

PUBLIC MINUTES

of the Homes England Board Meeting held at 10.30am on Thursday 4 July 2019 at Windsor House, London

Present:

Edward Lister	Chair for Items 1-4, 6, 15 &16
Simon Dudley	Chair for remaining items
Nick Walkley	Chief Executive
Keith House	
Richard Blakeway	
Stephen Bell	
Teresa O'Neill	
Duncan Sutherland	
Ceri Smith, UKGI	

In attendance:

Isabella Freeman	General Counsel	
Christopher Kinsella	Interim Chief Financial Officer	
Lynda McMullan	Chief Financial Officer	
Jane Castor	Finance Director	Items 3 & 4
Mark Gray	Chief Risk Officer	
Justin Oldham	Head of Governance	Items 3 &15
Joe Sarling	Head of Research and Analysis	Item 9
Mark Dabell	Head of Estate Management and H&S	Item 10
Susan Emmett	Head of Engagement	Item 12
Phil Collings	Senior Land Manager	Item 12
Jason Essenhigh	Head of Operational Risk	Item 13
Mark Holmes	General Manager – Financial Crime Compliance and MLRO	Item 14
Mary Carter	Board Secretary	

Apologies

01/07/19 There were no apologies.

02/07/19 Items were taken in the following order: 16, 1, 2, 4, 3, 15, 6, 5, 7-14.

Item 1 Minutes of Previous Meeting

03/07/19 The minutes of the previous meeting were agreed as a true record.

Item 2 Matters Arising

04/07/19 Members NOTED the matters arising.

Item 3 Annual Report & Accounts

- 05/07/19 The Finance Director presented the Annual Report and Financial Statements of Homes England for the year to 31 March 2019. The Chief Executive, as Accounting Officer, and the Audit and Risk Committee had recommended that the Board should approve the Annual Report and Financial Statements. It was also expected that the National Audit Office (NAO) would issue an unqualified opinion on Monday 8 July. She anticipated that the report and accounts would be laid before Parliament on 11 July.
- 06/07/19 Members welcomed the annual report and accounts and congratulated the staff involved on the high quality of their work, especially in light of the significant changes required under the IFRS9 standard. They recognised that Homes England's balance sheet and activity had stepped up greatly in scale in 2019/20, and would continue to grow. They discussed the messages that should accompany the publication of the report and accounts, and suggested enhancements to the annual report for the following year, to elaborate on the impact Homes England was having on people's lives.
- 07/07/19 The Board APPROVED Homes England's Annual Report and Financial Statements for the year ended 31 March 2019. The Board DELEGATED the Chief Executive to sign off any minor amendments that might be required subsequently.

Item 4 Annual ARC Report to Board

- 08/07/19 The Chair of ARC presented the Committee's annual report to the Board. The assurances provided, and the work of the Committee, indicated that the control environment had in overall terms operated in a satisfactory manner during 2018/19. The Committee had also considered the quality and effectiveness of the assurance providers, and the Committee itself, and concluded that this was good. Lastly, the Committee wished to commend all involved for the hard work undertaken, and their achievements in what had been a very challenging period for the Agency.
- 09/07/19 The Committee had examined and recommended for approval the 2018/19 financial Statements having been advised by management and taken into account the assurances provided by the NAO. Looking ahead to 2019/20, there was further work needed to fully implement IFRS9 changes, and more development work required on the control environment.
- 10/07/19 The Board NOTED the report.

Item 5 CEO Update

- 11/07/19 The Chief Executive updated members on key events since the last board meeting, including senior staff changes and work on the Operating Model, restructure and accommodation.

12/07/19 The business cases supporting the accommodation strategy had been approved. Industry engagement was becoming higher level, and more strategic. There had been some movement regarding approval of the Digital Business Case, but this had taken escalation to a senior level, and there were lessons to be learned for the future. Finally, he had attended two Public Accounts Committee meetings, on Public Land and Help to Buy.

13/07/19 Members.... asked for an update on progress with the Digital Business Case to come to the Board meeting on 25 July 2019. **NW**

14/07/19 The Chief Executive tabled a note on progress with the Public Sector Cladding Fund, which was announced on 9 May 2019. The GLA had now confirmed that it will deliver the Fund in London. Homes England will therefore be formally commissioned to deliver the Fund outside London. The intention is to publish a prospectus in mid-July and receive applications from early September. Homes England would need to appoint external lawyers and external technical advisers to carry out due diligence and to provide advice.

15/07/19 The Board NOTED the report.

Item 6 Chair's Update

16/07/19 The Chair presented a brief summary of his activities on behalf of Homes England since the last Board meeting.

17/07/19 The Board NOTED the report.

Item 7 Chief Risk Officer Report

18/07/19 The Chief Risk Officer delivered his regular risk report.

19/07/19

20/07/19 Board members... agreed that the Chief Risk Officer should raise their concerns regarding the Digital Business Case at the Shareholder Meeting on 12 July 2019. **MG**

21/07/19 The Board NOTED the report.

Item 7 Management Information Suite

22/07/19 The Finance Director presented the key elements of Homes England's performance to the end of May 2019.

23/07/19

24/07/19

25/07/19 Members NOTED the report.

Item 9 Market Overview Report

26/07/19 The Head of Research and Analysis introduced the report.
He invited Board member views on the format and presentation of the information coming to Board.

27/07/19 Board members discussed the frequency of the reports, how the analysis matched their own experiences in the market, and to better identify trends from the data. They asked how the analysis was being used to inform decision making in the agency.

28/07/19 The Chief Executive explained that the analysis was being socialised to different teams in the agency. He thought it would be increasingly useful as the agency's single pipeline activity increased, since it was harder to act strategically when investment was programme based.

29/07/19 Members NOTED the report.

Item 10 Committee Minutes

30/07/19 Members NOTED the proceedings of the Investment Committee meeting on 13 June 2019.

Item 11 Health & Safety Monthly Update

31/07/19 The Head of Estate Management and H&S reported that three personal minor injury accidents had been reported since the last board meeting. The strategic health and safety review had concluded, and the key findings of the review would be reported to the 25 July Board.

MD

32/07/19 In April the Board had requested an update on the number of properties within Homes England's development estate that contain asbestos, and he presented a table showing a breakdown of the 105 properties affected. Homes England had a detailed Asbestos Policy for managing these properties.

33/07/19 Members NOTED the report.

Item 12 Driving Productivity and Market Resilience

34/07/19 The Head of Engagement updated the Board on cross-agency activity on Modern Methods of Construction and possible future activity to boost construction productivity.

35/07/19 The Board welcomed the agency's activity to date and asked for a breakdown of numbers and locations for all the agency's MMC investments. They asked officers to commission further analysis work and draw up a plan for a disruptive intervention in the market over the next ten years.

SE

36/07/19 The Board APPROVED next steps on future activity.

Item 13 Market Abuse Policy

37/07/19 The Head of Operational Risk introduced the paper, which proposed extending the obligations of the Agency's Market Abuse Regulation Policy (MAR Policy) to Board members, as recommended at Audit & Risk Committee.

38/07/19 Members discussed the obligations set out in the Policy, the training provided for staff on its contents, and the pre-approval process for new investments. They agreed the provisions should apply to the Board as well as to staff, and asked for a further explanatory flowchart, outlining the decision-making process.

JE

39/07/19 The General Counsel informed members that she would be bringing a further Markets Update to Board on 25 July.

IF

40/07/19 The Board AGREED that the scope of the current MAR Policy should be extended to include non-Executive Directors.

Item 14 Gifts & Hospitality Policy

41/07/19 The General Manager, Financial Crime Compliance and MLRO submitted a revised Gifts and Hospitality Policy and reporting procedure and flowchart to Board for approval. It had previously been endorsed and approved at the June Directors Group GRR meeting. The Policy would apply to Board members when on Homes England business.

42/07/19 Members welcomed the policy, and the improved reporting procedures. They agreed the principle that the Policy should apply to Board members when conducting Homes England business, but they considered that the pre-approval process for staff was not appropriate for members. They asked the General Manager to bring some revised wording to the 25 July 2019 meeting for agreement.

MH

43/07/19 The Board APPROVED the revised Policy and procedure for roll-out to staff.

Item 15 Board Transformation Plan

44/07/19 The Head of Governance presented the draft Board Transformation Action Plan for approval, assigned into 8 work packages, and incorporating the recommendations from the external review, plus the letter from UKGI regarding the Chair's priorities for 2019/20; the insights of the interim Chief Financial Officer, and the Board Member Workshop which had taken place on 17 June.

45/07/19 Members welcomed the Plan and asked for regular updates on progress with the work packages, dovetailed with the updates on Annual Business Planning. They discussed the balance between

strategic and operational business at Board, the frequency of meetings, the importance of regular consideration and prioritisation of SHE issues, and how the Help to Buy programme could best be supported. They noted that the Board's role was to determine the Agency's strategy and risk appetite, and that these questions should be framed in that context.

46/07/19 The Board AGREED that they should move to 8 meetings of 4 hours length in 2020, supported by strategy sessions and board dinners. They agreed that the quorum of the committees could be reduced to 2 non-executive members, and that the UKGI member should join the Investment Committee

47/07/19 The Board APPROVED the 8 draft work packages.

Item 15 Any Other Business

48/07/19 There was no other business .

Date of next meeting: 25 July 2019.

Chairman's signature:

Date: