

Appointment brief

Board Member

September 2020

Reference: JAHAE C

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Our vision is to be the leading landlord across the south of England, providing good quality, affordable homes and services within successful, sustainable communities.



Sovereign – An overview

Sovereign is one of the largest housing associations in the UK. We have almost 60,000 homes with around 140,000 residents, in 59 local authority areas across the south of England. Our homes are located in many and varied places, from cities to the seaside, in rural communities and small market towns.

Our geographical spread makes us different from other housing associations. We have the knowledge and ability to forge close local relationships but we also enjoy national reach and the sway that comes with it. With deep connections to our communities, we're also one of the largest providers of new and much-needed affordable homes in the sector.

We're driven by our social purpose and want to create extraordinary spaces and places where people love to live, and deliver more homes and excellent services for our customers, who are at the heart of everything we do.

We have 2,000 employees and we invest in our people to bring out the best in them so they can deliver what our customers truly need.

Every penny we make is reinvested in our homes and services. We combine our financial and organisational strength, along with funding from government, banking and capital markets, to maximise our social impact.

And we have great relationships, at local and national level, with increasing influence on the issues that matter to our residents, our communities and our business.

Our fantastic people, good reputation and strong financial and organisational foundations mean we can do even more as we work towards achieving our ambitious five-year strategy.

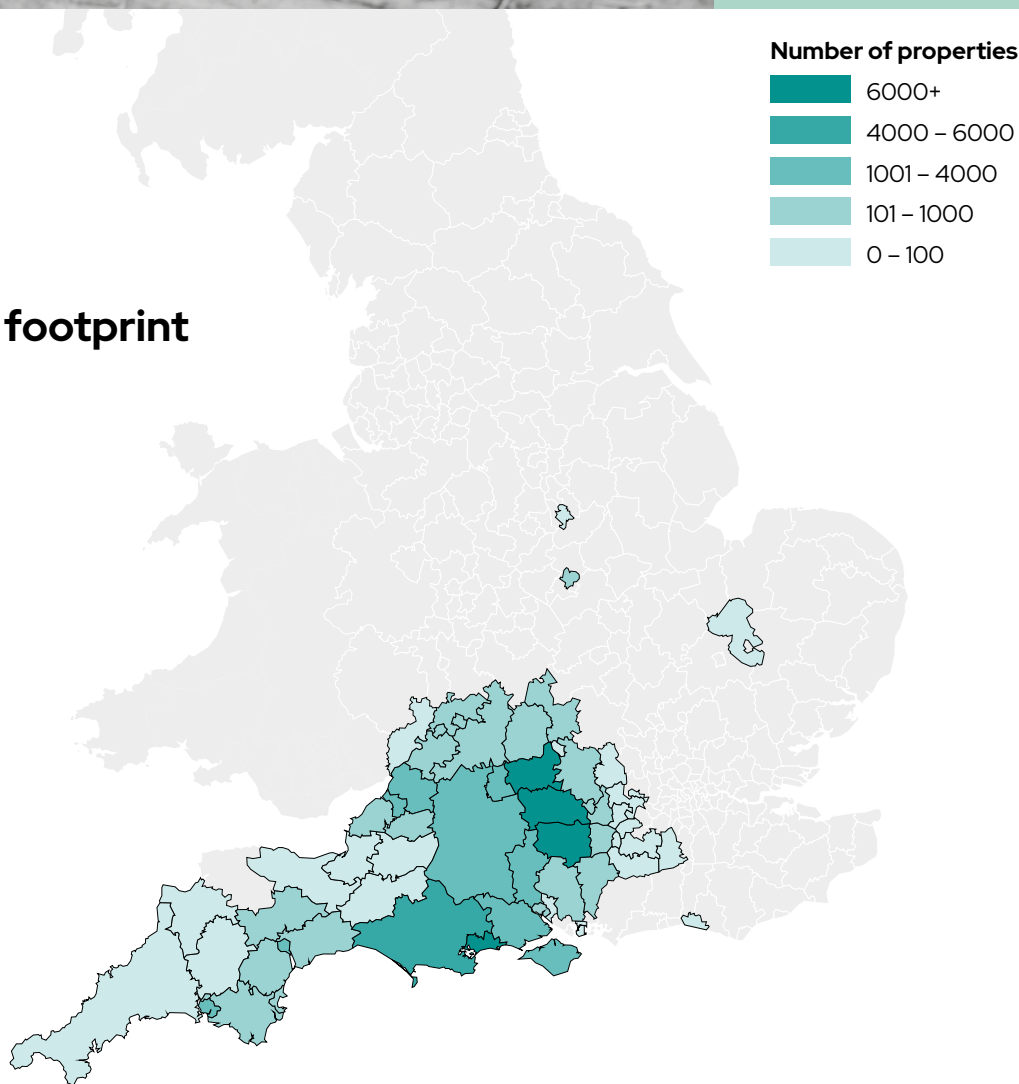
We recognise there's a significant shortage of affordable housing, particularly in the areas where we operate, and we have a significant programme of building new homes. We aim to build about 10,000 homes over the next five years, with around 85% being for affordable tenures.

In the future, we'll take control through more land-led development; giving us a greater say over the tenure, the pace, the design and the standards of our homes. We're also co-creating a standard with our customers to make sure our existing homes are safe, secure and places that people are proud to call home.



**We're an ambitious business
for social purpose**

Our current footprint



Our Strategic Partnership with Homes England, a £229m deal with Crest Nicholson at Harry Stoke near Bristol, and our innovative joint venture with west Berkshire Council show the scale of our ambition.

As well as more homes, we want to make better places for the long-term too so we're trebling our investment in our communities to £3.5m a year, working alongside our residents and neighbours to help people fulfil their aspirations.

We want to be a leader in excellent customer services, listening and involving our residents as we continue to transform how we work. We'll also invest in IT platforms and digital solutions that will help people do business with us, simply and quickly.

This also means changing how we work. We have a brand-new head office in Basingstoke, and construction set to start on a new operational hub for West Berkshire soon. We want to think differently and work flexibly so we can spend more time on the things that matter.

Residents will remain at the heart of what we do, today and tomorrow

Highlights of 2019/2020

1,773

Sovereign completed
1,773 homes
(2019: 1,543) **+14.9%**

59,517

There are 59,517 homes
in management
(2019: 57,742) **+3.1%**

£411.2m

Turnover for the year
was £411.2m
(2019: £402.1m) **+2.3%**

£135.9m

Operating surplus for the
year was £135.9m
(2019: £149.4m) **-9.1%**

23.5%

Net margin on sales
was 23.5%
(2019: 23.9%)

£79.3

The surplus for the
year was £79.3m
(2019: £98.9m) **-19.8%**

Performance

- Sovereign's operational and financial performance exceeded budgeted expectations for 2019/20, achieving a surplus of £79.3m for the year that was £2.8m favourable to budget.
- The reduction in operating surplus from the same period last year is driven by our increased focus and investment in our existing homes and our commitment to invest in digital and technology transformation.
- During the twelve months to March 2020, we completed 1,773 new homes, of which 1,702 (95.9%) were affordable housing tenures. We invested £368m (2019: £270m) developing new homes. We're delighted that we were able to complete this many homes and increase our delivery year-on-year, despite poor site conditions due to the severe storms in January and February and then the early impact of COVID19 site closures in March.
- We had a very strong year in sales, completing 648 (2019: 486) shared ownership first tranche sales (vs 19/20 budget 525) and a further 16 open market sales in the 12 months to March. We achieved a net margin on sales (including asset disposals) of 23.5%.
- Our interest expense was £57.4m, which is £5.5m lower than budget, principally driven by lower variable interest rates and lower fixed rates achieved on the bond issuance during the year.
- Housing fixed assets stand at £3.9bn, up from £3.7bn at 31 March 2019.
- Sovereign remains in a strong financial position, with net assets of £1.8bn and available cash and committed liquidity facilities of £650m at the end of March 2020, providing sufficient liquidity to support our short term future development plans. Our liquidity position was further improved with the issuance of £125m retained bonds in April 2020 (at a then sector record breaking all-in price of 1.974%) and by access to £175m Bank of England Covid Corporate Financing Facility (CCFF) agreed in May 2020.
- Sovereign is part of a group that published a white paper aiming to deliver a framework for housing associations to report on their Environmental, Social and Governance credentials. This group includes representatives from housing associations, investors, banks and lawyers.

COVID – responding to customers' changing needs

Once Covid-19 began to take a grip throughout the country we immediately made a promise: no one would be evicted from a Sovereign home because of financial difficulties brought about by this virus. We didn't wait to be told.

It was part of our message to our customers: we are here for you; we will keep you safe; we are by your side.

We knew that keeping in touch with people was vital. That's why we called 10,000 elderly and vulnerable residents in the first week and we have continued a cycle of welfare calls for those who need it – around 1,000 calls a week.

We've brought forward £200k of funding, helping charities to assist vulnerable people with food packages and medication runs during isolation. We've changed our provision for those at risk of domestic abuse – creating a partnership with domestic abuse charity WomanKind.

Key workers are at the fore front of all our minds. We provide homes for thousands of people who have been working on the front line during Covid 19. That's why we suspended car parking payments and a rent increase for those living in our NHS keyworker properties.

We've made fuel vouchers available to those who need them and safely renovated void properties, making them ready for families in need.

Throughout this crisis we have continued to provide essential services for our customers, like gas checks and fire and safety works. In accordance with government and safety guidelines we continued to work on empty homes and we also housed four long term homeless people through our Housing First provision.

We have run various stress test scenario's and are confident that we have the financial strength to sustain business operations through lockdown and recovery, despite the significant level of unpredictability of variables.

Sovereign's Values

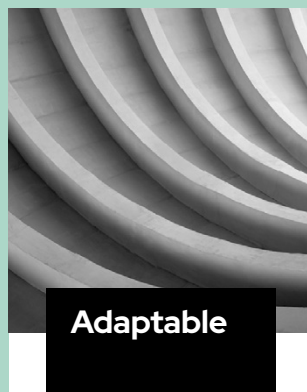
Our values support our vision, shape our culture and describe what makes us different. They guide the way we make decisions and work with our customers, colleagues and stakeholders. Values show us what's important, how we should behave and inspire us to be the best we can be.

Our values are:



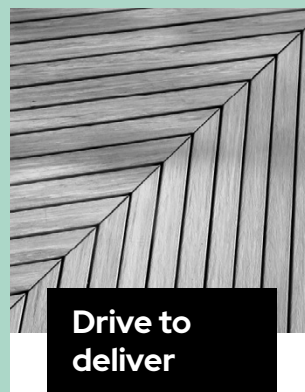
Accountable

We take personal responsibility and are trusted to do the right thing



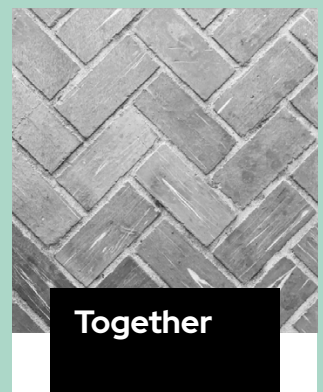
Adaptable

We embrace change, think ahead and find new ways of delivering a better customer experience



Drive to deliver

We work with energy, enthusiasm and passion to get things done and we do what we say we will



Together

We collaborate with colleagues and partners so everybody benefits

Mark Washer
Chief Executive

“To deliver our ambition, we’ll continue to invest in our current employees, as well as attracting the brightest and the best. These are exciting times ahead.”



Our People Proposition: We’re Sovereign, we’re inspiring people

Sovereign is a dynamic, growing business, passionate about creating a great employee experience so the best people will want to come and work for us – and stay. We’re committed to rewarding and celebrating the great contributions our people make, and to building an environment where employees are engaged, valued and passionate about what they do. And we’re developing all of our people so they can contribute more and advance their careers.

Why are we inspiringly different?

We’re a business with a strong commercial brain and a beating social heart. A place where people can bring their whole selves to work, and experience a whole world of opportunity. That’s inspiring.

Shape the future

We’re a strong, growing and sustainable business. A business that’s leading the sector and leading the conversation in a vital industry. A business that’s using its power and influence to make a real difference to people’s lives. If you can think commercially and share our commitment to excellence and growth, you’ll find us a secure place where you can shape our future – and yours.

**We’re inspiring great futures.
We’re inspiring people.**

Feel good

We’ve a strong purpose beyond all else that means our work not only does good, it feels good too – we’re making a huge difference to people’s lives. Not simply providing affordable homes, we’re shaping places where people want to live now and in the future. Share our purpose, and you’ll share the satisfaction of doing something that really matters.

**We’re inspiring incredible work.
We’re inspiring people.**

Be yourself

We’re a team of strong, talented, positive and passionate people who make it all happen. We care about each other, we care about those around us, and we care about the wide-reaching effects of what we do. Be part of our close community, share our values and you’ll find we’re people who value you for who you are and appreciate you for the great work you do.

**We’re inspiring each other.
We’re inspiring people.**

Achieve more

We all have the opportunity to be more, to do more. To make an impact: on our own lives, the lives of the people we work with, and the residents we work for. We’re creating the workplace of the future, where we can all be supported to achieve incredible things. Give us your talent, energy and heart, and we’ll give you the recognition and reward you deserve.

**We’re inspiring our best careers.
We’re inspiring people.**

The opportunity

We're proud to have built a high-calibre and committed board at Sovereign and while, in common with other housing providers, we're having to adapt our strategy and services at pace in response to COVID-19, we're also pushing forward with our longer-term planning and delivery.

We're an ambitious organisation, set to grow in scale, impact and influence. Our aim is to use our financial strength and collective vision to model what a responsible, customer-focused and large-scale landlord should look like, now and in the future. One of our goals is to be a leading and collaborative voice, within the sector and beyond, on key issues such as decarbonisation and sustainability, and resident voice and customer experience, and to help move the sector forward on these and other fronts.

The particular opening we now have around our board table is for someone with strong experience in social housing, particularly housing management and resident services.

This person will help ensure that, as Sovereign grows and develops, we evolve an agile, cutting-edge and human approach to the delivery of our landlord services. They will play a key role alongside our Chair and other board members in ensuring that a customer-centric culture and partnership mindset is living and breathing at board level, and setting the tone for the organisation as a whole.

Our new board member will help check we have the right lines of sight into best practice in the design and delivery of landlord services, and into developments in policy and regulation. They'll have the opportunity to help future-proof Sovereign as a modern social landlord, and build an understanding at board level of relevant advances in technology, systems and digital channels. They will help us map the partnerships we'll need at local, regional and national levels, in order to understand and serve our current and future residents, in an effective and sensitive way.

The role of Board Member

The overall purpose of a board member is to work alongside other board members to set the vision and lead the strategic direction of the Group, and to ensure good governance, financial viability and legal and regulatory compliance.

Board members add value to Sovereign's business by contributing experience, expertise and insight to determine strategy, and to exercise wise direction and control in the interests of the Group's customers and the wider community. Board members will act in the best interests of Sovereign and direct and control the Group's work collectively with other board members.

Key responsibilities

A Sovereign board member has the following key responsibilities:

- Through the board, committees and executive team, set the values of the overall Group and ensure that the Group adheres to high standards of corporate governance
- In conjunction with the board, committees and executive team, define the Group's vision, mission and strategy and ensure that these are upheld and realised
- Create a positive and supportive climate within the board and with the executive team to foster constructive challenge between the two bodies
- Through the board, committees and executive, ensure that sovereign fully complies with legal and regulatory requirements, and promotes best practice
- Establish a framework for approving and regularly reviewing strategies, policies and plans to achieve business objectives and effective governance
- With the board and committees, scrutinise and review performance and customer satisfaction
- Through the board, committees and executive team, ensure that Sovereign have appropriate controls and systems of risk management that are robust and defensible, agreeing delegations, risk capacity and appetite
- Determine policies and take or ratify decisions on all matters that might create a significant financial or other risk to the organisation, or which raise material matters of principle
- Approve an annual business plan and budgets, and monitor performance and compliance
- Approve each year's accounts prior to publication
- Ensure that all assets are protected, effectively and efficiently managed, and capacity properly utilised to maintain long-term viability and sustainability
- Appoint (and, if necessary, remove) the Chair in accordance with the rules
- Appoint (and, if necessary, dismiss) the Chief Executive
- Ensure that there are appropriate policies and systems in place to recruit, develop, retain and remunerate staff
- To be engaged in a range of activities to support the development of Sovereign and promote its activities.

Person specification

Experience and knowledge

- Strategic-level experience in the provision of social housing and neighbourhood services at scale, including service design and delivery, service improvement and housing tenancy-related issues
- Up-to-date knowledge of relevant legislation and regulation
- Senior-level experience of multi-channel customer service delivery and improvement
- Current insights into the financial and operating environment for mid-size or large registered providers of social housing
- Proven ability to understand the needs, aspirations and links within the communities served by the housing associations, including diversity matters
- An understanding of the social housing environment in which Sovereign operates from both a policy and practical perspective
- Strategic understanding of the role of information technology (IT) in business improvement
- Knowledge and understanding of corporate structures and corporate governance
- Ideally, an understanding of the sustainability and decarbonisation agenda in social housing
- Previous experience as a non-executive is desirable but not essential.

Skills

- Able to think strategically, planning and setting the direction of the organisation, and assessing a wide range of factors which influence the business and weighing up risks
- Effective verbal and written communication skills, able to tailor their communication style to different audiences and respect alternative views
- Able to assimilate, analyse and critically evaluate complex information, and reach unbiased, logical conclusions
- Able to make and stick to decisions, holding themselves and others to account, and accepting collective responsibility and delegating authority appropriately. Considers customers' perspectives in all decision-making.

Behaviour

- Embraces new ideas and approaches, and able to devise creative solutions to complex problems
- Eager to challenge and question, and unafraid to probe deeply and be a sole voice. Retains an independent view
- Inspires others and leads and motivates those around them
- Works well in a team, working collaboratively and recognising different skills within a team
- Takes responsibility for their own behaviour and development of skills and knowledge.

Terms of appointment

Remuneration, Term, Location

- Sovereign's head office is in Basingstoke (43 minutes by train from London Waterloo)
- Board members are currently remunerated at £13,000 per annum
- They're appointed for an initial three-year term, renewable for a further three-year term. Thereafter, board members may be invited to serve up to three further one-year terms.

Time commitment

- We're looking for someone who is committed to our organisation and demonstrates a willingness to engage internally and externally beyond scheduled meetings, and understand relevant emerging trends in the sector
- The time commitment is estimated to be around two days a month
- Board members are expected to serve on at least one board committee.

Additional information

Board members will;

- Be able to attend the agreed programme of board plus committee meetings by agreement, plus occasional other meetings and events each year
- Not work for or be involved with any organisation that would consistently produce a conflict of interest - this includes making an annual declaration of interests
- Undertake an annual appraisal
- Be prepared to undertake training as agreed with the Chief Executive, Company Secretary, Board Chair or committee Chairs as appropriate
- Carry out the role in the context of and in compliance with Sovereign's Equality and Diversity Policy.

How to apply

Saxton Bampfylde Ltd is acting as an employment agency advisor to Sovereign on this appointment.

Candidates should apply for this role through our website at www.saxbam.com/appointments using code **JAHAE**C. Click on the 'apply' button and follow the instructions to upload a CV and cover letter, and complete the online equal opportunities monitoring* form.

The closing date for applications is noon on **2 October 2020**

* The equal opportunities monitoring online form will not be shared with anyone involved in assessing your application. Please complete as part of the application process.

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