

# Discussion: 2024 - What's on your mind as a Board Member in Housing?

## Introduction



**Yvonne Leishman**, Former CIH President

The meeting was chaired by Catherine Ryder, Chief Executive of Placeshapers, who interviewed Yvonne Leishman, Chair of Two Rivers Housing in Gloucestershire and ex-President of the Chartered Institute of Housing. There were then follow up discussions in break out rooms.

## Questions

**Q: There are so many current challenges facing housing associations. As a Chair, how do you try to set the vision and direction for a housing association in such a current uncertain environment?**

It is important in current times for Boards to take their heads out of the current day to day work of the housing association and answer the following two questions:

1. Where are we coming from?
2. Where do we want to be in five years' time?

This sort of exercise is not needed every year but it is important to spend at least a full day as a Board periodically considering these strategic questions and working out how they are going to answer it. Some of the key questions that need to be answered to set a five year strategy for a housing association include:

- Who is our community and who are we trying to serve?
- What difference do we want to make for the people we are serving?
- What is the context and understanding of each Board Member when they are considering these questions?
- What is the environment we are working within that we need to understand, e.g. housing stock profile, geographic location, finance and resources, challenges, etc.
- Who are the stakeholders that we need to listen to in order to understand their points of view? These will include customer feedback, understanding our local partners, what are our Executive Team's views?

**Q: How do you prioritise when you are constantly having to react to new expectations placed on you by the Government and Regulator and your budget remains constrained by external factors?**

Some of the current issues facing housing associations include a campaigning Ombudsman, the new regulatory requirements from the RSH, dealing with complaints, net carbon zero (NCZ) and growing repairs and maintenance demand. It is important to remember that you still need to understand what the situation is in order then to work out your priorities.

This then leads to key questions such as: how well do you know your homes? How well do you know your customers and what are their aspirations? What are the challenges that your customers are facing? What other customers are you engaging with, e.g. leaseholders?

Then it is important to work out what the choices are that are available to you. Only a defined number of associations have particular issues relating to high rise buildings, fire safety and building safety but the wider challenges that are facing all housing associations are prioritising between the following:

1. Investing in the current housing stock;
2. Providing a repairs and maintenance service that meets customers' expectations; and
3. Delivering NCZ for the housing stock when many of the homes cannot be adapted to be NCZ at what many people would see as a reasonable cost.

It is important to make decisions about which homes can be provided that are safe and affordable and therefore can be maintained in the medium term compared with those situations where associations may have "stranded assets" where this is unaffordable. In this latter situation, there may well need to be wider scale physical regeneration with elements of new build to deliver what is fit for purpose for tenants in the longer term.

### **Q: How can the consequences of these decisions be delivered well?**

Context is very important here. The four years of rent cuts (2016-2020) has, for many housing associations, taken out about 25% of their future financial capacity. However, with Yvonne's long track record in working directly with customers, Yvonne recommends talking to customers and engaging with them and feeding back to them because, above all, she has found that residents are pragmatists and so they understand there are limits to what housing associations can spend. The important point is to make sure that this is a two-way conversation and not simply a situation where residents provide feedback and then associations go off and make a decision without going back to them.

Finally, many of these decisions need to be linked to proper risk assessments based on what we know now. For example, the pandemic has shown how modern supply chain methods have left associations vulnerable to supply chain delays as well as rises in costs and changes to how trades and businesses provide their services. Regularly, solutions will now need to be delivered via collaborations and more medium term planning for how to meet some of the needs that our residents have.

## Breakouts

The group then went into different break out rooms and the themes of the discussions were as follows:

- 1. Sector Reputation:** Outside of the sector, there is significant negativity about the social housing sector, especially within the political arena. It was agreed that a change in Government was not going to materially change anything as far as providing immediate solutions to some of the challenges facing housing associations. However, it was important to continue to stress the very positive contributions that social housing makes to the wider UK economy in being a significant employer, having a materially positive economic impact through infrastructure spend, delivering a positive socioeconomic impact in areas with affordable housing and enabling residents to positively contribute to society through having affordable, well maintained homes.
- 2. Flexible Solutions:** It was recognised that the new circumstances around the challenges being faced by housing associations meant that they were going to have to start using their assets in different ways in order to meet some of these challenges. The question raised was whether the current regulatory relationships and framework were too restrictive to enable associations to satisfy all stakeholder expectations. This was particularly the case at the moment with asset maintenance and service quality pressures on housing associations meaning that few associations were going to be major developers of affordable housing in the future.
- 3. Adaptability:** Once housing associations have established a vision, they need to see it as a journey where circumstances and challenges will occur which may mean that organisations will need to adapt to the new reality. Adaptability is therefore key and it may well mean that plans about what were going to be achieved over five years could take, say, seven years. In these circumstances, it is important focus on positive leadership and show how there can be engagement with new targets and objectives and a willingness to adopt wider innovations. For example, it may well be that associations are not yet responding sufficiently to demographic changes where there are changing demands from what people want. The types of homes people want to live in is also changing and understanding low demand in the future will be important to recognising when there needs to be

reinvestment into homes to provide something which is meeting the aspirations of future customers. A request made was to explore different models of good practice that are across sector which could be looked at at future NED Network meetings.

4. **The decarbonisation agenda:** this is at risk of dominating everything else being talked about, but we need to recognise that the NCZ journey will one day become normalised. It might be, in the meantime, less new housing development will be undertaken but the sector needs to be comfortable with no guarantees that what they are doing to start on the NCZ journey will be the best solution - but organisations will at least need to start and experiment.
5. **Legacy:** A key factor emerging through the discussion was what we want our legacy to be. What are the things we are facing now where we might regret our current decisions in five years' time.
6. **Collaboration:** There is a significant impact on smaller housing associations with the current challenges and so new models of collaboration do need to be used in order to bridge the skills gap and some of the resource requirements that some of the smaller housing associations will have. This includes the challenge of whether Boards of smaller associations have the required skills to face the current challenges.

A special thanks to our partners:



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