

Minutes of the Saffron Housing Trust Ltd Board Meeting

27th February 2023 – 3pm, Meeting held at Saffron Barn, Long Stratton & Hybrid- enabled via MS Teams

Present:

Board:	Bob Walder (BW) Chair	Asha Cleavelly (AC)
	Barry Duffin (BD)	Tom Fadden (TF) – SID
	James Francis (JF) – CEO	Mike Jolly (MJ)
	Tallia Langston (TL)	Neil Watts (NW)
	Jason Margetts (JM)	Jayne Sharma (JS)
	Alison Inman (AI)	

Officers:

Iain Innes (II) – Chief Financial & Sustainability Officer
 Hannah Harvey (HH) – Chief Operating Officer
 Paula Tuck (PT) – Director of Engagement and Involvement
 Amanda Ashley-Smith (AAS) – Director of Governance
 Tom Riches (TR) – Governance and Risk Manager
 Sarah Elwell (SE) – Governance Officer

Apologies: Rob Lankey (RL)

Ref.	Agenda Item	Action
2306	<p>Item 1 – Welcomes, Apologies for Absence, Declaration of Interests, Announcements</p> <p><u>Welcomes</u></p> <ul style="list-style-type: none"> The Chair welcomed Members and Officers present. The Board observed one minute silence in memory of Duncan Scott, former Board Member. <p><u>Apologies for Absence</u></p> <ul style="list-style-type: none"> Apologies from Rob Lankey. <p><u>Declarations of Interest.</u></p> <ul style="list-style-type: none"> Chief Officers declared an interest in item 6. The Chair proposed that Chief Officers remained in the meeting room for this item. No further interests were declared other than those set out in the Declarations Register. <p><u>Announcements</u></p>	
2307	<p>Item 2 - Minutes of Previous Meetings and Matters Arising</p> <p>2.1 Minutes of 28th November 2022 Board Meeting</p> <ul style="list-style-type: none"> There were no matters arising. <p>It was RESOLVED:</p> <ul style="list-style-type: none"> To APPROVE the minutes of 28th November 2022 Board Meeting as a true record of the meeting. <p>2.2 Notes of the Board Away Day – 6th February 2023</p> <ul style="list-style-type: none"> In response to a question the Board were informed that the Disability Commitment Award should read Disability Confidence Award. As discussed at the Board Away Day, this would look at how to ensure the thread of EDI would 	

	<p>run through the Inspiring Saffron Strategy. The Chair asked the Chief Executive to champion this to ensure it was implemented. ACTION</p> <ul style="list-style-type: none"> It was noted that notes required amendments to capture the sessions Asha Cleavelly was present as he was unable to attend the full day. <p>It was RESOLVED:</p> <ul style="list-style-type: none"> To NOTE the notes of 6th February 2023, Board Away Day <p><u>2.3 Matters Arising and Board Action Points</u></p> <ul style="list-style-type: none"> It was noted that 10 Actions have been completed and 26 actions were “in progress”. The Board requested that a target date column is added to the Action Points, this would enable the Board to acknowledge when an action target had slipped and reasoning. ACTION <p>It was RESOLVED:</p> <ul style="list-style-type: none"> To NOTE the Action Points. 	
2308	<p>Item 3 – Optional Linked Minutes to Subsidiary and Committee Minutes</p> <p>Audit and Risk Committee – 8th November 2022 It was RESOLVED:</p> <ul style="list-style-type: none"> To NOTE the minutes of the Audit and Risk Committee meeting held on 8th November 2022 <p>People, Nominations and Remuneration Committee – 9th November 2022 It was RESOLVED:</p> <ul style="list-style-type: none"> To NOTE the minutes of the People, Nominations and Remuneration Committee held on 9th November 2022. <p>Crocus Contractors Ltd Board – 17th November 2022 It was RESOLVED:</p> <ul style="list-style-type: none"> To NOTE the minutes of the Crocus Contractors Ltd Board Meeting held on 17th November 2022 <p>Service Quality Committee – 6th December 2022 It was RESOLVED:</p> <ul style="list-style-type: none"> To NOTE the minutes of the Service Quality Committee meeting held on 6th December 2022 <p>Crimson Board – 12th December 2022 It was RESOLVED:</p> <ul style="list-style-type: none"> To NOTE the minutes of the Crimson Board meeting held on 12th December 2022 <p>Sustainability Committee – 26th January 2023 It was RESOLVED:</p> <ul style="list-style-type: none"> To NOTE the minutes of the Sustainability Committee meeting held on 26th January 2023 <p>Crocus Contractors – 2nd February 2023 It was RESOLVED:</p>	

	<ul style="list-style-type: none"> To NOTE the minutes of the Sustainability Committee meeting held on 2nd February 2023 	
2309	CONFIDENTIAL ITEM	
2310	CONFIDENTIAL ITEM	
2311	CONFIDENTIAL ITEM	
2312	<p>Item 7 – Saffron Budget & Business Plan 2023-24</p> <ul style="list-style-type: none"> The Chief Finance and Sustainability Officer presented the Saffron Budget & Business Plan for 2023-24 The report provided the board with details of the Saffron Budget (year 1 of the Business Plan) & Saffron Business Plan for 2023-24. Although this report considered the entity Saffron Housing Trust, it also considered the consolidated metrics as part of the Moody's review and the consolidated market sales exposure, this included Crimson. This Budget and Business Plan had been built to enable delivery of the updated Inspiring Saffron strategy. This Budget and Business plan was in line with the risk appetite, it ensured compliance with all legal and regulatory requirements and meet the financial gateways, golden rules and covenants. This Budget and Business Plan allowed for achievement of strategic priorities, whilst maintaining the credit strength and ensured compliance with all policies. The key changes in the Business Plan compared to last year were presented to the Board. The Board acknowledged that the only change to proposals presented at the Board away day on 6th February is the strengthening of the EBITDAMRI in year 1 by reducing major repair investment in that year by £700k to £7m. It was noted this is still a net spend increase of £1.15m compared to 2022-23. The Board appreciated the proposals reflected the discussions at the Board Away Day in February 2023 and that stress testing and breaking points had been identified. The Board discussed the covenant and Moody's rating 'pinch points'. It was noted that additional funding would be required by March 2026 and that the A3 rating was important to securing funding at the lowest all in interest rate. It was noted that Saffron had options before reaching the period of re-financing. The Board were informed that the Business Plan could mitigate the perfect storm to year 10. The Board queried what Disabled facilities were included in the table of lifecycles, the Board were informed this related to bathrooms and kitchens. <u>The Chair of the Service Quality Committee</u> requested the attendance of a member of the Finance Team to give a presentation at a future meeting of the committee to enable better understanding of the Capital and Revenue budget allocations and implications. <u>The Board raised concerns on increased arrears and potential impact to the budget and business plan.</u> It was acknowledged that Saffron had invested in Rent Sense software which provided the ability to be proactive in mitigating rent arrears. It was also highlighted that the Tenancy Sustainment Fund was in place to mitigate the risk. <p>It was RESOLVED to:</p> <ul style="list-style-type: none"> APPROVE the Budget 2023-24 (year 1 of the Business Plan) APPROVE the Business Plan 2023-24. APPROVE the value for money plan. 	

	<ul style="list-style-type: none"> • NOTE the Development, Asset and Sustainability strategies have been amended to achieve EPC C by 2035 and average SAP 85 (deemed carbon neutral figure) by 2050. 	
2313	<p>Item 8 – Crocus Budget and Business Plan</p> <ul style="list-style-type: none"> • The Director of Finance presented this report and asked the Board to consider the budget and business plan for April 2023 to March 2028 for Crocus Contractors Ltd. This report provided the Board with details of the Crocus Budget (year 1 of the Business Plan) and the business plan to March 2028. This budget and business plan was approved by the Crocus Board on 2nd February 2023. • The Business Plan assumed the Crocus loan was fully drawn for the life of the Business Plan. 	
	<ul style="list-style-type: none"> • It was noted the delivery of 40 homes per year had been delayed due to issues relating to Nutrient Neutrality which have now been resolved. There had been delays in market sales at Bawdsey. These would now be delivered in the next financial year. • The Board queried the progress of the Bawdsey site sales, it was confirmed there were 9 market sales at Bawdsey, 3 had exchanged and there were 6 still to sell. • The Board queried the Crocus overheads, it was confirmed that the same salary and pensions costs had been applied to Crocus staff. It was noted that there were no additional FTE posts added as the Health and Safety Consultant has been replaced by a Construction manager post. • It was confirmed that the long term strategy of Crocus would be considered again in Q3 of 2023/24. <p>It was RESOLVED to:</p> <ul style="list-style-type: none"> • APPROVE the Crocus Budget for April 2023 – March 2024. • APPROVE the declaration and payment of £350k of gift aid to Saffron in line with the approved Crocus budget. • APPROVE the Crocus Business Plan April 2023 to March 2028 subject to extension of the current loan agreements with Saffron. • NOTE the drawdown of the remaining RCF from Saffron to Crocus of £1.8m in Q4 of 2022/23. 	
2314	<p>Item 9 – Development Policy</p> <ul style="list-style-type: none"> • The Chief Financial and Sustainability Officer presented the report and proposed a revised Development Policy for approval. The Policy was reviewed and approved by the Sustainability Committee via Written Resolution and was recommended to the Board. • The Board raised that the policy did not reference EDI provisions, such as the British Standards BS 8300 – Design of Accessible and Inclusive Built Environment 2018. The Board proposed that the policy captured the EDI impacts. ACTION <p>It was RESOLVED to:</p> <ul style="list-style-type: none"> • APPROVE the revised Development Policy. Subject to the inclusion of EDI impacts. 	
2315	CONFIDENTIAL ITEM	

2316	<p>Item 11 – Strategic Risk Register and Risk Appetite & Opportunities Statement</p> <ul style="list-style-type: none"> • The Director of Governance updated the Board on the strategic risk register and confirmed actions discussed at the Board’s Away Day in February to be brought to the Board’s meeting on 27th March 2023. • It was confirmed each risk had been carefully considered in the Strategic Risk Register and no residual risk scores have changed since the last report to the Board on 28th November 2022 and 3 risks remained outside the Boards appetite threshold. which were: • Discussion had taken place at the Board Away Day relating to the Board Appetite Statement. It was agreed that the statement should be reviewed, to reduce its length and to introduce more positive language. It was noted this statement would be discussed further at the meeting of the Audit and Risk Committee on 14th March 2023 and they would report back to the Board. The purpose of the statement was intended to show what Saffron would not compromise on in pursuit of the strategic goal and if this was simplified there was a risk this may not represent actual appetite. • The Board discussed the update on the risk management software and queried if the software would be fully accessible to Members. It was confirmed that there would be accessibility testing undertaken to ensure there were no accessibility issues. The Board queried the timescales for implementation of the risk software, it was noted the project to introduce the new risk software was intended to be purchased and implemented by the end of this financial year. 	
	<ul style="list-style-type: none"> • The Board discussed the Risk Register scoring against appetite and was noted where there was a residual score lower than appetite, this afforded more potential opportunities and be bolder. • It was recognised that the Risk Register front page gave a snapshot of the risks and more detail was held behind each risk. <p>It was RESOLVED to:</p> <ul style="list-style-type: none"> • NOTE and APPROVE the Strategic Risk Register, subject to the discussion to be reported back from the Audit and Risk Committee on 14th March 2023 relating to the wording of the Risk Statement. • DISCUSS actual and planned mitigations to bring residual risks in line with the Board’s appetite which is expressed as ‘appetite / target risk score’. • NOTE the contents of this report. 	

2317	<p>Item 12 – Governance Update Report</p> <ul style="list-style-type: none"> • The Director of Governance presented this report and updated the Board on Governance matters since it last met, including updates on recent Sector Regulatory Judgements and Housing Ombudsman findings. • The report proposed minor amendments to the Audit and Risk Committee Terms of Reference reflecting that the Committee are now responsible for monitoring the system change elements of the Change Programme. • The report also provided an update on Saffron’s approach to introducing Objectives and Key Results (OKRs) for 23/24. It was confirmed final proposals will be brought to the 27th March 2023 Board meeting, which will be aligned to the Inspiring Saffron Strategy and incorporate the feedback on Objectives from the Board’s Away Day. • The Board acknowledged work to redesign how Saffron present Agendas and Reports, with the intention of enhancing Board effectiveness and further reducing Board and Committee pack sizes. The Board requested to see the proposals before they are presented for a decision. ACTION • The Board noted the update on the new Consumer Standards and the report provided a link to the RSH’s Implementation plan with the new Standards set to apply from April 2024. • A minute was removed for confidentiality. <p>It was RESOLVED to:</p> <ul style="list-style-type: none"> • APPROVE the proposed amendments to the Terms of Reference of the Audit & Risk Committee • NOTE the contents of the report. • A minute was removed for confidentiality 	
2318	<p>Item 13 – Vital signs</p> <ul style="list-style-type: none"> • The Director of Governance presented this report providing the Vital Signs Dashboard for Q3 • The Board discussed that 5 out of 12 Vital Signs would not being met within the year end and challenged that performance needed to improve. It was acknowledged that there were some lessons learnt that the Vital Signs did not capture all the right measures and targets, including unachievable targets. • The Board were advised that OKRs would be introduced in the next year, and this would work towards establishing better understanding of outcomes and performance. • It was RESOLVED to: <ul style="list-style-type: none"> • NOTE and DISCUSS the information contained in the report. <p>Alison Inman left the meeting at 17.11pm</p>	
2319	<p>Item 14 – Inspiring Trust Update</p>	
	<ul style="list-style-type: none"> • The Chief Operating Officer presented this report. • Inspiring Trust report provided highlights from the past quarter from the four operational areas that were aligned to the Inspiring Trust section of the strategy. • Members were invited to arrange a visit to properties by contacting the Chief Operating Officer. <p>It was RESOLVED to:</p> <ul style="list-style-type: none"> • NOTE and DISCUSS the report. 	

2320	<p>Item 15 – Inspiring Community Report – Q3 2022/23</p> <ul style="list-style-type: none"> The Chief Financial and Sustainability Officer presented this report and highlighted that 6 properties had completed at Swallowtail and there were 8 reservations. There were 3 one-bed apartments without reservations but there had been a steady stream of interest. <p>It was RESOLVED to:</p> <ul style="list-style-type: none"> NOTE the contents of the Inspiring Community report. 	
2321	<p>Item 16 – Financial Management Report – Q3</p> <ul style="list-style-type: none"> The Director of Finance presented this report showing the group pre-tax surplus is forecast at £1.871k over budget at March 23. £189k of this was attributable to Saffron, with £598k due to interest savings as a result of the refinancing of the Barclays Loan. £1.677k of the favourable variance was due to Crocus, this was predominantly due to 10 Acle phase 1 sales completing in 2022/23 which were budgeted for 2021/22. <p>It was RESOLVED to:</p> <ul style="list-style-type: none"> NOTE the contents of the report. 	
2322	<p>Item 17 – Crocus Quarterly Update</p> <ul style="list-style-type: none"> The Governance and Risk Manager presented this report providing an overview of the performance of Crocus to the end of December 2022. <p>It was RESOLVED to:</p> <ul style="list-style-type: none"> NOTE the report 	
2323	<p>Item 18 – Policy Approvals</p> <ul style="list-style-type: none"> The Governance and Risk Manager presented this report to ratify the approval of the Complaints and Compliments Policy. <p>It was RESOLVED to:</p> <ul style="list-style-type: none"> RATIFY the decision made by Written Resolution to APPROVE the Complaints and Compliments Policy. 	
2324	<p>Item 19 – Sealing and Power of Attorney Register</p> <ul style="list-style-type: none"> The Sealing and Power of Attorney Register was presented to the Board for ratification. <p>It was RESOLVED to:</p> <ul style="list-style-type: none"> RATIFY the use of the seal and powers of attorney. 	
2325	<p>Item 20 – Close of meeting</p> <p><u>Chair’s closing remarks & Feedback on meeting</u></p> <ul style="list-style-type: none"> The Chair closed the meeting at 17.22pm <p>Date of Next Meeting:</p> <ul style="list-style-type: none"> Board Meeting – 27th March 2023 – Saffron Barn, Long Stratton 	

