than younger.

3.0 Additional Comments

In addition to tenants being asked their opinions on a variety of matters the STATUS Survey also asks tenants whether they have any other comments to make – albeit comments that are anonymised. A large number of comments are made and as such are available to view elsewhere, however to give a taste of what's been said we have created word clouds for both the General Needs and the Sheltered surveys.

