



PUBLIC MINUTES
of the Board meeting
on Tuesday 26 March 2019 at 0930am
FG47, 2 Marsham Street, London

Present

Simon Dow (SD)	Interim Chair
Liz Butler (LB)	
Richard Hughes (RH)	
Richard Moriarty (RM)	
Ceri Richards (CR)	
Paul Smee (PS)	
Fiona MacGregor (FM)	Chief Executive

In attendance

Jonathan Walters (JW)	Deputy Director, Strategy and Performance
Mick Warner (MW)	Deputy Director, Finance and Corporate Services
Richard Peden (RBP)	Deputy Director, Provider Engagement
Emma Tarran (ERT)	Assistant Director, Head of Legal Services and Company Secretary
Harold Brown (HB)	Senior Assistant Director, Investigation and Enforcement
Samantha Rundle (SR)	Homes England, Internal Audit Manager
Jim Bennett (JB)	Assistant Director, Regulatory Strategy – for item 7
Althea Houghton (AH)	Acting Assistant Director Registrations, Notifications and Small Providers – for item 8
James Dunbar (JD)	Head of Finance – for item 9 and 10 (by VC in an observation capacity)
Chris Kitchen (CK)	Minutes

1 Welcome and apologies

01/03/19 There were no apologies.

2 Declarations of Interest

02/03/19 There were no new declarations of interest. PS reiterated his declared conflict of interest – his daughter works for a subsidiary of A2Dominion.

3 Minutes of the last meeting – 26 February 2019

03/03/19 The confidential minutes and the public minutes of the last meeting were AGREED subject to a few minor amendments.

4 Matters Arising

04/03/19 Actions from the meeting on 26 February:
05/02/19, 19/02/19 30/02/19 and 33/02/19 had been actioned or addressed in the papers at the meeting. 07/02/19 – no action was necessary as the letter extending the interim appointment was received in time. 15/02/19 – confirmed attendance at the May meeting.

05/03/19 MW was asked for an update on the recruitment of IT roles. MW advised that second interviews were scheduled for the Head of Digital role which will lead on the IT strategy for RSH and handle relationships with the Homes England Digital team.

5 Forward Planner

06/03/19 Members NOTED the forward planner. Members noted that the RSH Chairs events will be taking place in April and May and members confirmed that they will be attending one or more events.

6 Chief Executive update

Policy Update

07/03/19 *Brexit*

FM gave members an update on Brexit and feedback from the sector on contingency planning. We continue to talk to providers about possible impacts of market downturn, counter party risks, impacts for contractors and sub-contractors. There are also possible impacts on interest rates. Members were given assurance that we are monitoring market conditions.

08/03/19 There was a discussion about sovereign downgrades and the link to ratings. We will continue to speak to providers about the importance of stress testing in their organisations.

09/03/19 *Spring Statement*

Members NOTED the announcement of £3bn funding of Affordable Homes Guarantees.

10/03/19 *Spending Review*

11/03/19 *2020 Rent policy implementation*

FM advised that Government has confirmed the Rent Direction to the RSH which includes the introduction of regulating LA rents. We have written to all LAs encouraging them to get involved in the data collection pilot and we continue to give this message through our meetings with the LGA and advisor meetings.

12/03/19 *HCLG Select Committee leasehold reform inquiry*

Members NOTED the update which was for information.

13/03/19 *Green Paper – HoC Adjournment Debate: A2Dominion*

Members discussed the matters raised in the adjournment debate. Quality of new build and standards of repairs and responding to complaints are part of our regular discussions with the sector and stakeholders.

14/03/19 *Dispatches programme*

Members discussed the matters raised in the recent Dispatches programme on Channel 4 which focussed on repair cases in Sanctuary Housing properties.

15/03/19 *Resources Review – Regulation*

Member NOTED the progress made with the resources review and the staff consultation process and will be kept informed.

16/03/19 *Performance – February 2018/19*
Members NOTED the two Amber targets and management gave assurance that these were being kept under review. The L&D target had been affected by the need to finalise the procurement approach.

17/03/19 *Grenfell Tower Fire and Public Inquiry*
Members NOTED the Phase 1 report was due to be published in May 2019. Phase 2 is due is scheduled to start at the end of 2019.

18/03/19 *Stakeholder Engagement*
Members were advised that it has been a period of intensive stakeholder engagements on topics including Lease Based Providers, Consumer Regulation, Brexit. Further discussions will be held with the FRAP and the wider sector regarding fee levels proposed from 2020.

FM

19/03/19 *Media Coverage*
Members NOTED the update

20/03/19 *Publications*
Members NOTED the published and forthcoming publications.

7 Consultation on the 2020 Rent Standard

21/03/19 JB joined the meeting and introduced the paper to members and they NOTED the recommendations set out at paragraph 2. Members noted that the Secretary of State had consulted on the Direction to the Regulator to set a Rent Standard which would apply to both local authority registered providers(LARPs) and private registered providers(PRP) from April 2020. In February 2019 Government published the final post-consultation of the Direction and the final version of the Rent Policy Statement.

22/03/19 Management confirmed that as we are directed on the rent standard, and the policy statement from MHCLG contained much of the required detail, the consultation document could be reasonably short. Members were advised that we are obliged to consult on any changes to a standard. To this end, it was AGREED that the wording of the Chair's foreword needs to be encourage engagement from LARPs, PRPs and other stakeholders. An email will be sent to statutory consultees and all LARPs and PRPs when the consultation is issued. Members AGREED the approach to consultation and the content and timing of the consultation document, subject to the suggested amendments to the foreword, which the Chair will sign-off.

23/03/19 Members APPROVED the proposed draft 2020 Rent Standard for consultation.

8 Decisions of the Acting Assistant Director Registrations, Notifications and Small Providers

24/03/19 AH joined the meeting and presented the report. Members were advised that since the last report, there have been two new registration decisions – one local authority subsidiary company and the other a merger of existing registered providers with an unregistered company. There have been three refusals of applications for registration.

26/03/19 Members NOTED the registration decisions following notification of restructures by way of transfer of engagements, amalgamation, conversion and incorporation of unincorporated registered providers and the voluntary de-registrations. Members were advised that applications for de-registrations were still being received as well as registration applications from new applicants. As we approach the end of the financial year there is likely to be an increase in the number of decisions about registration of restructured bodies.

9 Procurement Policy

27/03/19 Members NOTED the background to updating the procurement policy following the lift and shift of the previous policy. MW advised that it was the Regulator's intention to adopt the framework route for procurement within the RSH wherever appropriate. The revised policy clarifies roles, responsibilities and controls and clearly distinguishes between framework and non-framework procurement routes. Procurement is a complex area and members were given assurance that staff will be given operational guidance. Resource levels with particular skills in this area will be kept under review although it was noted that the regulator undertakes very few bespoke procurements.

28/03/19 Management agreed to add the gifts and hospitality policy as a supporting policy in the finalised policy. Members noted the clarity of the procurement policy and MW acknowledged the input from JD and ERT to get the policy to this point.

10 Finance and Corporate Services Update

29/03/19 MW reported that the management accounts had not changed much since the last report.

30/03/19 The 2019/20 and 2020/21 budgets were agreed with MHCLG in March 2018 including the 1% fees increase. It is anticipated that we will receive a response on our submission on grant in aid required for 2019/20 in April 2019.

32/03/19 Members NOTED the update on the pension balances transferred from the HCA.

33/03/19 Members AGREED the proposed accounting policies which will appear in the notes to the financial statements.

11 Operations Update

37/03/19 Members had NOTED the report. There has been no change in the number of published judgements since January. There has been a rise in the number of G2 gradings overall year to date but this was primarily as a direct result of I&E returning non-compliant G3 providers to a compliant G2 grading.

38/03/19 Bromford Housing has a published G1/V1 interim grade following its merger with Severn Vale. Central and Cecil, EPIC and One Housing Group have been upgraded on governance. Nehemiah United Churches and Ongo Homes have been downgraded on governance. A non-compliant RJ has been published for Inclusion.

39/03/19 The IDA programme remains on track and members NOTED the merger activity as set out at table 4 of the report.

12 Investigation and Enforcement Update

41/03/19 HB updated members with additional information on the cases in the paper.

Intensive regulatory engagement cases

42/03/19 *Ongo Homes Limited:*

43/03/19 *Knowsley Housing Trust:*

44/03/19 Updates on Sustain, Kinsman, St Andrews and Pathfinder were noted.

Lease Based Providers Update

Gradings Under Review

50/03/19 *Encircle:*

51/03/19 *Bespoke:*

Consumer Regulation

52/03/19 Members NOTED the updates.

55/03/19 The cases listed in the annex were NOTED.

11 Any Other Business

56/03/19 None.