

2017/18

# Compliance Statement



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# Statement of Compliance

**This is the statement from Merthyr Valleys Homes that on the 19 July 2018 our mutual organisation has met the Performance Standards set out in the Regulatory Framework for Housing Associations Registered in Wales May 2017.**

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Welsh Government in its 'Regulatory Framework for Housing Associations Registered in Wales' document sets out a series of Performance Standards that focus on the key risks and strategic issues facing housing associations. Welsh Ministers expect housing associations to meet Performance Standards

The following tables are a summary of the work carried out by Board that has been checked and scrutinised by our Democratic Body. By passing each measure we can complete this compliance statement.

This is only a brief summary and there is a body of evidence that supports each measure. Our Annual Plan is our main tool for measuring compliance and the progress. If you want more information please get in touch.

RSL Name and Registration No.....**Merthyr Valleys Homes Ltd**..... **30532R**.....

Registered Office.....**Merthyr Valleys Homes Ltd, Ty Brychan, 22 Lansbury Road**  
**Gellideg, Merthyr Tydfil, CF48 1HA**  
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This statement of compliance was approved by the Board of Directors on 19th July 2018 and was accepted by the members of the Merthyr Valleys Homes at the Annual Members Meeting on 6th September 2018

Signed  .....

**Chair: Nicola Evans**

**Date: 6th September 2018**

# Performance Standard 1

Effective Board and executive management with a clear and ambitious vision for the Registered Social Landlord.



| Performance Standard  | Comments   | Do we comply |
|---|--|--------------|
| <b>1.1 Sets a clear vision and values for the organisation which deliver and progress the core purpose of the business.</b>   | <p>Yfory was adopted in 2016, and in March 2017 we adopted a detailed plan to track how well the Board is delivering against Yfory. The Democratic Body held a special meeting in June 2018 to undertake an in-depth review of the plan, and concluded that they are satisfied with progress made during the year.</p> |              |
| <b>1.2 Governance arrangements establish and maintain clear roles, responsibilities and accountabilities for the Board, Chair and Chief Executive and ensure appropriate probity arrangements are in place.</b> | <p>Clear scheme of delegation and standing orders between executive and non executive.</p> <p>There is additional scrutiny through the Audit Committee and Democratic Body</p>   |              |
| <b>1.3 Complies with governing documents including adopting, and complying with, an appropriate code of Governance.</b>   | <p>Merthyr Valleys Homes had adopted the CHC Code of Governance during the previous year. We are currently reviewing our mutual structure against the recently launched CHC Code of governance.</p>  |              |
| <b>1.4 Adheres to all relevant law and all regulatory requirements.</b>   | <p>No compliance failure.</p>  |              |

# Performance Standard 2

Effective and appropriate tenant involvement and high quality and improving services.



| Performance Standard   | Comments  | Do we comply |
|--|---|--------------|
| <b>2.1 Demonstrates how tenants are effectively involved in strategic decision making and shaping services in ways appropriate for tenants and the organisation.</b> | Tenant and employee members own the organisation and control the whole governance structure. They appoint the Board and set the goals and objectives of the organisation.   |              |
| <b>2.2 Demonstrates how the board assures itself of current service performance, including tenant satisfaction, and drives continuous improvement.</b>               | A STAR survey of tenants was carried out and reported to Board and Democratic Body. Overall tenant satisfaction has increased.  |              |
| <b>2.3 Ensures that all homes meet required standards of design and quality.</b>   | Welsh Government return on 98.45% WHQS and we have programmes to return to 100%. The 1.55% of non compliant properties are the result of no access.   |              |
| <b>2.4 Meets all applicable statutory requirements providing for the health and safety of the occupants in the home.</b>   | Regular compliance reporting to Board, including a Special Board meeting on 29.06.18 to receive a comprehensive report on Health, Safety and Compliance where Board were provided with a strong degree of assurance. Also report via Annual Plan. |              |

# Performance Standard 3

Comprehensive assessment of the business impacts of current and emerging risks, including new business and development opportunities, with robust risk management arrangements.



| Performance Standard  | Comments  | Do we comply  |
|---|---|---|
| <b>3.1 Safeguards taxpayers interests and the reputation of the sector and protects social housing assets.</b>  | Risk continues to be extensively monitored and reported regularly to Board and Audit Committee. There is scrutiny of all Board decisions to protect the interests of tenants and protect our assets for future generations.   |    |
| <b>3.2 Assessment of capacity to take on new business and development opportunities is robust.</b>  | We do not carry out any activities outside the core landlord role.  |  |
| <b>3.3 Carries out detailed and robust stress testing of financial plans against a range of scenarios, identifying appropriate mitigation strategies.</b>   | We have undertaken detailed scenario stress testing of our Business Plan.   |  |
| <b>3.4 Before taking on any new liabilities, ensures obligations are fully understood and demonstrates consideration of how the likely impact on current and future business and regulatory compliance will be managed.</b> | The only services Merthyr Valleys Homes operates for other organisations are the provision of free facilities for the following community groups:-<br>Forsythia Youth Project<br>Galon Uchaf Community Centre<br>Trefechan Youth Club<br>Trelewis Community Centre. |  |

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# Performance Standard 4

Clearly evidenced self evaluation and statement of compliance.



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| Performance Standard   | Comments  | Do we comply |
|--|---|--------------|
| <b>4.1 Demonstrates how tenants are effectively involved in strategic decision making and shaping services in ways appropriate for tenants and the organisation.</b> | <p>Over 1000 tenants are members whom influence all the activity of Merthyr valleys Homes this year we:</p> <ul style="list-style-type: none"><li>- Consulted on a new rent policy and Value for Money strategy Yfory Cryf.</li><li>- Tenant representatives recommended the budget and the rent increase.</li><li>- Tenants also voted in a number of elections to the Democratic Body, in a change to a 52 week rent year, in naming our new head office, in the choice of our charity.</li></ul> <p>Focus groups tested our VFM strategy and influenced our priorities</p> |              |

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# Performance Standard 5

A track record of achieving positive outcomes, responding appropriately to new challenges and performance issues.

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| Performance Standard   | Comments   | Do we comply  |
|--|--|---|
| <b>5.1</b> Demonstrates how the board assures itself of current performance and drives continuous improvement.                                   | Our Annual Plan links to Yfory and is monitored by the Board.          |    |
| <b>5.2</b> Demonstrates how lettings make the best use of available housing, compatible with the core purpose of the Registered Social Landlord. | All lettings are made through the local authorities allocation policy. |  |

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# Performance Standard 6

Delivering value for money in all areas of the business.



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| Performance Standard   | Comments   | Do we comply  |
|--|--|---|
| <b>6.1 Demonstrates a strategic approach to and delivery of value for money across the business.</b> | Significant work has been undertaken on this area of compliance and we have adopted 'Yfory Cryf' (our Value for Money Strategy) along with our golden rules and subsequent reporting mechanisms. We have produced a Value for Money report for the last 4 years. |  |

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# Performance Standard 7

Compliance with regulatory and statutory requirements and guidance.



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| Performance Standard  | Comments  | Do we comply  |
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| <b>7.1 Communicates in a timely manner with the regulator on material issues that relate to non-compliance.</b> | The Regulator has been informed of all major events in the last year including the intended retirement of the Chief Executive |  |

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# Performance Standard 8

A financial plan which delivers and supports the business plan and effective monitoring of financial performance.



| Performance Standard   | Comments   | Do we comply |
|--|--|--------------|
| <b>8.1 Ensures that the organisation is financially sound.</b>   | A viable Business Plan is approved annually by our funders.  |              |
| <b>8.2 Effective systems and controls are in place to monitor and accurately report delivery of the Registered Social Landlords plans.</b> | There are regular reports to Board and Democratic Body, and the Annual Plan monitors all of the financial controls. The overall picture remains robust with appropriate levels of control and assurance. |              |
| <b>8.3 Monitors, reports on and complies with all covenants.</b>   | Quarterly reports to Board cover the compliance of the funder's covenants.   |              |

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# Performance Standard 9

Effective management of treasury operations ensuring sufficient liquidity at all times.



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| Performance Standard  | Comments  | Do we comply  |
|---|---|---|
| <b>9.1 Ensures sufficient funding is available to deliver the business plan.</b>            | The business plan has been tested by the Board with a number of detailed scenarios and the plan remains robust. |    |
| <b>9.2 Ensures financial forecasts are based on appropriate and reasonable assumptions.</b> | All assumptions in the plan are industry standard.  |  |

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# Performance Standard 10

A clear understanding of liabilities and asset performance.



| Performance Standard  | Comments  | Do we comply  |
|---|---|---|
| <b>10.1</b> Maintains a thorough, accurate and up to date record of assets and liabilities including all liabilities which have recourse to social housing assets.                    | Register in place and monitored by the Audit Committee.   |    |
| <b>10.2</b> Data on the financial and social performance of assets is accurate and used to inform investment decisions.   | Detailed process of internal audits and robust tracking of all internal audit recommendations.                    |  |
| <b>10.3</b> Ensures data on the condition of their assets is up to date and is able to demonstrate consideration of the short and long term costs of maintenance, repair and renewal. | The assets system has been reviewed and the data captured is added to each year through external surveys.         |  |
| <b>10.4</b> Ensures that publicly funded homes meet the standards set out in the Welsh Housing Quality Standard.  | 98.45% of homes meet the WHQS and resources available within plan to maintain 100% of properties into the future. |  |

