Minutes of Meeting

Meeting: Board Meeting
Date: Thursday, 25 February 2021
Time: 6.00pm
Venue: Via videoconferencing on MS Teams

Present:

Tim Bolton	Dave Lakin	Harjit Sandhu
Victor Breach	Nicky Mellings	Hayley Smith
Victoria Dingle	David Mody	Kate Wareing
Jennifer Ekelund	Nasreen Razaq Al-Hamdani	Lucy Weston

Apologies:

None

Also in attendance:

Lee Hayward, Director of Property Services
Nasreen Hussain, Director of Finance and Resources
Jude McCaffrey, Interim Director of Housing and Communities
Craig Dransfield, Head of Development
Katie Legg, Head of HR
Marisa Elliott, Governance Lead & Company Secretary

Declarations of Interest

All Board members, the Chief Executive and the Governance Lead declared an interest in item 82, the Minutes of the Personnel and Remuneration Committee.

69. Approval of Minutes	**Actions**
The minutes of the Board meeting held on 28 January 2021 were approved. **Resolved:** **That the minutes of the Board Meeting held on 28 January 2021 be signed as a true and accurate record.**	

70. Matters Arising Item 57 – CEX Key Issues The Interim Director of Housing and Communities confirmed that all residents in Extra Care who've been offered the vaccine have accepted it. The Chief Executive advised that the work on the key points from the Social Housing White Paper will now be included when we review and consider the mock IDA documentation. This report will come to the Board in May.	**ME**
Item 58 – Development Appraisal Review The Head of Development advised that both the NPV at the current, annually updated WACC and the WACC that would generate an NPV of zero were included in the Development report on this agenda but agreed to move this to the cover sheet on future reports. Item 59 – Corporate Plan 2021-25 The Chief Executive advised that the version of the plan to enable residents to hold us to account for delivery against the plan for the next two years is currently being worked on and when received, she will circulate to the Board.	**KW**
Item 62 – NHF Code of Governance It was noted that this item was on the agenda. Item 65 – Tenancy Sustainment Fund Case Studies The Interim Director of Housing and Communities advised that discussion on the benefit cap and other welfare reform issues will be discussed at the Board L&D session taking place tomorrow. He confirmed that Soha is supporting seven people via the Tenancy Sustainment Fund and has committed half of the current budget.	
Reports	
71. Action Tracker and Wallboard Ideas <u>Action Tracker</u> Item 126 – QL Project	

The Director of Finance and Resources confirmed the implementation of the Asset Management and First Touch modules were on track. She advised that Dave Edge, our new Head of Business Transformation, starts with us on 15 March.

Item 39 – Brexit

This item is to be removed from the tracker.

Item 145 – Review of IDA Documentation

The Chief Executive advised that an initial meeting took place yesterday and we have agreed to extend the scope of the review to include the Social Housing White Paper as mentioned in item 70.

<u>Wallboard</u>

It was agreed to update the Wallboard items for the next meeting as some of them have been on the list for over a year. **KW**

A member asked if we could include an item on domestic violence cases. It was agreed to provide some detail on the types and number of cases. Victoria Dingle agreed to obtain some information from the Women in Housing Forum and forward this to the Interim Director of Housing and Communities. **JMC** **VD**

Resolved:

That the Board notes the update.

72. CEX Key Issues Update

The Chief Executive provided an update on key external trends, internal issues and our ongoing response to Covid-19.

<u>External Operating Environment</u>

1. Covid-19

The Chief Executive advised that the Government made its announcement on the roadmap out of lockdown after her report was written. As a result of the announcement, we are keen for staff to start to see others – via walking meetings with two people form 8 March followed by the rule of six from 29 March.

She advised that we won’t be re-opening RSH until at least mid-May. We will also re-start discussions on the longer term plan for RSH.

2. NHF Sector Scorecard Analysis

The Chief Executive advised that the NHF has summarised key performance and financial data drawn from regulatory returns and performance, impact and satisfaction data into one document. A copy can be found in the BoardEffect library.

3. Crisis Housing Led Homelessness Report

The Chief Executive advised that we have collaborated with Crisis on a report on homelessness in Oxfordshire and a housing led approach. The report was circulated to Board members in advance of the meeting.

<u>Internal Update</u>

1. Covid-19

The Director of Property Services provided a brief overview of some of the successes in his team over the past year. He drew members' attention to the three gas safety checks which are overdue (out of 4.3k completed). In all cases, the residents have refused access due to Covid and we are working with them to find a resolution.

The Director of Property Services advised that all actions from this years' Fire Risk Assessments (FRA) have been completed ahead of target. He advised there are 19 actions still outstanding from the previous FRA, the majority of which relate to leaseholders.

2. Housing Led Approaches to Addressing Homelessness Event

The Chief Executive advised that we organised and co-hosted an event to discuss what it means to move to a housing led approach to homelessness across Oxfordshire. Over 70 people attended the event and we hope there will be more collaboration with our relevant local partners and agencies.

3. No Recourse to Public Funds

The Chief Executive explained that Soha has committed three, two-bed properties to assist people who have no recourse to public funds. The properties will be let at a peppercorn rent which does mean a loss to the organisation. Support will be provided, paid for out of charitably raised funds. These are harder to let properties and will prevent a return to street homelessness for six people with very limited options.

4. Members Forum Future Meetings and Role

The Chief Executive advised that a sub-group of the Forum met to discuss how they are able to drive their own agendas and how they best fit their function. It was noted by a number of Forum members there was too much reactivity and 'rubber stamping' of reports.

The Chief Executive advised that each Forum meeting will end with a Forum member only session for them to consider how the meeting went, how future meetings can be improved and to agree a theme for the next meeting.

5. GreenCore
The Chief Executive advised that we've met with GreenCore who specialise in carbon negative homes. Soha wouldn't be able to do much on a S106 site but there is further scope on either land led schemes or our own sites. The pricing appears competitive and we are looking for a small piece of land we could trial this approach on.

6. Planning for Net Carbon Zero
The Chief Executive advised that we are gathering information from other housing associations on how they are planning to include future retrofitting costs in their Business Plans. She explained that the costs of reaching net zero carbon are enormous for existing homes and we are unsure of the grant that may be available.

We are also looking to learn from associations who have incorporated ESG (Environmental, Social and Governance) style reporting into their structures for internal accountability and to meet likely future expectations of lenders.

7. Social Housing White Paper Action Plan
This item was discussed earlier.

8. Communications Update
An update is provided as Appendix A of the report.

Resolved:

That the Board notes the update.

73. Isolation and Methods to Tackle Loneliness During Lockdown

The Interim Director of Housing and Communities presented the report to provide the Board with case studies on how we are responding to loneliness and isolation during lockdown.

He advised that we were approached by Alertcall (who provide the OKEachDay service) to partner with a charity called Silver Stories. The idea is to pair Soha residents with young readers in an attempt to tackle loneliness. The project started with twelve residents and this has grown to seventy.

Residents receive a weekly call from a young reader and they listen to the child read for about ten minutes. It supports reading skills in the children alongside responding to loneliness in adults and children.

A member suggested that we continue with this project even once lockdown has ended and also consider taking it into schools. It was noted that we could use community connectors (as detailed in the

Communities Strategy) to take this forward.

The Interim Director of Housing and Communities also explained how the use of the OKEachDay service has assisted with safeguarding residents and gave a couple of examples where this has potentially saved lives.

Resolved:

That the Board notes the report.

74. Housemark Benchmarking

The Chief Executive presented the report to update the Board on Housemark benchmarking and Soha's comparative performance using the new metrics.

She advised that Housemark have changed how they present their data. They have created a more interactive tool which enables us to benchmark our performance against a wide range of individual variables and replaces their standard composite variables.

The Chief Executive advised that the data looks very different (as shown in Appendix B of the report). We have run the equivalent data for the last three years to help us examine and identify any trends.

It was noted that our comparative costs have been increasing between 2018 and 2020. This is explained in part to increased investment in IT and planned maintenance and increased spend in front line staffing. Our per unit costs have also risen in comparative terms from being among the cheapest 25% of housing associations to being much closer to the average. We are concerned that the Housemark data shows us as comparatively more expensive despite our overall unit costs being comparatively cheaper. We are seeking to understand why this is, but suspect it is because of differential treatment of shared ownership costs.

The Chief Executive advised that while our overall service shows above average performance, the repairs service is showing below average performance. The data sitting behind this has been reviewed in more detail and has enabled us to focus on the specific metrics which are giving us a perceived high cost, poor performance figure. The one metric which pulled the repairs service into the 'red' area is satisfaction with the overall repairs service. As all the other metrics are in the high cost and good performance area, it was felt that this indicated a time lag with the Housemark information. Soha uses up to date data collected via the STAR survey.

The Director of Property Services advised that we act on real time

information from STAR. We discuss poor satisfaction with repairs with every resident to understand where the dissatisfaction comes from. As a result of this, we have taken the decision to terminate the contract with Bridge Heating six months early as its taking them too long to resolve their underperformance issues. He advised that we are also making some changes to the Technical Officer service by giving them specific patches to work in.	
A member asked about the repairs performance. They understood the higher cost but not the poor performance. They asked if it was possible to differentiate between our contractors. The Director of Property Services agreed to provide a breakdown of our main repair KPIs by contractor in the next quarterly performance report to the Board.	**LH**
Resolved:	
That the Board notes the comparative Housemark data.	
75. Proposed KPIs 2021/22	
The Director of Finance and Resources presented the report on the proposed performance indicators for 2021/22.	
She advised that there remains a great deal of uncertainty going into the new financial year. SLT has discussed the proposed targets and feel they are realistic but stretching. They have based their recommendations on the actual results for the last three years, the result as at December 2020 and the upper and median quartile information from Housemark.	
The Director of Finance and Resources advised that the performance indicators include our Golden Rules, the RSH metrics both delivery and customer measures and other sector measures that are of interest to Soha.	
She explained the additional columns in this years' proposed indicators including the 'recovery pathway' which we intend to monitor on a quarterly instead of annual basis. The 'assumption' column provides the rationale for any proposed change in target and the measures currently presented as part of the quarterly performance report are highlighted in the 'note' column with a reference to its corresponding number.	
The Chair invited questions from members.	
A member asked about the target for satisfaction that we listen to views and act on them as it's higher than we've achieved in the past and is also higher than the Housemark quartiles. The Interim Director of	

Housing and Communities advised that our data comes from the STAR survey and we are working with MEL to expand this question. We intend to drill down further into the detail to see if we are able to disaggregate the 'neutral' from the 'doesn't listen to views' responses. A member asked how we are going to improve the void loss and rent arrears targets over the year. The Interim Director of Housing and Communities advised that we are expecting to see some signs of recovery from Q2. A member asked if we were assured that we could use the reinvestment in communities budget in full as we've only managed to spend a third of the budget this year. The Interim Director of Housing and Communities advised that as soon as we are able to, we would like to get back out into our communities and start to meet our members and residents again. A member asked if we were able to separate out the average SAP rating for new builds from existing stock as this can often mask the true SAP figure. The Director of Property Services agreed to investigate this further but he believes that it is possible.	**LH**
A member asked if our proposed cost per unit target of £3,629 would push us below the upper quartile. The Director of Finance and Resources feels that we will more than likely stay within the upper quartile but we will know more when the Housemark data for 2020/21 is published. A member asked if we should consider adding a benefit realisation KPI relating to the installation of air source heat pumps. It was agreed that we would consider this alongside our future work on ESG style KPIs/reporting. **Resolved:** **That the Board approves the Golden Rules, Key Performance Indicators and Performance Indicators measures and targets to be used in 2021/22.** **76. Budget 2021/22** The Director of Finance and Resources presented the report on the Budget for 2021/22. She explained that the Budget 2021/22 contains significant investment in two key areas: increased expenditure in IT infrastructure to support business transformation and digital inclusion for residents and also investment in housing standards to include energy efficiency and reduction in carbon emissions. She advised that SLT has carried out a	

review against our ambition in the Corporate Plan and we are confident that we have the appropriate resources to deliver our objectives. We are expecting expenditure to increase from £24.3m to £25.9m: an increase of 6.4%. Our operating surplus after interest is projected to be £7.1m (£8.0m in 2020/21) with an operating margin of 42%. The Budget does not take account of income received from other property sales, new build shared ownership, right to buy/acquire or staircasing sales. However, this income will be built into the Business Plan 2021/22 which will improve the overall surplus position. A member asked about the reduction in the hardship fund from £100k to £50k. It was noted that we are unsure about the level of need going forward but there is some flexibility if required. A member was concerned about the significant cost of the CO detectors. It was noted that these will be fitted where a property has gas or solid fuel heating (approximately 4,000 properties). We would look to install hardwired detectors to limit the amount of failures. The budget allowed is sufficient to install 50% of the total programme next year. A member asked about the average cost of a third party service charge for those on a social rent. The Director of Finance and Resources agreed to provide this at the next meeting. The Chief Executive advised that we have set KPIs and a Budget which we hope to meet. They are both premised on the current situation getting better. She advised that in the event that it doesn't, we may have to revise our plans and come back to the Board for additional investment to meet higher than anticipated shorter term needs in our communities. **Resolved:** **That the Board approves the Budget 2021/22 as set out in Appendix A of the report.** **77. Business Plan Assumptions and Stress Testing** The Director of Finance and Resources presented the report to ask the Board to review the assumptions and scenarios to be used for stress testing the Business Plan 2021/22. The Director of Finance and Resources advised that the assumptions and scenarios are based on those given in the Hargreaves Risk and Strategy document published in January 2021 together with those which Soha has considered are important to model.	**NH**

A member enquired where the figure for bad debt provision had come from. The Director of Finance and Resources advised that it was based on our experience and using best estimates, although it was noted that bad debt provision is included on the agenda for the Audit and Risk Committee meeting next month. A member commented that the assumptions made by Hargreaves were reasonably pessimistic! The Chief Executive agreed with this point and noted that the base case for the Business Plan has a degree of pessimism built in, although the KPIs are more optimistic. The Director of Finance and Resources then took members through the five individual sensitivity analyses and the four scenarios based on the Risk Register plus a combination of the scenarios. She advised that we are seeking guidance from other housing associations on how they plan to demonstrate costs in relation to the green agenda as this could potentially show Soha making a loss. It was noted that the Business Plan 2021/22 will be brought to the Board for approval in May. **Resolved:** **That the Board discussed and agrees:** **1. The assumptions to be used to produce the base case Business Plan 2021/22; and** **2. The stress testing to be performed on the Business Plan 2021/22.** **78. Development Update** The Head of Development presented the report to update the Board on progress since the last meeting. He asked the Board to approve a S106 scheme at Southfield Farm in Weston on the Green. The scheme comprises seven affordable units of which five are for affordable rent and two are shared ownership units. He advised that following the Board meeting last month, he has included information on the first cumulative break-even year and the interest rate at which NPV would be zero. There is also additional information on key risks and site sustainability. A member commented that she found the section on sustainability really useful but asked if details on local bus services could be included. This was agreed. A member enquired if information on swapping some or all affordable rented units to social rents and the subsidy required could be included.	 **CD**

This could then assist the Board in making the best possible decision for meeting affordability and housing need or at least provoke some debate. The Head of Development agreed to give this point further consideration.

Resolved:

That the Board approves the development site at Southfield Farm in Weston on the Green.

79. Update on Code of Governance

The Governance Lead presented the report to clarify the decision made at the last meeting.

She advised that she had been unable to gather information from other organisations. They are unhappy with the focus being given to the six year maximum and want to obtain further advice before making any decision. However, we don't want this to delay our decision.

The Governance Lead confirmed that at the last meeting, it was agreed that the default maximum tenure for a Board member is set at six years with an option to extend this to nine years where it's considered to be in the best interests of Soha.

A member asked if the maximum six year tenure would start from now. It was noted that it will apply from the next Board member vacancy i.e. from September 2021.

Resolved:

That the Board notes the discussion from the Board meeting in January 2021 and agrees Soha's position of a six year default maximum tenure for new members joining the Board, but with the flexibility to extend tenure to a maximum of nine years in individual circumstances at the discretion of the Board.

80. Bromford Project Completion Statement

The Interim Director of Housing and Communities presented the report to update the Board on the Bromford stock acquisition project.

He advised that overall the project was successful and ran very smoothly due in part to the close management of the project team. He advised that access to comprehensive data at the appropriate time was crucial. For future projects of this type, we will need to ensure that we have the relevant agreement in place to allow for full disclosure of information. The Interim Director of Housing and Communities noted that resourcing, particularly in IT, will also be a key consideration for any future acquisition projects.

The Chief Executive advised that the Board wouldn't usually receive a final completion report as it is mainly operational detail but it was agreed that there would be some value in sharing the first one of this type.

A member commented that the report was really positive and noted that while it was early days, was there a future appetite for similar deals? The Chief Executive advised that we would be interested in doing something similar but our bid needs to be competitive and the fit needs to be right for Soha as a business and also good for the affected residents.

Resolved:

That the Board discussed and notes the report.

81. Notification of Tender Award – Soha Repair Contract 2021

The Director of Property Services presented the report to inform the Board of the outcome of the tender for Soha's repair contract.

He advised that our current contract is due to expire on 30 April 2021. The new contract will be for an initial three year term with the option to extend this by up to a further two years. The contract will continue to provide responsive and void repairs but will also include planned plastering work and refurbishment of void kitchens and bathrooms.

The Director of Property Services confirmed that MD Building Services had been successful in their bid. They were ranked first for both price and quality.

A member asked if the right organisation had been chosen. The Director of Property Services feels confident that the best decision was made for Soha and its residents.

Resolved:

That the Board notes the report.

All members of staff except the Chief Executive and the Governance Lead were asked to leave the meeting.

82. Minutes of the Personnel and Remuneration Committee

The Chair of the Personnel and Remuneration Committee took members through some of the key items from the minutes of the meeting.

Confidential items were discussed and further information is contained within the Confidential Minutes.

Resolved:

That the Board approves the recommendation of the Personnel and Remuneration Committee regarding the remuneration of staff and Board members from 1 April 2021.

83. Any Other Business

None.

84. Date of Next Meeting

The date of the next **Board** meeting will be **Thursday, 25 March 2021** at **6.00pm** via **MS Teams**

The meeting ended at 8.20pm.

Signed:__________________________

Date: _________________