

PUBLIC MINUTES

of the Board meeting
held at 9.30am on Thursday 24 May 2018 at
Windsor House, London

Present:

Edward Lister	Chairman
Nick Walkley	Chief Executive
Richard Blakeway	
Simon Dudley	
Simon Dow	
Stephen Bell	
Keith House	
Teresa O'Neill	

In attendance:

Tom Walker	Deputy Chief Executive & Director of Strategy	
Chantal Geall	Chief Risk Officer	
Gordon More	Chief Investments Officer	
Bayo Dosunmu	Executive Director, Homes England Development	
Stephen Kinsella	Executive Director – Land	
Isabella Freeman	General Counsel	
Jane Castor	General Manager Finance & Performance	
Amy Casterton	Chief of Staff	
Fiona MacGregor	Director of Regulation	
Iain Brookes	Chief People Officer	Items 7-10
Rona Nicholson	Chair of EDBAG	Item 8
Kirk Howe	General Manager - Fund Devt, Perf & Ops	Item 10
Matthew Williams	PWC Consultant	Item 7a
Helen Fisher	Head of Mortgage Administration	Item 11
Ceri Smith, UKGI	Observing on behalf of MHCLG	
Mary Carter	Board Secretary	

Apologies

01/05/18 There were no apologies.

Item 1 Minutes of the Previous Meeting

03/05/18 The minutes of the Board meeting on 26 April 2018 were agreed as a true record.

Item 2 Matters Arising

03/05/18

04/05/18 37/03/18 – *Help to Buy* – The Chief Executive, the Chairman, and several

other Board members would be visiting the Target offices on 22 June 2018, accompanied by the Chief Finance Officer of MHCLG.

05/05/18 Members NOTED the remaining matters arising.

Item 3 CEO Update

06/05/18 The Chief Executive updated members on key developments since the last Board meeting. Homes England had achieved all its targets and spent very close to its budget, but as discussed at Board in March, spending had been very weighted towards the last few months of the year. This was not sustainable, and he would be addressing this through tighter monitoring, and a move to enhanced business planning, performance systems and controls including quarterly close-down and reporting to Board in 2018/19.

07/05/18 He was pleased to announce that Homes England had won two RESI Awards, for residential Financier of the Year and PRS Deal of the Year. The move to Windsor House had been a success, with minimal disruption to business, and the first phase of recruitment under the Development Programme was almost complete.

08/05/18 The Deputy Chief Executive and the Executive Director for Land updated members on progress with recruitment in their Directorates, and the backgrounds of the staff being recruited. There were some technical areas where recruitment was challenging, due to salary differentials, but good progress had been made.

09/05/18 The Chief Executive had circulated a note on Homes England's exposure to Help to Buy Homes blighted by unsafe cladding. The Agency's financial exposure was small, but there was a wider potential impact on the market, amid concerns over the NHBC warranty process. The Department was currently considering whether to make funding available for remediation, and Homes England was being lined up to administer any such funding.

10/05/18 The Board NOTED the update.

Item 4 Performance Report

11/05/18 The General Manager Finance & Performance reported that Homes England had received an interim delegation letter setting out its budgets and targets for 2018/19, which would be refreshed and reissued in June 2018.

12/05/18 The Chief Executive observed that there was an aspiration under the new arrangements for there to be a strategic 5 year business plan and budget. Getting the monitoring and assurance process right would be key to achieving that aspiration, but he cautioned that Homes England could only deliver those processes, not guarantee the outcome.

13/05/18 Members discussed the current budget setting arrangements, the transition process, and the KPIs that would be needed to properly reflect the Agency's brokering and enabling activity. They recognised that there was a great deal

of work that needed to be done, both in Homes England and in the Department to deliver a new budget process.

NW

14/05/18

15/05/18 The Board NOTED the report.

Item 5 Regulation Update

16/05/18 The Director of Regulation updated members on key issues affecting Regulation, including casework, and progress with Transition, where she reported that the LRO had been passed in the House of Commons the previous day. Consultation on the TUPE process for staff had opened, and would run for 8 weeks. All was on course for an implementation date of 1 October 2018.

17/05/18 The Board NOTED the update.

Item 6 Committee Minutes

18/05/18 The Chair reported on the Programme & Projects Committee meeting held on 10 May 2018.

19/05/18 The minutes of Audit & Risk Committee on the morning of 26 April 2018 were noted.

Item 7a Homes England Development Programme Update

20/05/18 The Executive Director, Homes England Development outlined key areas of programme progress since April 2018, including a progress update for each sub-programme.

21/05/18 PWC updated the Board on progress with the 7 programme streams. Delivery partners were in place where needed, and although many of the RAG ratings were amber, mitigating actions were in place. The Change Objectives would go to the Development Projects Executive and then to Board for approval.

23/05/18 Members NOTED the update and offered to assist if that would be useful.

BD

Item 7b People Survey and Road Map for the People Strategy

24/05/18 The Chief People Officer presented the more detailed analysis that had been carried out to inform development of a new People Strategy, as requested by Board at its meeting on 30 November 2017. This analysis, together with the outputs from the People Workshops held in November 2017, and the work carried out by Peter Thomas and Andrew Templeman last summer, had been used to inform development of a People Strategy Roadmap, and the People element of the wider Homes England Development Programme.

25/05/18

26/05/18

27/05/18

28/05/18 The Board NOTED the additional analysis and APPROVED the People Strategy Roadmap. The Board AGREED that Stephen Bell should be the Board Champion for the People Programme to provide advice as the programme developed.

Item 8 EDBAG Annual Report and Quarterly Equalities Update

29/05/18 Rona Nicholson, the Chair of the Equality and Diversity Board Advisory Group, joined the meeting. She presented the Group's annual report to the Board on the progress of its work, and the Agency's progress against the seven recommendations it had made for 2017/18. One recommendation had fallen away, with the decision to adopt a standalone regulator, and progress against the remaining recommendations had been mixed. In particular, Homes England had made slow progress in considering how it could incorporate Social Value considerations into its assessment processes. This recommendation had therefore been repeated in the five recommendations for the Board to consider for 2018/19.

30/05/18 Members welcomed the report, and confirmed that addressing bullying and harassment, which featured in the five recommendations for 2018/19, was a key concern for the Board. They agreed that Social Value should be considered as part of the work being undertaken to develop new KPIs, and charged the Deputy Chief Executive to meet the EDBAG Chair to discuss this. They supported the development of a staff network in the London office, and greater engagement for EDBAG with staff outside the networks framework. They suggested that EDBAG should rename itself to make its function clearer.

TW/RN

RN

31/05/18 The Board NOTED the content of the EDBAG report, and progress against the recommended actions during the course of the last year; AGREED to the EDBAG's new recommendations for 2018/19; and NOTED the progress made in the delivery of the EDI programme since the last update in September 2017.

Item 9 New Sector Engagement (SMEs)

34/05/18 The Chief Investments Officer introduced the item, which summarised the current data available regarding the SME developer market and Homes England support provided through investment, land disposals and help to buy (HTB). The report highlighted opportunities to increase and co-ordinate the Agency's support for SMEs.

35/05/18 Members welcomed the paper as a first attempt to capture the potential of the SME sector to make a material contribution in reaching the government's target of 300,000 homes per annum and the barriers to achieving that goal. They noted the opportunities identified in the paper to provide further support and to develop a coordinated strategy and approach to SMEs within the Homes England operating model. The data was underdeveloped so far, and they wanted to see Homes England get a firmer grip on what it could do with

smaller sites, as well as how it could break down larger sites into parcels, to encourage more bidders.

36/05/18 They recognised that there were systemic challenges for SMEs, including the complexity and expense of the planning process, availability of funding, and limited opportunities for acquisitions. This subject captured the shortcomings of a programme based approach to investment, and the importance of moving to a more strategic approach. They strongly supported pursuing opportunities for engagement further.

37/05/18 Members NOTED the report.

Item 10 HIF Update

39/05/18 The General Manager - Fund Devt, Perf & Ops gave a presentation updating members on progress, following the request by Board that officers should discuss the programme parameters further with MHCLG.

40/05/18 The Chief Executive welcomed these changes as a significant improvement to the initial proposals.

41/05/18 The Board welcomed the improvements and NOTED the report.

Item 11 Help to Buy Programme Update

42/05/18 The Head of Mortgage Administration provided an update to Board on the Help to Buy programme.

43/05/18 Members welcomed the positive progress to date..... Ahead of their visit to Target on 22 June, they asked for a further update of this paper, and the revised customer facing documentation to be distributed to members.

HF

Item 12 Pensions Update

44/05/18 The Board considered an application for South Gloucester Council (SGC) to become a participating employer within the Homes and Communities Agency Pension Scheme. This would allow three employees being transferred to the Council to remain as members of the HCAPS scheme.

45/05/18 The Board NOTED the application from SGC; NOTED that the level of risk around admitting SGC to the Scheme was low; and APPROVED SGC's application.

Item 15 Any Other Business

46/05/18 The Head Counsel updated the Board on progress with steps to comply with GDPR before the deadline of 25 May 2018. Homes England would not be compliant in every area on Day 1, but good progress had been made toward compliance, training for all staff was underway, and the Agency's Policy had been published as required.

Date of next meeting: 21 June 2018.

Chairman's signature:

Date:

WITHDRAWN