



PUBLIC MINUTES
of the Board meeting
on Tuesday 24 March 2020 at 0930
Skype Meeting (no members were together, and the meeting was deemed to have been held in Aldeburgh, the location of the Chair).

6 Remote and virtual participation

6.1 Any member may validly participate in a meeting virtually through the medium of conference telephone, video conferencing or similar form of communication equipment, provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting, or relevant part thereof. A member so participating shall be deemed to be present in person at the meeting, and shall accordingly be counted in a quorum and entitled to vote.

6.2 A meeting shall be deemed to take place where the largest group of those members participating is assembled or, if there is no group which is larger than any other group, where the chair of the meeting is.

Present

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

In attendance

Jonathan Walters (JW)	Deputy Chief Executive
Maxine Loftus (ML)	Interim Director Regulatory Operations
Richard Peden (RBP)	Interim Director, Finance and Corporate Services
Will Perry (WP)	Director, Strategy
Harold Brown (HB)	Senior Assistant Director, Investigation and Enforcement
Emma Tarran (ERT)	Assistant Director, Head of Legal Services and Company Secretary
Jim Bennett (JB)	Assistant Director, Regulatory Strategy – for item 6 & 14
Chris Kitchen (CK)	Minutes

1 Welcome and apologies

01/03/20 There were no apologies.

2 Declarations of Interest

02/03/20 There were no new declarations of interest.

3 Minutes of the last meeting – 25 February 2020

03/03/20 The confidential minutes and the public minutes of the last meeting were AGREED subject to minor amendments.

4 Matters Arising

04/03/20 Members noted the updates to the actions from previous meetings.

5 Forward Planner

05/03/20 Members NOTED the forward planner. It was acknowledged that there is likely to be changes to the forward planner over the next few meetings as the organisation is dealing with the impact of the Covid-19 pandemic.

6 Chief Executive update

Covid-19

Government measures

06/03/20 The CEO gave members an overview of the current government and economic measures in respect of the impact of the coronavirus, some of which were specific to the social housing sector.

Internal response

07/03/20 Members were advised that the transition for all RSH staff to work from home had been very smooth. Not surprisingly there were some initial minor blips with IT equipment and the technology, but these appear to be resolved. Working from home under the current lockdown restrictions is quite intense, but staff morale seems to be buoyant with teams and colleagues across teams keeping in contact with each other. There are daily comms updates on all new or relevant information to staff which has had very positive feedback from staff and the unions. There are a few reported cases of staff in self-isolation and managers are in contact with them.

Sector response

08/03/20 The impact on tenants, viability and the sector's response has been the key focus of the regulator's activity. There is a lot of activity in the sector and the regulator is significantly increasing its engagement with providers using existing meetings/bi-laterals and holding those more frequently as well as attending other forum meetings held by PRPs. Providers are reporting a move to home working for their staff without too much disruption. They are also reporting a change in focus for repairs from BAU to urgent repairs focussing on H&S and care of vulnerable tenants.

09/03/20 There is some concern about the potential impact on care homes and their residents and it is an area the regulator is focussing on in discussions with relevant providers.

10/03/20 Feedback from care home and supported housing providers includes risks of difficulties in accessing sufficient PPE equipment for staff.

11/03/20 Emergency housing legislation has been announced suspending new evictions from social or private rented accommodation for at least three months and stopping all new possession proceedings.

12/03/20 Providers are expressing concern about the potential loss of income from sales. This could be exacerbated where developments are being delivered in joint ventures where counterparties could also be affected.

- 13/03/20 Members had queries which management responded to.
- *Uncertainty about the construction industry:* there have been some questions about whether construction work can continue and more information was expected from Government.
 - *Financing risks:* WP reported that there is a significant security buffer for the majority of providers with mark to market exposures and where the buffer is tighter, we are keeping a watch. Swap rates are therefore not yet a major concern. The QS shows that circa 42 RPs have M2M exposures.
 - *Emergency repairs:* CEO advised that providers are best placed to determine whether they continue to be able to provide a minimum acceptable level of service based on their individual client groups and to advise the regulator where that is not the case. We are not trying to specifically define emergency repairs as that may vary for individual providers based on their operations and risk profile.

Operational response to date

- 14/03/20 Management updated members on the current situation with the IDA programme. 11 RJs are due to be published for IDAs which pre-dated the current situation. 11 other IDAs are in advanced stages of the process and feedback from those RPs which are mainly medium size RPs, is that they are keen we finish the IDA. IDAs on other RPs have now been paused for the time being to ensure that we do not detract providers' attention from dealing with the impact of the Coronavirus outbreak. **Board AGREED that it was appropriate to pause the IDA programme while we consider the implications of the current pandemic**

Short-term liquidity assurance

- 15/03/20 Members were advised that a review of assurance on short term liquidity from the quarterly survey data has begun. 31 RPs have been identified as having sales, fundraising or mark-to-market exposures, of which 13 would have liquidity shortfalls if no sales or fundraising were achieved. Operational and Assurance staff are considering what additional information to request from these providers before the next quarterly survey due in April. The requirement for RPs to self report where they face difficulties remains.

Sector liquidity position

- 16/03/20 Overall there is assurance that the sector is liquid and currently in a good place.

Further operational options

- 17/03/20 Management have been giving consideration to the routine returns RPs make annually and whether in the current climate, we can alleviate some of that pressure on RPs. To this end we are proposing to move the submission date for the SDR to September 2020 and postpone the need for RPs to complete an FFR in June, as most RPs will find it difficult to finalise their business plans given the current uncertainty.

- 18/03/20 We will reinforce the messages about self referral especially if tenants are at risk.

- 19/03/20 Board were asked to note the proposed changes to reporting and monitoring whilst the current Covid-19 imposed issues start affecting RPs. This is a time we need to be responsive and flexible in our approach. Members were supportive of the proposals from management in respect of IDAs, SDR and the FFR.

External comms

- 20/03/20 Members were given an overview of the planned external comms. We are drafting a letter to providers to set out the proposals discussed earlier:
- Review of timing of returns
 - Pausing of IDAs
 - More regular reporting of financial information for some
 - Flag that the RJs being published this week were based on work completed prior to the covid-19 crisis
 - Reinforce that the regulator is having regular cross sector/bi-lateral conversations and discussions.
- 21/03/20 The CEOs of all PRPs had received a letter from FM to support the DfE guidance applying to RP staff with school age children.
- 22/03/20 Consumer regulation was an area where we may see an increase of activity given the current situation and its impact on service delivery and property access. The requirement for RPs to report serious concerns to us will be emphasised to RPs in our range of external comms and RP engagement.
- 23/03/20 There have been questions about RPs achieving auditor sign off of their financial statements and the ability to submit within the required 6 month timescales. For most providers, submission timescales are set in legislation and may be difficult to change although we will take a proportionate approach to delays. We are also having conversations with audit firms and the lending community.
- 24/03/20 Pensions deficits will be impacted on as a result of the timing of valuations at the end of March and significant uncertainty on investment performance at this point. This is unlikely to impact on immediate liquidity, but it may put pressure on the financial position of RPs who may need to make additional pension payments in the longer term.
- 25/03/20 The impact of the pandemic on residential care and care and supported housing providers is an area of significant concern. Providers' ability to maintain services to residents will be a focus of our engagement with the sector.
- 26/03/20 The regulation of care sits with the CQC and we will keep communication lines open with them.
- 27/03/20 Members thanked the CEO and management for a very comprehensive report on actions to date and planned actions both internally and externally.
- 28/03/20 Members NOTED the remaining information provided in the slide pack.

7 Finance and Corporate Services Update

29/03/20 Members had read the report and had no queries. Members were asked to note the underspend and the explanation provided in the paper. In addition, members were asked to note the information in paragraphs 26 and 27 which asked for board approval to extend delegated authority to enable payment of two invoices which were in excess of £100,000. Members were content with the explanation provided for these payments and AGREED to extend the authority delegated to both of:

- the Deputy Chief Executive, and
- the Interim Director of Finance and Corporate Services

so that either one of them can authorise, alongside the Chief Executive, payment of these invoices. ERT confirmed when asked that the High Court had ordered the claimant in the JR to pay the regulator's costs, but that those costs would be calculated on a legal basis that would not equate to 100% of all that we have incurred.

30/03/20 Members NOTED the three annex documents which included the Fees Statement, Equality and Diversity Duty to Publish report and the Gender Pay Gap report.

8 Operations Update

31/03/20 Members NOTED the report which had the usual backward look and a proposal for changing operations reporting to Board. Board were content with the proposal to change the reporting in the future.

9 Investigation and Enforcement update

32/03/20 HB introduced the paper and provided further updates on the intensive regulatory engagement cases listed in the paper and Members NOTED the updates on continued engagement with the Lease Based Providers.

Consumer Regulation

34/03/20 Since April 2019 there have been 563 referrals at Stage 1. 254 have been escalated to the consumer regulation panel and 142 of those progressed to an investigation. There are currently 35 open cases and 9 cases that are over 6 months old where we are awaiting 3rd party review.

Leased Based Providers

35/03/20 *Inclusion:* engagement continues.

36/03/20 *Westmoreland*

37/03/20 *Larch Housing Association:*

10 Strategic Risk Register

38/03/20 Members NOTED the SRR and the register will be reviewed to reflect the current situation. The Chair of ARAC congratulated management on the preparedness of the organisation to deal with risks.

14 Any Other Business

39/03/20 Members repeated their appreciation of the work that has already been undertaken by management and staff across the organisation. They were appreciative of the flexibility and positive actions of staff and offered their help and support to the executive team, stressing the need for them to also take care of themselves.

40/03/20 CEO thanked the Board for their support and assured them of continued communication as the situation develops and feedback from ongoing communication with the sector is available.