Minutes of Meeting

Meeting: Board Meeting
Date: Thursday, 20 October 2022
Time: 6.00pm
Venue: MS Teams

Present:

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

Apologies:

None

Also in attendance:

Matt Archer, Director of Housing and Communities
Lee Hayward, Director of Property Services
Nasreen Hussain, Director of Finance and Resources
Craig Dransfield, Head of Development
Richard Smith, Head of Asset Management
Marisa Elliott, Governance and Regulation Manager / Company Secretary

Declarations of Interest

All staff declared an interest in item 23, the Mid-Year Review of Organisational Performance for Q2 2022/23 in relation to the recommendation on the company bonus scheme.

17a. Approval of Minutes	**Actions**
The minutes of the Board meeting held on 22 September 2022 were approved. **Resolved:** **That the minutes of the Board Meeting held on 22 September 2022 be signed as a true and accurate record.**	

17b. Audit and Risk Committee Minutes

The Chair of the Committee provided the Board with the key points from the Committee meeting held on 5 October 2022. He advised that the situation economically is changing very quickly, and we need to have agility going forward.

The Committee discussed the recent internal audit on rent including both arrears and how we set and collect rents. They also discussed a possible change in how we classify risks based on proximity so enable a tighter focus on near term risks in an increasingly volatile external operating environment.

Resolved:

That the Board notes the minutes of the Audit and Risk Committee meeting.

18. Matters Arising Tracker

Item 7 – Action Tracker and Wallboard Ideas (Housing Need)

The Chief Executive noted that housing need had been discussed at the Board Away Day in October with priorities agreed and is also on this agenda. It was agreed to remove this item from the tracker as it will be reviewed at regular intervals as part of business-as-usual reports.

Item 8 - Chief Executive Key Issues Update

The Chief Executive advised that an update on her study visit to Amazon and Microsoft had been provided at the Board Away Day.

Item 10 - Soha Energy Improvement Programme 2023-25 Update

The Director of Property Services confirmed that the data from Sava would be circulated at the Board meeting in November 2022.

Item 12 – Annual Review of Modern Slavery Statement 2022

The Chief Executive confirmed that the statement had been updated to include our response to modern slavery from a tenancy management perspective.

Reports

19. Wallboard Ideas

The Chief Executive provided an update on all the ideas but stressed the purpose of the Wallboard is to be the home for ideas and topics to keep on our radar and schedule time for more in depth discussion about rather than tasks for completion.

Resolved:

That the Board notes the update.

20. Chief Executive Key Issues Update

The Chief Executive noted that as the economic operating environment is changing so quickly, some of the detail in her report would now be out of date. She therefore didn't propose to run through the external issues other than to mention the use of the S106 retained grant by SODC.

She advised that SODC has decided to use this grant to buy homes which they will own and rent at social rent rather than enable us to convert homes from our development pipeline from affordable to social rent. We are disappointed at their decision as the fund will only support the purchase of five homes on the open market vs the conversion of approximately sixty homes from affordable to social rent.

The Chief Executive advised SODC are now seeking a partner to deliver a management and maintenance service for these properties. Soha will provide a break-even offer, on the basis that they do not require us to deliver a different service level than the service we already offer to our current residents.

Internal Update

1. Regulatory In-Depth Assessment (IDA)
The Chief Executive advised that the Regulator has asked us to provide Board meeting dates for the next ten months to enable them to arrange our next IDA. She explained that in January it will be four years since our previous IDA and what this means in terms of providing evidence against the Governance and Financial Viability Standards. She advised that we will have asked Cottsway to act as a critical friend and that we will be preparing Board and SLT members on what to expect.

2. Stock Condition Survey Data
The Chief Executive advised that the data gathering on stock condition information has commenced and we are on track to complete 800 by March 2023.

3. Soha's External Profile
The Chief Executive advised that it has been a busy time in raising our profile and participating in policy discussions at a variety of local and national events. She advised that Matt has presented at a few

conferences and Victoria has had a blog published for the CIH on the importance of tenant voice in decision making.

The Chief Executive advised that she had spoken at a few events, the most notable being an away day for civil servants from the DLUHC. She shared a copy of our revised Business Plan presentation with them to highlight the realities being experienced by housing associations.

4. Staff Financial Wellbeing Pulse Survey

The Chief Executive advised that the results of the wellbeing pulse survey had been collated. There was an 80% response rate with most staff feeling they are paid a fair and liveable wage, are supported with their financial wellbeing, and can access career progression to increase earning potential. There were also lower scoring areas, and these will be addressed within an action plan to be discussed by SLT and SCC, although not all issues are solvable.

A member enquired about the financial wellbeing survey and how this compared with previous results. The Chief Executive advised that this was the first time we had asked staff specific questions on financial wellbeing but anecdotally, she said that many staff are finding it more difficult in the current economic climate.

5. Customer Service Accreditation

The Chief Executive advised that we have decided to no longer apply for annual CSE accreditation. It was noted that we have held this accreditation for five years and have received excellent results for our customer service work throughout this time.

The preparation for the accreditation is time consuming and the benefit we receive from the feedback/recommendations is minimal. We will instead concentrate our efforts on improving resident satisfaction and maintaining the ISO1400 environmental accreditation.

A member suggested that we use an external company to carry out some mystery shopping. It was noted that we had previously used residents to assist with this work, and the Director of Property Services agreed to consider this point further. **LH**

6. Regulatory Judgements and Housing Ombudsman Update

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

Resolved:

That the Board notes the update.

21. Soha's Golden Rules

The Director of Finance and Resources presented the report to ask the

Board to approve changes to Soha's Golden Rules. She advised that following the feedback received at the July meeting on the Golden Rules discussion paper and the discussions held during the Board Away Day on continued investment in new homes and net zero carbon in a more challenging economic environment, it's even more critical that we set the Golden Rules at the right levels to enable us to ensure a clear focus on our long term financial security, viability and resilience. The Director of Finance and Resources advised that our Golden Rules are completely different from our KPIs. Golden Rules should be viewed as 'red lines' which we will not breach and KPIs are targets we aspire to achieve. The Director of Finance and Resources advised that we have spent a great deal of time thinking through the how, what and why. She proposed that we maintain four Golden Rules, these are: 1) Interest cover - defined as EBITDA MRI including property sales set at 110% on a rolling three year basis 2) Liquidity a) Soha will have an agreed facility in place to cover the greater of 18 months planned and contracted spend or the first 36 months of contracted development spend b) Soha will have securitised facility in place to meet a minimum of 12 months cash flow requirements 3) Hedging – ensure that fixed rate debt is maintained above 50% The Board agreed with the proposed Golden Rules but also suggested a fifth on gearing. The Director of Finance and Resources asked if she could consider this point further and seek additional guidance on what is the right level for Soha and within sector as we have a duty to sweat our assets. She agreed to bring the fifth Golden Rule to the meeting in November. A member enquired about the 'red line' and whether there should also be an amber line to act as an early warning sign. The Director of Finance and Resources advised that we have the 'T' against any KPIs or financial metrics in the Performance Report and suggested that this is maintained for the Golden Rules. **Resolved:** **That the Board discussed and approves the four Golden Rules mentioned above and a fifth one on gearing will be brought to the meeting in November for approval.** **22. Development Update including Revised Development Appraisal Assumptions**	**NH**

The Head of Development presented the report to update the Board on changes to the financial appraisal assumptions and to agree the criteria to be used when prioritising development opportunities. He advised that the assumptions used in the appraisal model since February 2022 have been updated to reflect increased costs and probable further increases in interest rates. The key changes are to the WACC (weighted average cost of capital) which has increased from 3.8 to 4.4% (this allows headroom for variable rates to increase to 6%), increased costs for major repairs, maintenance and management to allow for inflation, rent increases have been limited to 5% and no income has been assumed from shared ownership staircasing. The Head of Development then introduced a proposal for how we will prioritise future development opportunities. He explained that we have a very healthy development programme until 2025 and this gives us options in terms of what we choose to invest in. The Head of Development advised that we would seek opportunities in these areas: land led schemes either in partnership with Community Land Trusts or through package deals with developers which will provide additional homes; schemes which satisfy the needs of otherwise excluded clients; delivery of net zero carbon homes or sites which increase the number of social rent homes. We will also consider the purchase of homes through acquisition or to support other associations who may need to dispose of homes. He advised that Soha isn't currently submitting bids for any S106 sites but if we choose to do so, it must be for one of the reasons cited above. The Chair then invited questions. A member enquired if the risks of undertaking more land-led development had been detailed. It was noted that we have captured financial and counter-party risks in the risk internal control framework. Reputational risk is included in the risk appetite statement. A member commented that what is being proposed is riskier than our current approach of bidding for mostly S106 sites. He felt that we should consider our priorities against individual schemes as well as the entire programme. However, he did agree that the proposed direction was right for Soha and its values but wanted to ensure that an appropriate structure is in place. A member raised a question about whether it was right to prioritise S106s if they were for social rent. After discussion it was agreed that these should be a reason for prioritisation as this increased our ability to offer management moves into social rent, which added value to us as an	

association.

A member asked what the plan is for after the next two to three years. The Head of Development advised that we will be reviewing longer term opportunities alongside augmenting our existing programme. We need to consider the scale of what we want to achieve vs what we're able to do.

The Head of Development provided an update on the provision of schemes for those excluded from current housing provision. He advised that we have attempted to identify if the data held by South and Vale Councils could assist us with this but unfortunately, the housing register does not provide details of those with specialist needs.

Soha has and continues to work with a number of partner organisations to help deliver homes and identify clients who would otherwise face homelessness, have complex needs or have no recourse to public funds (NRPF).

A member asked how Soha could broaden its knowledge of housing need other than via the local authorities. It was noted that we are part of a group which aims to capture data across Oxfordshire on the types of accommodation required by those experiencing homelessness which all local authorities will eventually feed into. We also have links with partner organisations, but this issue is bigger than us and we have to decide what we can assist with and contribute to.

A member asked about NRPF – what it means and what more we can do. It was agreed to add this item to the Wallboard.

Resolved:

That the Board approves the re-calculated development appraisal assumptions and the criteria to be used for prioritising development opportunities and notes the report on niche housing need.

23. Mid-Year Review of Organisational Performance for Q2 2022/23

The report was presented by members of the Senior Leadership Team to update the Board on financial and operational performance at the end of September 2022.

Performance and Key Trends Report

The Director of Finance and Resources presented this report and noted some of the key highlights.

She advised we had an operating surplus (after interest) of £3.8m, which is £0.2m below budget. The main reasons for this are a rental income shortfall due to delays in handover of new properties and higher interest costs. Our total year to date surplus is £5.8m including property sales. The Director of Finance and Resources advised that average re-let time has significantly improved and stands at 25 days which is at target. She advised that void loss has also improved at 0.74% against a target of 0.83%. It was noted that rent arrears levels remain high at 6.3% against a target of 4.5%. We are paying particular attention to this area and the rental income team continues to work hard to secure repayment plans and where necessary commence legal action for recovery. The Director of Property Services advised that average time to complete a repair stands at 13 days against a target of 11.5 days. He anticipates that the number of days will continue to increase as MD works its way through the backlog of repair orders. It is hoped that MD will reduce the number of outstanding jobs by the end of March, but we have an alternative plan if they fail to achieve the monthly milestones. The Director of Property Services stressed that 11.5 days is a top quartile figure, but Soha is not used to seeing it at this level. A member asked if this situation can be rescued or if anything different could be done. It was noted that the number of outstanding jobs with MD had improved during the year, but they have an ongoing issue with transient staff – they are interviewing ten people a week to fill vacancies. It was suggested that Soha takes work off MD and places with a different contractor to enable us to hit target. However, there was some concern about a possible increase to the budget if we are charged an additional premium by a sub-contractor, but this could be re-claimed from MD. A member asked how urgent the outstanding jobs with MD are. The Director of Property Services confirmed they are all routine repairs. He advised that all urgent repairs are carried out within four hours. A member enquired about the drop in satisfaction and what factors may be driving it. The Director of Property Services advised that the drop in satisfaction is mainly due to the delay in getting the backlog of MD repairs completed. It was agreed that the Director of Property Services would provide further information at the next Board meeting on the reasons for MD's repair backlog and how this matter is being addressed. The Director of Property Services advised that MD are in the process of rolling out hand-held technology to all operatives which will ask residents to sign-off repairs as complete to enable us to gain assurance that work has been completed to a resident's satisfaction.	**LH**

STAR Survey Results

It was noted that overall satisfaction with Soha has risen from 77% in Q1 to 81% in Q2 with the average twelve month rolling figure at 83%. This is still significantly below our target satisfaction levels. It appears that satisfaction across the sector is reducing and data from Housemark shows a drop from 92% to 84% over the last twelve months. The decline is linked to the cost of living pressures being faced by residents.

Progress against the Corporate Plan 2021-25

The Chief Executive advised that we set two year objectives within the four year plan and this is the third review of our performance against those objectives. She explained that the majority of the 156 actions are completed or are on target. There are 20% of actions which are either off target or are not yet due and we will continue to focus on delivering these by end of March 2023.

The Chief Executive advised that we are commencing work on producing the next two year plan which will be brought to the Board meeting in January for discussion ahead of budget setting in February.

Company Bonus Scheme

The Chief Executive advised that payment of the company bonus scheme to staff is predicated on achieving two objectives, namely an improvement in the percentage of our residents who tell us they are satisfied with our service and hitting our targets to improve the comprehensiveness of the data we hold both about our residents and their homes. She advised that in this year staff's ability to influence the resident satisfaction targets are reduced by external factors, and that prioritising our data targets over cost of living support no longer feels appropriate. We therefore don't think that the company bonus targets are serving us well this year either in terms of motivation or prioritisation.

The Chief Executive proposed that for this year only we pay the same amount to staff (£500 per person) as a 'thank you' in March and that more detailed discussions take place at the P&R Committee and SCC (Staff Consultative Committee) about the replacement of the existing company bonus scheme.

There was some discussion on whether abolishing the bonus, if we're not going to meet the targets, would send out the wrong signal. It was agreed that how this is communicated to staff is critical. This is particularly key when a cost of living payment of £1,000 per employee has already been agreed and is due for payment with October and

January salaries. The timing of the payment was also discussed.

A member asked how any type of bonus would be funded. The Chief Executive advised that the existing bonus scheme has already been budgeted for so would not affect this year's staffing budget.

Resolved:

That the Board discussed and notes the performance for the six months to September 2022 and approves the discontinuation of the company bonus scheme and replacement with an equivalent value annual bonus payment, payable at the end of March to all staff in post.

24. Tenancy Sustainment and Support Case Studies

The Director of Housing and Communities presented the report to demonstrate the outcomes being achieved by the tenancy sustainment team.

The first is feedback we received from a residents' daughter thanking us for the support given to her elderly parents who have recently arrived from the Ukraine. The second highlights the support provided to an older man living alone in a Soha property. The team were able to assist in increasing his income which has reduced his anxiety and enabled him to clear his rent arrears.

Members felt it was useful to hear these stories but asked what the learning has been or what the next steps are that we need to consider. It was also noted that if we signpost individuals to other organisations, how do we know what the outcomes are and if these have been effective? The Director of Housing and Communities advised that we now have the mechanisms in place to follow-up on these cases and devise action plans, if appropriate.

Resolved:

That the Board discussed and notes the report.

25. Cost of Living Response: Budget Variance Request

The Director of Housing and Communities presented the report to ask the Board to approve additional budget spend for the tenancy sustainment and rental income teams.

He advised that the cost of living crisis is impacting on our residents and we want to provide support to prevent rent arrears escalating, and to support people to maintain their tenancies. We have already re-deployed staff resource from across the business to help in these areas, but we now believe we need to recruit additional capacity.

The Board were generally supportive of the request and asked the Director of Housing and Communities to provide a further report on what is being achieved from the additional resources. This was agreed. **Resolved:** **That the Board approves an in-year overspend of £58k to cover the costs of additional resourcing to enable Soha to respond to the cost of living impacts on residents.** **26. Annual Review of Key Governance Documents and Revised Standing Orders** The Governance and Regulation Manager presented the report and asked the Board to approve the revised Standing Orders. She advised that the Standing Orders have been amended and strengthened in line with the Code of Governance 2020 and following recommendations from the Governance Review by DTP. A member suggested that the maximum tenure of a Board member is re-worded in section 3.4, to take account of the nine or six year rule, whichever is applicable. This was agreed. **Resolved:** **That the Board:** **1) Notes the key governance documents schedule; and** **2) Approves the revised Standing Orders subject to the amendment mentioned above.** **27. SP06 Data Protection (UK GDPR) Policy** The Governance and Regulation Manger presented the policy which has been reviewed and some minor revisions made. There were no questions raised. **Resolved:** **That the Board approves the Data Protection (UK GDPR) Policy and Compliance Statement.** **28. Compliance with Complaints Handling Code** This item was for information and no questions were raised. **Resolved:**	**MA** **ME**

That the Board notes the report.

29. Health and Safety Update

This item was for information and no questions were raised.

Resolved:

That the Board notes the report.

30. Carbon Monoxide Alarms Update

This item was for information and no questions were raised.

Resolved:

That the Board notes the report.

31. Lettings and Income Performance Report

This item was for information and no questions were raised.

Resolved:

That the Board notes the report.

32. Any Other Business

None.

33. Date of Next Meeting

The date of the next Board meeting will be **Thursday, 24 November 2022** at **6.00pm** at Soha's office.

The meeting ended at 8.15pm.

Signed:__________________________

Date: _________________