Minutes of Meeting

Meeting: Board Meeting
Date: Thursday, 25 May 2023
Time: 6.00pm
Venue: Board Room, Soha's Office

Present:

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

Apologies:

Emma Luddington
Lee Hayward

Also in attendance:

Matt Archer, Director of Housing and Communities
Nasreen Hussain, Director of Finance and Resources
Craig Dransfield, Head of Development
Dave Edge, Head of Business Transformation
Katie Legg, Head of HR
Andy Tollett, Head of Repairs and Estates Services
Marisa Elliott, Governance and Regulation Manager / Company Secretary

Observers
Charlotte Copcutt, Complaints Officer
Michelle Pugh-Roberts, CEX Team Administrator
Vic Breach, Chair of Resident Scrutiny and Audit Group

Declarations of Interest

None.

93. Resident Scrutiny and Audit Group Review on the Voids Service and Soha's Response to the Recommendations Vic Breach, Chair of the Resident Scrutiny and Audit Group (RSAG) presented the findings and recommendations from the Groups' recent	**Actions**

review on the voids service.

The Group specifically wanted to learn more about the suitability of the voids standard; pre and post inspections of voids; information given to tenants regarding void standards; Soha's decorating policy and external works carried out as part of the void work.

The Group noted that the voids process was more complicated than they first realised as it is interlinked with the lettings process.

Vic then took the Board through the Groups' ten recommendations some of which included: closer inspection and control of tenants wishing to undertake their own alterations or improvements; tenants providing confirmation of cleared meter debts before return of keys; meeting the challenge of tenants' increasing expectations in void properties; make void standards available to prospective tenants; allow earlier visits to void properties by prospective tenants to reduce refusal rate and provide a more detailed description of property when advertising via choice based letting.

In the absence of the Director of Property Services, the Head of Repairs and Estates Services thanked the Group for their thorough report. He advised that the majority of the recommendations had been accepted with an action plan developed to take these forward.

The Chair then invited questions from the Board.

It was noted that the review contained some excellent points and recommendations, and the Board valued the insight the review provided.

A member asked for clarification on the difference between a minor and major void. The Head of Repairs and Estates Services confirmed that it was expenditure and scale of work needed.

A member suggested that we purchase and use generators to avoid using electricity at a property where debts may not have been cleared from meters to enable works to be carried out.

The Chief Executive advised that a fuller management response to the recommendations will be prepared in advance of the next RSAG meeting later in the year. **LH/AT**

Resolved:

That the Board notes the Resident Scrutiny and Audit Groups' review and Soha's response to the recommendations.

94a. Approval of Minutes

The minutes of the Board meeting held on 30 March 2023 were approved.

Resolved:

That the minutes of the Board Meeting held on 30 March 2023 be signed as a true and accurate record.

94b. Personnel and Remuneration Committee E-decision

The minutes of the Personnel and Remuneration Committee E-decision meeting held on 15 May 2023 were noted.

Resolved:

That the Board notes the minutes of the Personnel and Remuneration Committee E-decision meeting.

95. Matters Arising Tracker and Wallboard Ideas

The Chief Executive advised that the Tracker and Wallboard had not been fully updated since the last meeting and agreed to circulate the updated version to Board members immediately following this meeting. **KW**

Reports

96. Chief Executive Key Issues Update

The Chief Executive provided an update to members on key external trends and internal issues.

<u>External Update</u>

1. Inflation and Economic Operating Environment
The Chief Executive advised that although inflation has gone down, it is not falling as quickly as was hoped, and projections earlier in the year about a swift fall are not matching current trends.

2. Cost of Borrowing
The Chief Executive advised that interest rates have increased again to 4.5%. This impacts directly on our variable rate debt repayments, which currently form 25% of our total borrowing. She advised that we will be approaching lenders regarding additional funding following discussion on our treasury strategy at the July Board meeting.

3. Renters' Reform Bill
The Chief Executive advised the Renters' Reform Bill has been tabled and received extensive press coverage. It is predominantly aimed at

reforming the private rental sector, most notably through the abolition of “no fault” section 21 evictions.

4. Housing for Refugees and Asylum Seekers
The Chief Executive advised that the government is currently pursuing multiple routes to try and reduce its use of hotels to house refugees and asylum seekers. These include some positive measures including making grant funding available to local authorities for them to purchase properties for rental to some of those currently housed in hotels. She noted that SODC and Oxford City have both received capital funding and we will assist where we can.

Internal Update

1. MD Building Repair Backlog Update
The Chief Executive advised that the current number of live orders with MD is 2,247 jobs which has decreased week on week for the last four weeks from a peak of 2,551.

MD continue to try and increase staff numbers on the contract however, staff retention is proving difficult. It was noted that this is an issue for in-house as well as external repair contractors across the sector. Alongside MD, we are now issuing orders to United Living with the aim of reducing the number of orders as quickly as possible and clearing the backlog before the winter period starts.

We are also currently speaking with three other local contractors to see if they have capacity to complete some of these orders.

A member asked what the repair backlog means for residents. The Head of Repairs and Estates Services advised that we are staying on top of emergency repairs, but we have prioritised other repairs in line with the expectation in the TSMs. We are informing residents on a case by case basis about the revised approach, and we will communicate more generally if we decide to stand down work at any point. He advised that we are still meeting upper quartile benchmarking results even with the revised priorities.

2. Installation of Carbon Monoxide Detectors Update
The Chief Executive advised that we have installed 5,116 carbon monoxide detectors out of 5,446 we need to install to meet the new requirements. We have scheduled appointments to fit a further 176 over the next few weeks. We have been unable to make contact with the remaining 154 properties, despite letters from ourselves and the contractors fitting the detectors and our solicitors threatening court action. She advised the Planned Team is working with colleagues in

other teams to continue to progress remaining installations as quickly as possible.

3. Installation of Generators at Soha Extra Care Scheme
The Chief Executive advised that following the power outage at Petypher Gardens in February 2022, we took the decision to install permanent generators at all Extra Care Schemes to supply power to maintain key safety systems such as the fire alarm, warden call, emergency lighting and power etc. in the event of a power cut. The generators have now been installed at all four Extra Care Schemes that can be fully operational and providing power to the scheme within 1 – 2 hours of an electricity outage.

4. Asset Compliance – Legal Update
The Chief Executive advised that further changes have recently been brought in under the Building Safety Act 2022 relating to fire safety. The new regulations will require us to check the integrity of fire doors in our blocks and schemes at least once a year and write to residents annually to remind them of the importance of fire safety, detail any risks identified by the recent Fire Risk Assessment (FRA), explain how the current FRA can be accessed via our website and provide contact details of Soha's Responsible Person.

5. Customer Services – Mystery Shop
The Chief Executive gave brief details on the recent mystery shop of the Customer Services Team which took place in March. The full results of this mystery shop will be presented at the Board meeting in July.

6. Potential Partnership with SODC
The Chief Executive advised that we are in discussions with SODC to provide a management and maintenance service to them for up to 87 properties that they are aiming to procure to provide accommodation for refugees currently accommodated in hotels. She advised that there are some void issues to be resolved before we take handover of them.

7. Board H&S Training – an update on the live example!
The Chief Executive advised that during the recent Board member H&S training, there was a minor fire in the plant room at Thame Extra Care scheme. She confirmed that the incident was well handled by staff and did not impact on any flats. The main impact on residents was that they were without mains water for a few hours (bottled water was made available).

She explained that the fire was due to an issue with the unit that feeds electricity generated by the solar panels on the roof into the electricity supply (the solar PV inverter).

It was noted that a lessons learned exercise was underway and in particular, what would happen if this type of incident occurred during the nighttime.

8. Staff Conference

The Chief Executive advised that the staff conference which took place in April, themed around the five cultural principles was very productive. The feedback is being collated and worked on by various teams. A further conference will hopefully take place in September.

9. Lobbying Workshop for Soha Residents with David Johnston, MP

In partnership with Placeshapers, Soha organised a workshop to enable residents to meet with David Johnson and understand how they can have political influence and hold their elected members to account. The Chief Executive advised that the workshop was well attended, and we've had excellent feedback including David Johnston being keen to run surgery sessions from our Didcot office in the future. Alongside Placeshapers we're producing a "top tips" guide that will be shared with other housing association tenants.

10. No Recourse to Public Funds Project – Funding Success

The No Recourse to Public Funds project that we have supported has been successful in attracting £90k of funding from the John Laing Charitable Trust. This will enable the project to continue to provide support to people to regularise their immigration status and create long term solutions.

11. External Profile and Attendance

The Chief Executive advised that the Vice-Chair spoke about Soha's approach to co-regulation as part of a panel at the recent Inside Housing Tenant and Resident Engagement Conference. This was also attended by three Soha staff members from the new localities teams.

The Head of Housing and her attended the recent Chartered Institute of Housing SE conference, and the Director of Property Services attended a Disruptive Innovators' Network conference. Lots of learning, and a lot of sharing of challenges and ideas.

12. Regulatory Judgements and HOS Update

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

13. Communications Update

An update was provided as shown in Appendix B of the report. The Chief Executive advised that this report is in the process of being revised to enable members to see clearly what the channel shifts are.

14. Head of Localities
The Chief Executive advised that we had successfully appointed Emma Langstaff to the Head of Localities role.

Resolved:

That the Board notes the update.

97. Group Business Plan 2023/24

STRICTLY CONFIDENTIAL

A confidential item was discussed. The Group Business Plan for 2023/24 was approved. Further information is contained within the Confidential Minutes.

Resolved:

That the Board approves the Group Business Plan 2023/24.

98. Global Accounts 2022

The Director of Finance and Resources presented the report which provides analysis from the Global Accounts and Soha's comparative performance.

She advised that the latest data available is for the year ending 31 March 2022 and shows that Soha's social housing unit cost is £3,678 per property. This places us at third lowest in our peer group. Our social housing operating margin is very good at 41% (third highest in the group) and demonstrates our comparative financial health in the sector and gives us the capacity to contain rental costs or increase cost or investment.

The Director of Finance and Resources concluded that Soha has very good performance and provides good value for money. However, changed external circumstances mean that even with our strong comparative metrics we need to be cost conscious and be robust in our stress testing as we consider our capacity to deliver our long term investment objectives.

Resolved:

That the Board notes the analysis from the Global Accounts and Soha's comparable results.

99. Partnerships and Mergers Annual Review The Chief Executive presented the report and asked the Board to consider Soha's corporate structure and whether it is appropriate to meet Soha's vision, aims and objectives. She advised that the Board must consider annually whether it's appropriate to continue with the current structure including whether we should proactively seek partnerships or to merge. She confirmed that the Business Plan is being brought to the Board alongside this report and demonstrates that Soha is a financially robust association. Given our relative strength, and continued ability to deliver our Corporate Plan objectives it is the view of the Chief Executive that our current structure remains appropriate, and a formal merger is not proposed. The Chief Executive then moved onto partnerships. She explained that this year remains one with a high degree of economic uncertainty. We do not consider that now is the right time to significantly expand our development programme, exposure to market sales risk or proactively acquire stock from associations who are looking to rationalise. It is therefore likely that we will consider partnerships which enable us to improve service delivery rather than to build more homes. The Chief Executive advised that we would continue to develop existing partnerships with Aspire to deliver Housing First and Asylum Welcome services, with Connections to offer more intensive support to our residents experiencing challenges with their mental health and with Oxfordshire CLT on two sites. We are also in talks with SODC about delivering a management and maintenance service to enable them to acquire homes for refugees currently accommodated in local hotels. The Chair then invited questions from members. A member queried whether discussion on strategic partnerships gets 'lost' and perhaps we should also be considering what we can achieve in terms of delivering social value? A member commented that the majority of our partnerships have developed organically and therefore not necessarily proactive. **Resolved:** **That the Board:** **1. Agrees to continue with Soha's current corporate structure as the most appropriate to achieve its vision, aims and objectives; and** **2. Asks the Executive to reactively consider opportunities offered by the stock consolidation agendas of other associations and is open to alternative partnership delivery**	

mechanisms (including joint ventures) that may enable Soha to better achieve its objectives. **100. Organisational Development Strategy** The Director of Housing and Communities presented the report and reminded the Board that this strategy aims to describe the future Soha that we want to become. It sets out how we will develop staff, have the right systems and culture required to deliver our Corporate Plan and remain a strong organisation. He advised that following the discussions that took place at the Board Away Day last month, a more tangible set of actions have been developed to realise our ambition. A member commented that the strategy and action plan reflect well the discussions that took place, but he had a query about diversity in terms of the changing nature of our workforce and residents, and how we can benefit from this. It was agreed to consider this point further when developing the new EDI Strategy later this year.	**JMC/KL**
Resolved: **That the Board approves the Organisational Development Strategy.** **101. Development Update including Parameters for Future Offers, and Assurance we are Remaining Competitive** The Head of Development presented the report on Soha's offer strategy, position in the market and development hurdle rates. He advised that in the period from October 2021 to September 2022, Soha offered on 6,453 S106 units and secured 213, equating to a hit rate of 3.3%. Soha's strategy is to incrementally increase offers until we secure an opportunity to ensure that we do not overpay for S106 opportunities. He noted that we would like to be more successful with bids for social rent units (to achieve approx. 5% of the total number for social rent). A member asked what our strategy will be when we re-enter the market and how will we gain accurate market intelligence. The Head of Development confirmed that we will use our existing strategy of starting low and increasing incrementally. Next, the Head of Development presented the work of a small sub-group which was formed to consider development hurdle rates and to ensure that the Board receives appropriate assurance when approving development proposals.	

The group agreed a number of points for inclusion in future development reports to the Board, but it was noted that a phase 2 for the group would be useful as there are a couple of other issues to discuss in more detail. Any recommendations arising from phase 2 will be brought to a future Board meeting.

Resolved:

That the Board notes Soha's offer strategy and position in the market and approves the development hurdle rates as detailed in the report.

102. Performance Reports 2022/23

The report was presented by members of the Senior Leadership Team to update the Board on financial and operational performance for the year ending 31 March 2023.

<u>Performance and Key Trends Report</u>

The Director of Finance and Resources presented this report and noted some of the key highlights. She advised that this year is very different to the recent past as we have experienced soaring inflation and interest rates from the start of the financial year.

She advised that that we had an operating surplus (after interest) of £3.8m, an adverse variance of £4.2m against the budget. The underperformance against the budget is in three main areas: rental income from new builds, operating expenditure and interest costs. Income variance was the result of budget profiling for new build properties completed in the year. More properties were handed later in the financial year than budgeted which resulted in lower rent receipts against the budget.

Expenditure is in part due to an overspend on responsive repairs and voids and includes the issue identified and reported to the Board in January where a number of responsive repair orders completed in prior years were not shown as completed at their respective year ends. As a result, this expenditure was not accrued for but has now been billed and the costs incurred in 2022/23. It was noted that a full report and assurance on the accrual process will be taken to the Audit and Risk Committee in July.

With a lower operating surplus, the operating margin reduced to 30.2%, but was still maintained within the upper quartile. The year end overall surplus was £9.3m including £4.6m from property sales and £900k of gift aid from SIB Property.

The Director of Finance and Resources advised that rent arrears ended the year at 5% against a target of 4.5%. It was noted that whilst the year end figure was outside the target, it was significantly improved from six months ago.

The average re-let time was 26 days against a target of 25 days. It was noted that although this is one day outside the target, it is a significant reduction from the prior year of 52.3 days.

The Director of Finance and Resources advised that our main repair KPI of average time to complete all repairs ended the year at 15.8 days and missed the target of 11.5 days. Although, it is still Housemark top quartile performance, it is an area we are focused on improving. Our contractors completed 90% of jobs during their first visit to the property compared with a target of 85%. Emergency repairs completed on time ended at 95.6% against a target of 99%.

The Director of Finance and Resources advised that satisfaction with overall service stood at 78% which is a reduction of 10% from March 2022. Satisfaction with overall quality of home is at 77% while satisfaction with the neighbourhood as a place to live is maintained at 86%. She noted that sector wide satisfaction has dropped this financial year, with top quartile now sitting at 82% (84% average across whole of last year).

The Head of Development advised that we delivered 304 new properties compared to a target of 219. As a percentage of stock our new delivery was 3.9% which places us in the upper quartile in the sector.

<u>Progress Against Corporate Plan and Strategy Action Plans – 6 Month Update</u>

It was noted that 109 (70%) of the actions were completed by 31 March 2023. Remaining actions have been included in the action plan for 2023/25 with revised dates approved by the Board or deprioritised.

<u>GDPR Performance</u>

The number of data breaches has decreased by 20% compared with the previous financial year. This is mainly due to increased staff awareness as a result of mandatory GDPR training. Whilst this is good news, we are ensuring that staff do not become complacent and continue to process personal data in-line with our Data Protection Policy and procedures.

We were asked to respond to a case from the ICO which had been raised by one of our residents. The case concerned how Soha had handled, collected and processed personal data including sensitive

information. We do not consider that we acted inappropriately in this instance and have supplied all information requested to the ICO. <u>Complaints Performance</u> The report provided a summary of all formal and informal complaints for the year 31 March 2023. It was noted that we have seen a slight increase in the number of formal complaints at 53 compared with 46 in 2021/22. Two complaints have been escalated to Stage 2, one of which we feel will be escalated further to the Housing Ombudsman. We have logged 450 'Rapid Resolution' cases, mostly concerning repair issues. Rapid Resolution is a route for residents to seek a swift outcome for issues as an alternative to submitting a formal complaint for investigation. It is at the discretion of the resident, and they are reminded of the option of a formal complaint but in some cases, they are satisfied with having something resolved promptly and in a less formal way. The Chair then invited questions.	
A member queried the 10% drop in overall satisfaction and asked what was being done to address this. She noted that Soha prided itself on providing excellent services and if we felt that it was an issue in a particular area, we should know what that looks like. The Chief Executive agreed we will carry out some root cause analysis work to understand where the issues are and bring this back to the Board meeting in July.	**MA/LH**
A member asked if we had considered the ease of dealing with Soha as an indicator of overall service. It was noted that this had been added to the list of questions asked as part of the TSM data collection. A member asked whether we had breached the trigger in relation to the value of unsold properties. It was noted that we are reporting the total number of unsold units and those which relate to Frances Curtis Court (FCC) separately in the Performance Report, and we are monitoring numbers of unsold units excluding FCC against the trigger as agreed with the Board when KPIs were set. We have budgeted for one sale per month at FCC and are monitoring separately against that sales trajectory. There was some discussion on the exit strategy for the shared ownership units and when we should consider converting some to rented units.	
A member asked for clarification on the bad debt provision.	**NH**
Resolved: **That the Board discussed and notes the performance report.**	

103. Health and Safety – Six Month Update The Head of Repairs and Estates Services presented the report to update members on health and safety issues since the last report in October 2022. He advised that all actions identified from last years' Fire Risk Assessments (2021/22) have been completed. The 2022/23 Fire Risk Assessment (FRA) inspections which includes Soha's office, general needs blocks of flats with communal areas, Extra Care and Independent Living schemes have been completed. However, we are still waiting for the FRA action tracker spreadsheet detailing the actions required following the inspections to be provided by EDP, our external consultants. The Head of Repairs and Estates Services advised we are 100% compliant with water hygiene testing, fire safety equipment servicing and gas servicing. Members asked for thanks to be passed onto the gas team for maintaining our 100% compliance. NKS has failed to complete all electrical safety testing for 2022/23 due to an increased number of inspections and tenant refusals. A recovery plan is in place to carry out all remaining inspections by the end of June. The Head of Repairs and Estates Services advised that during 2022/23 we issued 502 damp and mould work orders and inspections to Biocraft, our specialist damp contractor. Biocraft has completed 383 orders, with 94 still to be completed and 24 being cancelled. Six inspections or orders over three months old are outstanding and a plan is in place to address these as soon as possible. **Resolved:** **That the Board discussed and notes the update.** **104. Rental Income Performance Update** The Director of Housing and Communities presented the report to update the Board on current progress. It was suggested that a deep dive/root cause analysis of arrears would be of benefit to the Board. In depth reporting of arrears performance will remain as a standing item on Board agendas, and management will report back on the trends we can see cause arrears issues, and how we can learn from these to mitigate the likelihood of future spikes in arrears and bad debts.	**MA**

Resolved:

That the Board notes the report.

105. Any Other Business

Power of Attorney

The Governance and Regulation Manager presented the report and advised that the current Power of Attorney with Capsticks would be coming to an end on 30 June 2023. It was noted that the Development team still use Capsticks on a frequent basis for signing their contracts.

Resolved:

That the Board approves the extension of the Power of Attorney with Capsticks to 30 June 2024.

106. Date of Next Meeting

The date of the next Board meeting is **Thursday, 20 July at 6.00pm** at Soha's office. Please note there will be a pre-Board session from **4.45 to 5.45pm** on Future Risks and Impact led by John Hargreaves of Hargreaves Risk and Strategy.

The meeting ended at 8.30pm.

Signed:__________________________

Date: _______________