Minutes of Meeting

Meeting: Board Meeting
Date: Thursday, 22 September 2022
Time: 6.00pm
Venue: MS Teams

Present:

Naomi Barrand
Tim Bolton
Victoria Dingle
Jenny Ekelund
Emma Luddington
David Mody
Peter Sloman
Hayley Smith
Kate Wareing
Lucy Weston

Apologies:

Dave Lakin
Peter Nkum
Craig Dransfield

Also in attendance:

Matt Archer, Director of Housing and Communities
Lee Hayward, Director of Property Services
Nasreen Hussain, Director of Finance and Resources
Michelle Briggs, Senior Development Manager
Katie Legg, Head of HR
Marisa Elliott, Governance and Regulation Manager / Company Secretary

Announcements

It was noted that Victoria Dingle, the Vice-Chair of the Board, would chair this meeting.

Declarations of Interest

All Board members and the Chief Executive declared an interest in item 5c, the Minutes of the Personnel and Remuneration Committee in relation to the recommendations on remuneration.

Emma Luddington declared an interest in item 9, the Development Update, as she is a consultant for the Hook Norton Community Land Trust. It was agreed that she would refrain from taking part in any discussion.

1. Election of Chair of the Board	Actions
The Vice-Chair invited nominations for Chair. It was proposed, seconded and agreed unanimously that Lucy Weston be re-elected as Chair for a further year. **Resolved:** **That Lucy Weston be re-elected as Chair of the Association.** **2. Election of Vice-Chair of the Board** The Chair invited nominations for Vice-Chair. It was proposed, seconded and agreed unanimously that Victoria Dingle be re-elected as Vice-Chair for a further year. **Resolved:** **That Victoria Dingle be re-elected as Vice-Chair of the Association.** **3. Co-optees, Shareholding Members and Current Membership Position** The Company Secretary took members through the report. It was proposed, seconded and agreed unanimously that Peter Sloman be co-opted to the Board. In accordance with rule C16.9, a shareholder will cease to be a shareholder where that person has been a Board member and then ceases to be a Board member, unless resolved otherwise by the Board. Nicky Mellings and Harjit Sandhu have retired from the Board. They have both indicated that they wish to remain shareholding Members. She asked members to note that the Personnel and Remuneration Committee has approved 869 applications for membership. The Committee has deferred 55 and declined 3 applications. Soha also had 24 existing shareholders (comprising current and ex-Board members). The Company Secretary also asked members to note that since becoming a mutual association, 130 people are no longer Members. This is due to Members no longer being Soha residents or having passed away or resigning from membership. The total number of shareholding Members as at 6 September 2022 is 767 of which 51 are staff (just under 7% of the total number of Members).	

Resolved:

That:
1. **Peter Sloman be elected as a co-opted member of the Board; and**
2. **Nicky Mellings and Harjit Sandhu remain shareholding Members; and**
3. **To note the remainder of the report.**

4. Committee Membership and Election of Chairs of Committees

The Company Secretary presented the proposed Committee membership, Chairs of Committees and Finance portfolio holder list.

The Vice-Chair proposed that Dave Lakin be elected as the Chair of the Audit and Risk Committee. This was seconded and agreed.

The Vice-Chair proposed that Jennifer Ekelund be re-elected as the Chair of the Personnel and Remuneration Committee. This was seconded and agreed.

The Vice-Chair proposed that David Mody continues to have responsibility for the Finance portfolio. This was seconded and agreed.

The Vice-Chair proposed that Naomi Barrand joins the Audit and Risk Committee, and Peter Nkum joins the Personnel and Remuneration Committee. These were both agreed.

Resolved:

That the Board approves Committee membership, Election of Chairs of Committees and the Finance Portfolio Holder role.

5a. Approval of Minutes

The minutes of the Board meeting held on 21 July 2022 were approved.

Resolved:

That the minutes of the Board Meeting held on 21 July 2022 be signed as a true and accurate record.

5b. SIB Property Board Minutes

The Chair of SIB Property asked members to note the minutes of the meeting held on 21 July 2022. No questions were raised.

Resolved:

That the Board notes the minutes of the SIB Property Board

meeting.

5c. Personnel and Remuneration Committee Minutes

The Chair of the Committee provided the Board with the key points from the Committee meeting held on 15 August 2022. In particular, the Committee discussed the findings from the external pay benchmarking reports by Inbucon in relation to the remuneration of the Board and the Chief Executive.

The Committee recommends to the Board that the remuneration of the Vice-Chair, Chair of Committee, a Board member, and the Chief Executive are retained at their current levels. The Committee further recommends that the remuneration of the Chair is increased to the median level as mentioned in the Inbucon report.

The Chief Executive advised that P&R committee had agreed to a one-off, non-consolidated payment of £1k being made to all staff split over two payments. This is in recognition of the increase in the cost of living. She confirmed that as there is no change to the budget, the payment does not require Board approval, but she wanted to make all Board members aware.

Resolved:

That the Board agrees:

1. **To retain the remuneration of the Vice-Chair, Chair of Committee and a Board member at their current levels; and**
2. **To increase the remuneration of Chair to the median level detailed in the Inbucon report with effect from 1 June 2022; and**
3. **To retain the remuneration of the Chief Executive at its current level.**

6. Matters Arising

Item 106 – Matters Arising (Item 91 - Action Tracker and Wallboard Ideas)

The Chief Executive noted that the Wallboard had been updated with the actions from the Board shadowing exercise. The revised Wallboard had been circulated separately from the Board papers.

Item 108 - Chief Executive Key Issues Update

The Director of Housing and Communities noted that the Finance team are currently reviewing the practicalities of sending more frequent paper copy rent statements to residents. He agreed to provide an update when this is in progress.

Item 110 - Statutory Accounts for the Year Ended 31 March 2022

The Director of Finance and Resources confirmed the additional commentary had been added to the Statutory Accounts.

Item 111 - Annual Treasury Plan 2022/23

The Director of Finance and Resources confirmed that the Business Plan is currently being modelled with the potential rent cap levels and inflationary elements and will be brought back to the Board in October 2022. She also advised that she is currently obtaining prices for obtaining a private rating as detailed in the Annual Treasury Plan.

Item 112 - Risk Register Review

The Head of HR confirmed that long Covid has been added to the existing Covid risk action.

The Chief Executive confirmed that the cyber-attack and the cost of living crisis risks had been swapped around.

The Director of Finance and Resources advised that some new software called Crowdstrike is being installed on laptops this week and is designed to improve our cyber security. She also advised that we are in discussion with our IT supplier to provide additional support in the event of any cyber-attack.

Item 115 - Continuous Improvement: Learning from Feedback and Issues

The Director of Housing and Communities advised that we are updating our service standards on ASB/UB to ensure that its clear for residents on the differences between the two and what Soha can and cannot do to resolve these issues.

Item 116 - Soha's Golden Rules

The Director of Finance and Resources confirmed that a paper on the Golden Rules will be brought to the meeting in October 2022.

Item 117 - Review of Key Performance Information for Q1 2022/23

The Director of Housing and Communities confirmed that an update on the decline in satisfaction data from the STAR Survey carried out by MEL is included as part of item 8, the Chief Executive Key issues report.

Reports	
7. Action Tracker and Wallboard Ideas Action Tracker Items 92 and 88 – it was agreed that both items had been dealt with and could be removed from the list. Wallboard ideas Item 1 – Furniture poverty It was agreed to remove this item from the list. Item 2 – Housing need It was noted that this report was due to be discussed at this meeting but that we need to review what development opportunities we want to pursue and identify what will and will not get built without Soha. This point will be included within the discussions at the Board Away Day in October. Item 3 – Disrepair A Board member commented that this had been discussed at the recent Board Away Day in June but what next? The Director of Property Services advised that he will be bringing a report to the Board in November on how Soha will approach disrepair claims but also what else we should be doing as a landlord. Item 4 - Maintaining culture through growth The Chief Executive advised that this point is for a future discussion. She advised that we are considering bringing together the IT and Organisational Development Strategies, as we need to identify the type of housing association we want to become and then use these strategies to help us deliver our ambitions. The Chief Executive explained that the remaining actions have been added from the Board shadowing exercise and which require following up. She asked Board members to review these to ensure that nothing has been missed. **Resolved:** **That the Board notes the update.** **8. Chief Executive Key Issues Update** The Chief Executive provided an update to members on key external trends and internal issues. She advised that our operating environment is constantly changing and we are having to refresh our	

financial forecasts, budgets and development appraisals.

External Operating Environment

1. Inflation

The Chief Executive noted that inflation has reduced slightly and is now at 9.9%. This is due primarily to reductions in petrol and diesel prices. However, inflation impacts both on Soha as a business, with significant input inflation resulting in pressure on repairs contract pricing and development costs, and also on residents and staff experiencing increased cost of living impacts.

2. Fuel Price Increases

The government announced that fuel price rises taking place in the autumn will now be capped so an average bill will be £2,500, up from the current cap rate of £1,971 per household. Whilst these pressures remain severe for many residents and staff, this cap level is significantly below the projected open market unit cost levels. The cap is due to be in place for the next two years.

3. New Prime Minister, a new Cabinet and new ministerial appointments

The Chief Executive advised that Liz Truss is the new Prime Minister after winning the Conservative leadership contest. The other significant housing appointments include Simon Clarke, who is the new Secretary of State at the Department for Levelling Up, Housing and Communities, and Jacob Rees-Mogg, who takes the portfolio of Secretary of State for Business, Energy and Industrial Strategy.

4. Cost of Borrowing

The Chief Executive advised that the Bank of England base rate increased by 0.5% to 1.75% in August and the next review has been postponed until after the period of national mourning following the death of the Queen. She advised that the main impact on Soha of this change is on the rates we can secure new fixed rate debt at, and therefore the impact on our future funding strategy.

She advised that earlier this week the SLT reviewed all development scheme appraisal assumptions. The outcome is that we will start to use a different WACC (weighted average cost of capital) as the likely cost of future financing is rising.

5. Consultation on Rent Cap for Social Housing Residents

The government is currently consulting on the reintroduction of a rent cap for social housing that would limit our ability to increase rents for the next financial year. They are also asking for views on whether to cap rents for 2024/25. They are consulting at setting a cap on rent increases at 3%, 5% or 7%. The Chief Executive advised that the rent

cap will apply to social and affordable rent residents only, there is no provision for shared owners. Soha is not planning to respond as an individual association, but we plan to contribute to the sector response. It was noted that the timing of the decision will be very late, and we will need to make an in principle decision in November. We will make our final decision early in the New Year, as late as we are able to. **6. Marking the Death of the Queen** We marked the life and service of the Queen through public statements on our website and social media. We also opened a condolence book available for staff and residents who wished to express their condolences through a Soha route. <u>Internal Update</u> **1. Wallingford Extra Care** The Chief Executive advised that the Board had approved via an e-decision in August to let Wallingford Extra Care scheme (to be marketed as Wallingford Retirement Living) at social rent levels. **2. Study Visit to Amazon and Microsoft** The Chief Executive advised that she has just returned from a trip to Seattle to visit Amazon and Microsoft head offices. She advised that she would provide a fuller update at the Board Away Day later this month. **3. STAR Survey Methodology and Drop in Overall Satisfaction** The Chief Executive advised that at the meeting in July, it was noted that overall satisfaction results had dropped, and that MEL had changed their methodology for completing the STAR survey questions. We have clarified with MEL what the changes are to try and understand the significant drop in overall satisfaction. MEL confirmed they had changed to a 'mixed methodology' survey, which includes both phone calls and text messages. Previously, MEL had only completed phone surveys and it is apparent that a proportion of the drop is due to the mixed methodology being used. It was also noted that MEL had made errors in their data processing, by using 'not applicable' as a dissatisfied response. While we will continue to use the mixed methodology for collecting responses, we will separate the proportion of responses being received by text and phone when comparing our performance against other associations. We want to compare like for like data and will use the phone responses only when comparing to last year's corporate bonus linked KPI target (which was aiming to achieve an improvement of 2% in resident satisfaction).	

A member advised that any changes to the methodology for the corporate bonus will not help with staff morale. She felt that the current bonus scheme on offer doesn't incentivise staff as they have very little control over whether its achieved or not. It was also noted that Soha has only recently moved to a different method of bonus payment which could lead to staff feeling unsure about what they are being asked to achieve.

The Chief Executive confirmed that this will be discussed in further detail in early 2023.

4. Soha to SIB Property Ltd Loan Agreement

The Chief Executive advised that SIB has a £15m loan agreement with Soha Housing which was amended and restated in October 2017. The agreement was for five years and expires in October 2022. SIB fully repaid its loan from Soha in March 2022.

During the amendment and restatement, we ensured that that the terms of the agreement were at arm's length and commercial with the appropriate professional advice from our Treasury Advisors and Devonshires. It is best practice to review a loan agreement on prevailing commercial terms with appropriate advice.

As SIB is not currently considering undertaking any commercial activities it is recommended that the loan agreement is not immediately renewed. We will keep the SIB loan agreement on our agenda and amend and restate when required. This was agreed.

5. Communications Update

An update was provided as shown in Appendix B of the report**.**

6. Meeting Timetable 2023

It was noted that the date for the Board AGM in September 2023 is subject to change depending on the start date of the academic year.

The Vice-Chair then invited questions.

A member enquired about the Door Knock as it has been postponed from 23 September. It will now take place on 4 November and letters to residents informing them of the date and what to expect will be sent shortly.

A member asked about Soha's approach to assisting with failing associations as a result of the rent cap. The Chief Executive advised that as most of the failing associations are predicted to be in the north of England and/or they have care and support units, it's unlikely that Soha will be able to assist but any requests will be considered if received.

Resolved:

That the Board notes the update.

9. Development Update

In the absence of the Head of Development, the Chief Executive explained that we do not wish to seek approval for the scheme at Phase 2, Oriel Gardens in Faringdon (as shown at Appendix A of the report).

The Chief Executive advised that we want to have a fuller discussion at the Board Away Day on what our development priorities are, especially as this scheme will just about break even on the NPV. She noted that the Board approved scheme at Benson for over £20m has just gone into contract and includes contractual payments over the next five years. Our Golden Rules commit us to having agreed lending facility in place to cover all contractual commitments. This means that our headroom for new development needs to be carefully monitored until we have new facility in place.

A member asked how far advanced we are with the site at Faringdon. The Chief Executive advised that negotiations are advanced and would disappoint Bloors if we pulled out at this stage.

The Chief Executive advised that the Development Team have reviewed all potential sites to see if we are still interested in pursuing them before we submit bids.

A member confirmed they were supportive of the revised way of thinking as we need to ensure our long-term cashflow is secure. He suggested that we also review our future treasury plan.

A member asked if we have mechanisms in place for ensuring quality. The Senior Development Manager explained how we quality control throughout the development and snagging processes and report back to the developers on what we discover.

The Senior Development Manager asked the Board to note the Chair's Action for the Hook Norton Community Land Trust which was approved in August. The scheme comprises eight affordable rent units and generates a positive NPV. She advised that the scheme will be built to net zero carbon standards and we have submitted a bid to Homes England for grant funding.

She asked the Board to note a slight change to the deal structure since the Chair's Action was approved. It will now be an off the shelf purchase rather than a land acquisition and build contract.

Resolved:

That the Board notes the report.

10. Soha Energy Improvement Programme 2023-25 Update

The Director of Property Services presented the report to update the Board on the energy improvement work we plan to carry out over the next two years.

He reminded the Board of the ambition from our Environmental Strategy to decarbonise our homes to operate at net zero carbon by 2050, with an interim target of improving the energy efficiency of our homes to a minimum of EPC band C by 2030.

The Director of Property Services advised that Soha has purchased an energy performance modelling solution called Intelligent Energy from Sava. This software provides insight and improvement planning to assist us with our work to improve EPC ratings and reach net zero carbon. The software is now fully installed and verified and enables us to identify the work required to bring our EPC Band D and below properties up to a minimum of EPC Band C and will also assist with submitting a bid for funding from Wave 2 of the Social Housing Decarbonisation Fund (SHDF). He asked the Board to note that the figures quoted in his report have been updated and he will re-circulate the latest information following the meeting.

He advised that SDHF rules state that grant funded energy improvement work must be carried out in strict accordance with Publicly Available Specification 2035 (PAS2035), this includes the design, specification, and project management of the work alongside a requirement to appoint a Retrofit Co-ordinator. At this stage, our preference is to award a two year work programme to E.ON to provide a full turnkey solution from producing the SHDF bid, assisting with resident engagement and completing the work on site in accordance with PAS2035.

The Vice-Chair then invited questions.

A member enquired about the retrofit assessments which cost £700 per property and whether there is an opportunity to carry these out in-house. The Director of Property Services advised that we have recently appointed Paul Neale to the role of Energy and Sustainability Manager, and we hope to train him and possibly some surveyors to carry out the assessments in the future.

A member asked about E.ON carrying out resident consultation and if we were confident with them doing this and what the risks are. The Director of Property Service advised that E.ON will be working alongside our own Resident Engagement and Comms teams. He also advised that E.ON were successful in nine out of ten bids during Wave 1 of the SHDF.

A member wanted to congratulate the team on the progress made over the past year especially in relation to data when we weren't fully aware of the information we did and did not hold.

A member echoed the earlier point and wanted to know if we had considered the impact on local construction and labour market. The Director of Property Services advised that Soha is keen to support local businesses including the appointment of apprentices and are in discussion with two potential local partners about doing this. He advised that we've added a social value clause to create local jobs and opportunities in the contract with E.ON.

The Director of Property Services then provided a brief demonstration of the Sava software and its functionality.

Resolved:

That the Board discussed and notes the report.

11. Reclassification of Independent Living 3 Bungalows and Update on Resident Scrutiny and Audit Group Review

The Director of Housing and Communities presented the report to update the Board on the reclassification of Independent Living 3 bungalows (IL3) and the progress against the recommendations by the Resident Scrutiny and Audit Group (RSAG) on Independent Living (IL) service.

He advised that following the review of the RSAG, it was noted that was some confusion about the service offer for residents living in IL3 bungalows and who should be providing day to day management i.e., IL or Neighbourhoods team. It was also noted that there are a number of differences from the service provided for those living in IL1 and 2 homes.

The Director of Housing and Communities confirmed that we will be contacting all IL residents to propose that from 1 November 2022, all existing IL3 homes will become general needs homes. This means that Soha will remove the monthly service charge of £4.25. However, if these residents wish to continue with the IL service or want to move to an IL or Extra Care scheme, the team will visit and agree how we will support them. If any IL3 residents have access to the OKEachDay service, we will encourage them to continue with this until their tenancy ends. The charge of £5 per week for OKEachDay is eligible for Housing Benefit.

Going forward, we will remove the 55+ age restriction on the IL3 properties but will retain a preference for adults with mobility needs or who would benefit from living in a bungalow. This will be done via a simple cascade of preferences where all adults will be prioritised after those with mobility needs.

Next, the Director of Housing and Communities provided members with an update on the progress of the remaining recommendations from the RSAG review.

A member asked if Soha had carried out an Equality Impact Assessment on the proposed change to the IL3 classification. The Director of Housing and Communities did not believe we had but agreed to look into this further.

Resolved:

That the Board discussed and notes the changes to the classification of IL3 bungalows and the progress of the remaining recommendations from the RSAG review into the IL service.

12. Annual Review of Modern Slavery Statement 2022

The Governance and Regulation Manager presented the report and asked the Board to approve the revised Modern Slavery Statement for 2022.

Subject to an amendment to consider our response to modern slavery from a tenancy management perspective, no additional points were raised.

Resolved:

That the Board approves the Modern Slavery Statement for 2022 subject to inclusion of how we address modern slavery from a tenancy management perspective.

13. External Governance Review 2022

The Governance and Regulation Manager presented the report and proposed action plan to deliver the recommendations.

No questions were raised.

Resolved:

That the Board notes the Governance Review by DTP and the proposed action plan to deliver the recommendations.

14. Progress on Income and Lettings Targets

The Director of Housing and Communities presented the report to update the Board on the progress of achieving the targets for lettings and rental income.

He advised that the rental income team is continuing to reduce the number of Priority 1 (highest risk) accounts in RentSense with the number of cases reducing from 1,100 to 856 cases. They are keeping in regular contact and agreeing repayment plans with those affected and also progressing legal actions on cases with no engagement and no repayment plans.

A member was concerned about the number of court actions and evictions that are taking place. She was keen that our communications and tone are appropriate. She enquired if we are speaking to residents before we send them any notices. The Director of Housing and Communities confirmed that this does happen. He advised that the tone and language of these letters will be reviewed alongside the inclusion of support that is available locally and nationally.

He noted that we are picking up the serious cases more quickly but that we are also putting more resource into assisting the cases who are just going into arrears to try and prevent action.

A member enquired P1 cases need to be more nuanced as 856 does sound like a large number. The Director of Housing and Communities advised that the RentSense software is still bedding in but that the P1 cases are reducing with the team making weekly contact with 66% of cases.

The Director of Housing and Communities advised lettings performance year to date is 26 days for all minor voids (23 excluding Extra Care). This is against a target of 25 days for all minor voids. There were 53 minor voids let in 25 days and under, while 28 were let in over 25 days.

It was noted that the lets out of target have predominantly been Extra Care flats or have been voids where a tenant was lined up but dropped out in the late stages of the voids work. We have put plans in place to try and mitigate this and will closely monitor the situation.

Resolved:

That the Board discussed and notes the report.

15. Any Other Business

None.

16. Date of Next Meeting

The Board Away Day is being held on **Friday, 30 September** and **Saturday, 1 October 2022** commencing at 6.00pm on the Friday at Bicester Hotel Golf and Spa, Green Lane, Chesterton, Bicester, Oxon OX26 1TE.

The date of the next Board meeting will be **Thursday, 20 October 2022** at 6.00pm via MS Teams or at Soha's office (location to be confirmed nearer the time).

The meeting ended at 7.55pm.

Signed:__________________________

Date: _________________

CONFIDENTIAL MINUTES

There were no Confidential Minutes.

Signed:_________________________

Date: ________________