



**PUBLIC MINUTES**  
**of the Board meeting**  
**on Tuesday 24 September 2019 at 12.30**  
**2 Marsham Street, London**

**Present**

Simon Dow (SD)	Interim Chair
Liz Butler (LB)	
Paul Smee (PS)	
Ceri Richards (CR)	
Richard Hughes (RH)	
Jo Boaden (JBo)	
Deborah Gregory (DG)	
Fiona MacGregor (FM)	Chief Executive

**In attendance**

Mick Warner (MW)	Director, Finance and Corporate Services
Richard Peden (RBP)	Director, Regulatory Operations
Will Perry	Director, Strategy
Emma Tarran (ERT)	Assistant Director, Head of Legal Services and Company Secretary
Harold Brown (HB)	Senior Assistant Director, Investigation and Enforcement
Jim Bennett (JB)	Assistant Director, Regulatory Strategy – for item 8
Chris Kitchen (CK)	Minutes

**1 Welcome and apologies**

01/09/19 There were apologies from Richard Moriarty (RM) and Jonathan Walters (JW). SD took the opportunity to record his and the Boards' thanks to RM for his invaluable contributions to the regulation committee and the board. RM will be stepping down from the board as of 30 September 2019.

**2 Declarations of Interest**

02/09/19 JBo confirmed that she had resigned as Chair of Your Homes Newcastle. DG confirmed that she had no direct conflicts of interest but would continue to check for possible conflicts that might arise with the work of Hogan Lovells.

**3 Minutes of the last meeting – 23 July 2019**

03/09/19 The confidential minutes and the public minutes of the last meeting were AGREED subject to minor amendments.

**4 Matters Arising**

04/09/19 Members noted the updates to the actions from previous meetings.

## 5 Forward Planner

05/09/19 Members NOTED the forward planner.

## 6 Chief Executive update

### **Policy Updates**

#### *New PM and cabinet*

06/09/19 FM advised that priorities on the domestic agenda in relation to housing were evolving.

#### *Brexit and contingency planning*

07/09/19 We are engaging as required with MHCLG on their contingency planning for Brexit.

#### *Spending round*

08/09/19 The MHCLG resource budget for 2020/21 has been confirmed and we are continuing our discussions with MHCLG about the GIA budget for the current year, as well as the requirements for the next three years.

#### *Spending Review*

09/09/19 We continue our discussions with MHCLG on any input required. Members noted the consultation by MHCLG on improving shared ownership.

#### *Green paper*

10/09/19 The outcome and timing for an announcement are not yet fixed.

#### *Building safety*

11/09/19 Members NOTED the key points from the interim statement by the SoS on building safety, which included proposals for setting up a shadow form of Building Safety Regulator prior to new legislation. The sector has been considering the impact on house sales/costs in light of the results of non-ACM cladding testing due for publication in autumn. Discussions are on-going about the process and costs for building safety works and the timescale over which they may be achievable.

13/09/19 Members were given assurance that we continue to liaise with Local Authorities over H&S matters. Our letter to LA CEO's stressed the importance of their compliance with the Homes standard. Members were assured that these conversations are ongoing through regular engagement with providers and LAs and through our work with Federation of ALMOs.

#### *Consumer regulation – intensive casework*

14/09/19 Members NOTED that there were a small number of on-going cases where complainants are unhappy that we have not found a breach following a complaint. In these cases complainants are signposted to the Housing Ombudsman Services as individual complaint resolution is outside of our remit.

15/09/19 The CEO advised members of two cases currently having significant resource impacts.

16/09/19 We have set up some training from MIND for staff in the consumer and legal teams to help us understand good practice in working with vulnerable individuals.

*Fees letter responses*

17/09/19 Members NOTED the information provided on the outcome of the letter sent to providers setting out proposals for the increase in the per unit fee by 75p to £5.47 in 2020/21. A further letter will be sent from the CEO to advise of the responses, and our final fees proposals.

FM

*Performance Review*

18/09/19 Members were advised that the new Civil Service Learning website was now live. We continue to monitor the desk availability in Leeds and Birmingham. The Consumer Regulation Review was published on 19 July so that target is now complete.

*Grenfell Tower Fire and Public Inquiry*

19/09/19 JB advised that the Phase 1 report is due to be published in October 2019. Phase 2 is expected to start in 2020 and more details of the structure of the hearings are expected.

*Stakeholder engagement*

20/09/19 The CEO updated the members on the Accounting Officer meeting she had attended on RSH contingency planning for financial failures which focussed on how we would deploy our recourses.

FM

21/09/19 The CEO reported a very positive and constructive meeting with the new Housing Ombudsman. There has also been a constructive meeting with the CEO of Shelter. Members NOTED the various stakeholder engagements undertaken and forthcoming and the public media and press coverage was NOTED.

**7 Feedback from Audit and Risk Assurance Committee (ARAC) meeting**

22/09/19 The Chair of ARAC reported on the ARAC meeting. She confirmed to the Board that the NAO had issued the RSH with a clean audit report. On that basis she was on behalf of ARAC, recommending the regulator's Annual Report and Accounts (ARA) for the second 6 month period of 2018/19 to the Board and for them to agree that the Accounting Officer signs the accounts and the Letter of Representation. The Board were aware of the two potential contingent liability issues. Officers will work with the NAO to agree the need for any disclosures in the ARA. The Chair asked the Board to note the work done by the finance team, who produced the first ever ARA for the RSH from scratch and it was a testament to their hard work and dedication that the NAO is issuing a clean audit report.

23/09/19 The Internal Audit annual review had also given a substantial assurance opinion. In the private meeting with the NAO and IA, both stated that they had enjoyed working with the RSH and spoke highly of a well-run organisation which had good controls in place.

24/09/19 The Chair of the Board thanked the Chair and members of ARAC and NOTED the recommendation to accept the 2018-19 ARA for the RSH and for the AO to sign the Letter of Representation.

## **8 ARAC annual report to the Board**

25/09/19 The Chair of ARAC presented to the Board the ARAC annual report which assists the board in assessing the assurance work completed during the year which supports the Governance Statement and the rest of the ARA.

26/09/19 The CEO reported to the Board that she had received a letter from the NAO advising that taking account of resources, they were proposing a post-recess timetable for the regulator's 2019/20 ARA for another year. Therefore for 2019-20, the bulk of the audit work would be undertaken in late July/early August 2020, to meet a laying date in the September window. The NAO have confirmed that they do not consider that this will be a problem for MHCLG as the RSH is not a significant part of the group based on materiality.

27/09/19 The CEO reported that she had responded advising the NAO that we will be seeking our own assurance from MHCLG that a delay in laying our accounts for another year will not be a problem.

28/09/19 The Board noted the report and the update from the CEO and ENDORSED the report.

## **9 Annual Report and Accounts 2018-10**

29/09/19 DF&CS introduced the paper and the ARA. He advised members that there has been some changes from the version included in the Board pack and these were mainly in respect of typos and disclosures relating to staffing. The numbers in the accounts had not changed. There were to be some further changes to state the full title of the EU and in respect of reporting on sustainability, and following the discussion at ARAC, disclosures in relation to contingent liabilities might be required.

30/09/19 He confirmed also that the accounts direction had been agreed by the SOS and the signed version was expected imminently from MHCLG. Subject to these final changes and anything material, which will be reported to Board, he was recommending the ARA to the Board and asking them to delegate the final sign-off to the Accounting Officer.

31/09/19 The Board on the recommendation of the ARAC accepted and APPROVED the ARA and confirmed the delegation for sign-off to the AO.

## **10 RSH Strategic Risk Register**

32/09/19 The paper at paragraph 6(a) set out the rationale for the addition of a new risk (Risk #14, ranked 14) which relates to the ability of the regulator to deliver its fundamental objectives in the instance that there was insufficient budget available.

33/09/19 Members NOTED the explanations provided in the report. Members NOTED the SSR at annex 1.

## 11 Amendments to Governance Documents

34/09/19 ERT advised the Board that there was a need to update the scheme of delegation following the resource review to ensure these were up to date to reflect the changes in management. Connected to this were the Schedule of Authorised Signatories and the Scheme of Financial Delegations. The changes were almost entirely to job descriptions and roles and some changes to sub-delegations.

35/09/19 Members considered the amendments and:

- APPROVED the amended Board Scheme of Delegated Authority
- AGREED the amendments to the Schedule of Authorised Signatories
- AGREED the amendments to the Scheme of Financial Delegations
- ENDORSED the changes to the Regulation Executive Group Terms of Reference and Standing Orders. It was NOTED that the changes to this document were delegated to the CEO, however as set out in the document, Board was to be sighted on any such changes.

36/09/19 As it was nearly a year since the RSH became a standalone organisation the Head of Legal and Company Secretary suggest that it was an appropriate time to review the ToR of the Board and its sub-committees. The board AGREED that these documents would be reviewed at their October meeting.

ERT

## 12 Investigation and Enforcement update

37/09/19 HB introduced the paper and provided further updated on some of the intensive regulatory engagement cases.

*Knowsley Housing Trust*

*Gentoo Housing*

39/09/19 Confirmation that they were regraded on 11 September to a compliant grade of G2/V2.

*Expectations (UK) Limited*

### **Lease Based Providers update**

*Trinity Housing Association*

*Green Park*

*Connexus Housing Limited*

44/09/19 FM advised members that it has been a busy period with a number of regulatory notices and judgements being published and flagged that there will be more before the next board meeting in October.

46/09/19 Members NOTED the updates on the other consumer regulation cases.

### **13 Operations Update**

47/09/19 RBP presented the report which members confirmed they had read and NOTED. During July and August, there have been seven published judgements. Orwell has been upgraded on governance (G2/V1 to G1/V1).

#### **IDA programme**

48/09/19 221 IDAs have been completed and with under a week to go before the end of the 4 year IDA programme, this was in line with the IDA programme target. Members congratulated the team on this achievement.

#### **Merger Activity**

49/09/19 The merger activity as set out in the paper was NOTED.

### **14 Decisions of the acting Assistant Director of Registrations, Notifications and Small Providers**

50/09/19 AH introduced the paper and advised that she is now the appointed Assistant Director but some of the decisions referenced in the paper were made when she was in an acting position, but still had delegated authority from the board to make the decisions.

51/09/19 There has been one new registration decision of a non-profit – Cottsway 2 a subsidiary in a registered provider structure. Liverpool City Council (LA) was registered under S114 as they intend to provide social housing.

53/09/19 Currently there are 195 LAs registered with the regulator.

54/09/19 Members NOTED the registrations decision following notifications of restructurings by way of transfer of engagements, amalgamation or conversion of registered providers and the list of deregistrations were also NOTED.

### **15 Finance and Corporate Services Update**

55/09/19 MW presented the paper and advised members that work was ongoing on forecast outturn numbers. The cash flow forecast was based on current fees and GIA levels and will be updated in future iterations to reflect the decision to increase fees and, once it is known, the GIA settlement for 2020/21.

57/09/19 Members NOTED the other information provided in the paper.

### **16 Rent Standard consultation decision statement**

58/09/19 The regulator was directed by the SoS, to produce a Rent Standard which will come into effect from 1 April 2020. MHCLG have already consulted on the direction and the consultation by the regulator was to get feedback from stakeholders on whether the draft standard accurately reflected the SoS's direction.

59/09/19 There had been a healthy response and most of the feedback was positive.

There were a few policy issues raised and the summary of the feedback was at para 12 of the paper which members had noted. JB confirmed that we have shared and discussed this feedback with MHCLG as it related mostly to the policy statement from the department rather than the standard itself.

**17 Any Other Business - none**