Minutes of Meeting

Meeting: Board Meeting
Date: Thursday, 21 September 2023
Time: 6.00pm
Venue: Via Teams

Present:

Naomi Barrand	Dave Lakin	Kate Wareing
Janet Crooks	Peter Nkum	
Victoria Dingle	Peter Sloman	
Jenny Ekelund	Martyn Thorne	

Apologies:

Emma Luddington	David Mody	Hayley Smith

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
Marisa Elliott, Governance and Regulation Manager / Company Secretary

Observers
Debs Longney, Members' Forum

Announcements

The Chair Designate welcomed Janet Crooks and Martyn Thorne, the new Board members, to the meeting. She also welcomed Debs Longney, from the Members' Forum as an observer.

Declarations of Interest

The Chief Executive declared an interest in item 5c, the Minutes of the Personnel and Remuneration Committee in relation to her annual appraisal.

1. Election of Chair of the Board	Actions
The Company Secretary invited nominations for Chair. It was proposed, seconded and agreed unanimously that Jenny Ekelund be elected as Chair for one year.	
Resolved:	
That Jenny Ekelund be 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. It was proposed, seconded and agreed unanimously that Steve Bolton be co-opted to the Audit and Risk Committee.	
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. Tim Bolton and Lucy Weston 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 945 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, 204 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 8 September 2023 is 741 of which 69 are staff (just over 9% of the total number of Members).	

Resolved:

That:
1. **Peter Sloman be elected as a co-opted member of the Board; and**
2. **Steve Bolton be elected as a co-opted member of the Audit and Risk Committee, and**
3. **Tim Bolton and Lucy Weston remain shareholding Members, and**
4. **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 re-elected as the Chair of the Audit and Risk Committee. This was seconded and agreed.

The Chair of the Board proposed that Victoria Dingle be elected as the Chair of the Personnel and Remuneration Committee. This was seconded and agreed.

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

The Vice-Chair proposed that Emma Luddington joins the Audit and Risk Committee, and Peter Sloman 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 20 July 2023 were approved.

Resolved:

That the minutes of the Board Meeting held on 20 July 2023 be signed as a true and accurate record.

5b. SIB Property Board Minutes

The Chair of the Board asked members to note the minutes of the meeting held on 20 July 2023, in particular the revised Any Other

Business item. 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 Board (who was previously the Chair of the Committee) provided the Board with the key points from the Committee meeting held on 15 August 2023. In particular, the Committee discussed the annual appraisal of the Chief Executive. No questions were raised.

Resolved:

That the Board notes the minutes of the Personnel and Remuneration Committee.

6. Matters Arising Tracker and Wallboard Ideas

Items 49 & 55 - Update on the MD Repair Backlog

This item is included within the CEX Key Issues report at item 7. It was agreed to keep this on the tracker for now.

Item 54 - What else Soha can do to Assist with Individuals whose Housing Needs are not being Met Elsewhere

This item is not yet due.

Item 55 - Analysis on New Shared Ownership units at Frances Curtis Court

This item is not yet due.

Item 74 - Quantify the Impact of a Continuing Freeze on LHA Rates on Soha Rents

It was agreed to remove the first part of this item as it has been completed. The second part will be discussed as part of the rent setting paper at the Board meeting in November.

Item 74 - Trend Information to be included on Qualitative Comms Update Reports

This item will be included in the Performance Report information from October 2023. It was agreed to remove this from the tracker.

Item 77 - Evaluation Technique to Measure Impact of Stopping or Slowing Down Activities This item will be discussed at the Board Away Day in October 2023. Item 88 - Parameters and Revise Scheme Appraisal Criteria for Land Led Developments The Head of Development agreed to bring a paper on stress testing for larger schemes to the Board meeting in October. Item 95 - Updated Matters Arising Tracker This was updated and circulated in between May and July Board meetings. Agreed to remove from Tracker. Item 97 - Advice from Pension Advisors on Impact on Bonds if Core Inflation Rate Remains High This item has been completed and it was agreed to remove it from the tracker. Item 100 – Consider Diversity in Terms of Changing Nature of our Workforce and Residents This item is not yet due. Item 102 - Clarification on the Bad Debt Provision This item has been completed and agreed to remove from tracker. Item 104 - Reporting of Arrears Performance It was agreed to retain an update in the CEX Key Issues report until the Performance Report at the October Board meeting (now November) and then it can be removed from the tracker. <u>Wallboard Items</u> The Chair of the Board reminded members that these are points which require further consideration and work and may not necessarily be given an immediate timescale. She also encouraged members to reflect on any additional points to include. Items 1 - Embedding Learning into our Processes The Chief Executive proposed that we discuss how we understand resident experience, embed learning and drive service improvement at the Board Away Day in April 2024	

Item 2 - Understand the Local Context and Levels of Temporary Accommodation

This item is due for discussion at the Board meeting in November.

Item 3 - Car Parking Issues across Soha Estates

This item is not yet due.

Reports

7. Chief Executive Key Issues Update

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

External Update

1. Inflation and Economic Operating Environment
The Chief Executive advised that inflation has reduced slightly to a headline figure of 6.3% down from 6.4% in July. Average wage increases are now running ahead of inflation for the first time since inflation rates climbed very swiftly nearly twelve months ago.

2. Cost of Borrowing
The Chief Executive advised that the Bank of England has increased base rates again, to 5.25%. This is the highest base rate since 2008 with further increases expected up to 6%. This impacts directly on our variable rate debt repayments, which currently form 26% of our total drawn down debt.

The Chief Executive advised that we will be discussing our treasury plan at the meeting in October.

3. Consumer Standards
The Chief Executive advised the Regulator of Social Housing has published its proposed Consumer Standards for final consultation. Soha is not responding formally to the consultation as we can see that the substantive changes that will be made have been included in these draft standards.

The Chief Executive advised that we are carrying out a gap analysis on compliance. We are aware that further work is required on the new Transparency, Accountability and Influence Standard and how we use feedback in our decision making.

4. Customer Service and Engagement – really useful report
The Chief Executive advised that the report from Campbell Tickell and

the DIN network is a useful and thought-provoking read. It contains a series of case studies that offer useful challenge and learning to Soha. She advised that we will bring an in-depth paper to the Board against the framework set out in this report with our reflections and in October.	**MA**
5. NHF: The Housing Crisis – What will happen if we don't act? The Chief Executive advised the NHF has published research making the case for why we must act to address the housing crisis. Headlines by 2045 include: the number of children living in temporary accommodation will rise from 131,000 to 310,000; social housing waiting lists will grow to 1.8 million households; 5.7 million households will be paying a third of their income on housing costs; the amount of people experiencing homelessness could more than double reaching 620,000; around 2.3 million people will be in poorly suited homes and there will be a 350,000 home shortfall of retirement and supported housing. **6. Labour Party Policy Announcements** The Chief Executive advised that Labour has begun setting out some more specific housing policy plans if it wins the next election. These include retaining the existing right to buy, but with reduced discount levels; not extending the right to buy to housing association tenants; a rapid return to an overall increase in the number of social rent homes across the UK (at the moment more are being bought under right to buy than built every year) and a longer term commitment to a significant increase in social rent homes and a retention of the current s106 system rather than a move to the planned infrastructure levy. **7. Private Rental Sector Housing Provision – Reduction in Supply and Position of REITs (Real Estate Investment Trusts)** The Chief Executive advised that private sector landlords appear to be leaving the rental market in increasing numbers (although mostly a London trend). This is largely because of additional requirements on standards, increasing interest rates and changes to the taxation of their revenue streams (such as not being able to offset mortgage interest costs). She advised that alongside this, REITs have in recent years been a major investor in the provision of homes that are exempt from Local Housing Allowance (LHA) caps because they are provided alongside support to people in need of supported housing. Many of these contracts were built on inflation linked lease arrangements which have become unaffordable as rents have been capped below inflation. As a result, some REITs and major support providers are now at high risk of going bust. Both trends are feeding into significantly increased pressure on local authorities who hold the statutory responsibility for providing temporary accommodation for those who are homeless. We are in conversation	

with our partner local authorities about the pressures they are already experiencing and their future needs.

8. Local Authority Budget Pressures and Link to Temporary Accommodation

As per the above point. We are now starting to see significant increases in the number of local authorities stating that they are unable to balance their budgets or fear their ability to continue to do so. One of the major pressures in London and the SE is the increasing cost of the provision of temporary accommodation for those to whom the LA owes a statutory homelessness duty.

9. New Guidance on Damp and Mould

The Chief Executive advised that DLUHC has issued new guidance on understanding and addressing the health risks and damp and mould in houses. This does not introduce new requirements on landlords but sets expectations and provides guidance on when it expects landlords to treat individual cases with greater urgency because of the personal characteristics of specific residents. She advised that we are reviewing our procedures to check whether we need to make any amendments.

Internal Update

1. MD Building Repair Backlog Update

The Director of Property Services advised that outstanding repairs orders (called "Work in Progress" or WIP) has continued to reduce steadily, and now stands at 1370 active jobs. Given the increase in job order levels last year, a two-week order book equates to approx. 900 jobs. 800 – 1000 jobs is what we would consider standard WIP, depending on job order levels at that time.

We now have good availability of appointment slots for new repairs that are being reported and are seeing increases in our transactional satisfaction levels (now back to 77%).

A member commented on the increase in costs due to the on-boarding of two additional contractors. The Director of Property Services advised that one contractor is more expensive than MD whilst the other is cheaper. However, MD are aware that they will be responsible for these additional costs.

2. Soha AGM

The Chief Executive advised that attendance at this year's AGM was in line with last year. We had 29 resident members, 14 staff members, and 10 Board members in attendance, with another 17 resident members voting by proxy.

Whilst attendance was disappointing, we have had excellent feedback from those who did attend. The opportunity for informal conversations and connection between Board, residents and staff worked well and staff information stands on retrofit, localities, TSMs and service standards were well attended. **3. Increase in Housing Ombudsman and Regulator of Social Housing Fees** The Chief Executive advised that the Housing Ombudsman has increased its staffing to 300 people to cope with the increase in case volume. This means a fee increase from £2 to £5 per home and an overall increase our fee by £22,800 per year. We have only had one case taken to the ombudsman in the last five years, which was not upheld. She also advised that the Regulator of Social Housing is currently out to statutory consultation to increase the regulatory fee from £5.40 to between £9 and £10 per home. This will increase our costs by approximately £30,400 per year. Whilst these fee increases are clearly unwelcome, we are not proposing to respond to the statutory consultation on the regulatory fee increase as this decision will not change. **4. Community Station** The Chief Executive advised that in agreement with MakeSpace, we have taken back responsibility for the area of our main office at Royal Scot House on the left hand side as you come through from reception. This will be branded the "Community Station". We will use this as a community and resident space, and are inviting use by community groups, including for evening use. **5. Reactive to Proactive** The Director of Housing and Communities explained that we recently made a commitment that Locality teams would follow up all Tenant Satisfaction survey respondents who were not satisfied. He then shared a case study in which Karen Prickett, the Locality Lead in Vale and West called a lady who had said that she didn't love anything about the place where they lived. As they spoke, she shared that she had previously suffered from domestic abuse and that she had concerns about a neighbour who was also experiencing domestic abuse. As a result, Karen was able to support her and link with police and other local services. She is now receiving the necessary support. **6. Board Away Day – October 2023** The Chief Executive advised the Board Away Day is being held on	

Friday, 6 and Saturday, 7 October 2023 commencing at 4.00pm on the Friday and will finish with lunch on the Saturday. We will be discussing the future provision for the delivery of the repairs service.

7. Reinforced Autocleaved Aerated Concrete (RAAC)
The Director of Property Services advised we have held internal meetings to discuss whether RAAC may exist in any Soha properties. He noted that the four-storey block at Lee Court, Thame has been identified as a property that requires inspection by a specialist contractor. This inspection is taking place imminently.

He believes that this is the only building that could potentially contain RAAC but advised Soha Technical Officers will be inspecting all other Independent Living and Extra Care Schemes and blocks of flats built from early 50s to late 80s as a precautionary measure. Our houses will not be inspected as they are either of traditional construction with a pitched roof or are former Precast Reinforced Concrete (PRC) properties with pitched roofs that have licensed work completed to convert them to traditional properties. He confirmed the outcome of the inspections will be shared with the Board in due course.

8. Deep Dive Reporting: Rental Income Performance Summary
The Chief Executive advised that rent arrears stood at 4.81% (net of HB was 4.5%) as at 31 August.

Our year end arrears figure is predicted to be 4.4% (£2.13m) against a target of 4.75%. Current performance is likely to follow the trend of previous years of increasing towards Christmas (approx. 5% to 5.3%) and then reducing again from January to March 2024. It was noted that the team are on track to achieve the year-end target.

A member asked with the reduction in arrears, have we seen an increase in the number of write-offs? The Director of Finance and Resources advised we carry out write-offs every quarter. Whilst there has been an increase in these, it’s for debts we are unable to chase (usually for residents who have passed away with no money in their estate).

9. Deep Dive Reporting: Frances Curtis Court - Sales Update
The Chief Executive advised that as at 14 September, of 38 shared ownership apartments: 3 are sold, 2 are reserved and 5 are on-hold with buyer interest, but with properties to sell. We projected one sale per month in our cash flow and business plan assumptions, so are now marginally behind those original projections, which are being kept updated. She confirmed that the SLT has made the decision to convert twelve of the initial shared ownership properties to rent given the likely long period of time it will take to sell all the shared ownership units.

A member commented on the number of units unreserved and in terms of cashflow when we are expecting it to come in. What is the impact and have we considered pricing, incentives or barriers. The Director of Finance and Resources advised we have on-going cashflow monitoring and predicted one sale per month, but it has been slower than anticipated. The Chief Executive commented that how the care charge is structured (by Oxfordshire County Council) is putting off potential buyers as there is no opt out for these charges.

Resolved:

That the Board notes the update.

8. Development Update

The Head of Development presented the report to ask the Board to approve the conversion of four S106 shared ownership houses at Ambroseden to affordable rent and the acquisition of five properties on the open market in Banbury. He advised that as a result of our partnership work with Hook Norton Community Land Trust, we have been approached by Cherwell District Council (CDC) to assist them with providing refugee housing. CDC have secured £1.4m grant funding and are keen to work with a registered provider partner to help them achieve this.

The Head of Development advised that the scheme delivers a very healthy NPV of £842k and lessens the shared ownership sales risk. It will add an additional £1m of debt to the balance sheet but this is significantly reduced by grant funding.

The Head of Development advised that we are currently waiting for a grant agreement from CDC and approval for conversion of the shared ownership units and purchase of the five open market properties is subject to receiving grant funding.

Next, the Head of Development asked the Board to note the progress being made in delivering the aims in the Development Strategy. He advised that we have made substantial progress in providing accommodation for those needs are not being met elsewhere, building to zero carbon standards (there are currently 58 units in various stages of development) and working with Community Land Trusts (CLT). He advised there are three CLTs in Oxfordshire and Soha is partnering with all of them!

The Head of Development advised that due to the current embargo on new business it hasn't been possible to pursue any land led opportunities, but this is being kept under review. However, he advised that we are considering new strands of business including the Governments' homelessness priority and the potential for obtaining grant for delivery of these. We are investigating the possibility for third parties to own the freehold and Soha to provide development agency and management services via a lease/management agreement. Also, we are exploring the regeneration of Soha stock as any expenditure is likely to be several years into the future and we may be able to obtain grant funding from Homes England. It was noted that whilst asset management disposals are not covered in the Development Strategy, it will be considered when we review the regeneration of existing schemes.

The Chair then invited questions from members.

A member asked what regeneration means for Soha? The Head of Development advised that its either refurbishment, re-modelling or demolish and re-build. He commented that in the first instance we will need to identify suitable schemes and have alternative properties for residents to move to in the interim period.

A member commented that it was useful to see an update on the strategy and he agreed that we should be open to seeking new opportunities. However, he advised caution with this and advised that often simplicity is best.

A member asked if we had a heat map of need so we know where the demand is for certain types of homes and can concentrate our efforts in those areas. The Head of Development advised that needs data is held by the local authority, but we have the information on where schemes could be problematic or unpopular. He confirmed that we have regular conversations with the local authority on the types of accommodation required and how we're able to assist with this.

A member enquired if we had considered approaching developers to purchase units for private sale but at a cheaper rate? The Head of Development advised that we have been approached by developers but we're not pursuing these opportunities at the moment.

A member asked if we had considered purchasing properties for homeless individuals and charging full market rent for them, and if we should have a policy on this? The Chief Executive advised that we have already reviewed this option and can share our findings with the Board. However, we are not looking to take on new debt at a high interest rate to fund this option.

Resolved:

That the Board approves:

1. The conversion of four S106 shared ownership houses at Ambroseden to affordable rent and the acquisition of five properties on the open market in Banbury; and

2. The revised Development Strategy.

9. Annual Review of Modern Slavery Statement 2022/23

The Governance and Regulation Manager presented the report and asked the Board to approve the revised Modern Slavery Statement for 2022/23.

No questions were raised.

Resolved:

That the Board approves the Modern Slavery Statement 2022/23.

10. Any Other Business

None.

11. Date of Next Meeting

a) The Board Away Day is being held on **Friday, 6 and Saturday, 7 October 2023** commencing at **4.30pm** on the Friday at Bicester Hotel Golf and Spa, Green Lane, Chesterton, Bicester, Oxon OX26 1TE.

b) The date of the next Board meeting will be **Thursday, 19 October 2023** at **6.00pm** in the **office at Royal Scot House**. Please note the drop-in session with SLT is between 5.00 and 6.00pm to discuss any reports on the agenda or to discuss any IT issues or training requirements.

The meeting ended at 7.15pm.

Signed:_________________________

Date: ______________

CONFIDENTIAL MINUTES	
There were no confidential minutes. Signed:___________________________ Date: _________________	