



PUBLIC MINUTES

of the Board meeting

on Tuesday 26 May 2020 at 0930

Microsoft Teams Meeting (no members were together, and the meeting was deemed to have been held in London, 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)	Director, Regulatory Operations
Richard Peden (RBP)	Director, Finance and Corporate Services
Will Perry (WP)	Director, Strategy
Harold Brown (HB)	Senior Assistant Director, Investigation and Enforcement
Emma Tarran (ERT)	Senior Assistant Director, Head of Legal Services and Company Secretary
Jim Bennett (JB)	Assistant Director, Policy and Communications – for item 6 and 7
Chris Kitchen (CK)	Board Secretary, Minutes

1 Welcome and apologies

01/05/20 There were no apologies.

2 Declarations of Interest

02/05/20 PS advised that he has been appointed as a non-exec Director of the Gibraltar Financial Services Commission. The commission regulates financial services

firms in Gibraltar, and the appointment is by the Government of Gibraltar and will commence in September 2020.

3 Minutes of the last meeting – 28 April 2019

03/05/20 The confidential minutes and the public minutes of the last meeting were AGREED subject to minor amendments.

4 Matters Arising

04/05/20 Members noted the updates to the actions from previous meetings.

5 Forward Planner

05/05/20 Members NOTED the forward planner. FM advised that there will be a paper, possibly to the June board setting out plans for operational regulatory engagement in the post Covid-19 environment.

ERT

Chief Executive update

6 Covid-19

Latest Government announcements

06/05/20 Members noted the update in the slides.

07/05/20 For the housing sector, the restrictions on house moves was being eased including the rental market. Building sites are re-opening and can stay open for longer hours and have been issued with revised safety guidance. RPs are reporting that construction on a number of their sites is being restarted.

08/05/20 The CEO advised that the Housing Minister had written to social housing tenants on 18 May setting out range of matters of interest to tenants, including that landlords are able to resume routine repairs and planned works (external only if residents shielding/self-isolating). RPs have been preparing how they plan to restart repairs and maintenance services and have been clear that resumption of some services will take time and be subject to risk assessments.

Regulatory approach, stakeholder engagement and external comms

09/05/20 CEO reported that the sector continues to support our overall approach of being here to help in the current circumstances. There has been a lot of engagement with the sector via CORS and QS survey.

CORS survey – April report

11/05/20 The Dir of Reg Ops (ML) gave members an overview of the April results from the Coronavirus Operational Response Survey (CORS). Members had queried in the last report the percentage of stock that was not reported on and ML advised that it related to 2.6% of all stock and that we are continuing to follow up with those non-responders. She assured members that there were no concerns which required active follow up intervention and the results of the May survey at the time of reporting showing a 88% response rate which was better than at the same point in April.

12/05/20 Members were reminded of the questions and the results show that the sector appear to be coping well with the impact of Covid-19, with similar numerical results as in April. The analysis of the narrative responses was awaited which will show what, if anything had changed. Members NOTED the other results.

Quarterly Survey

- 13/05/20 Members noted the slide which set out the headline results of the March quarterly survey (QS) which were based on the forecasts and results from the end of March. It was noted that the QS report on results in that quarter covered the months of January-March most of which pre-dated, and was therefore not impacted by, Covid-19 hit.
- 14/05/20 The position at the end of Q4 showed that the sector remained financially strong with access to sufficient finance, but performance reflected some challenges with regards to sales receipts and margins. However, the overall financial position of the sector remains strong with some evidence of RPs drawing down more debt to maintain their liquidity. Forecasts for the next 12 months indicated that the sector is planning to decrease development and housing market exposure, and its investment in existing stock. It is very likely that the impact of Covid-19 has not yet been fully reflected in forecasts.
- 15/05/20 Although overall the forecasts are showing consideration of potential Covid-19 impact, c.16% of RPs had not yet updated their cashflow assumptions from those made prior to the outbreak. The June quarter end survey will provide more information on this.
- 17/05/20 There was a query regarding development spend and potential penalties on construction contracts. ML advised that this was not something covered in the QS. However, some providers have, via stakeholder discussions, confirmed that they are not closing all sites.

Access to support services

- 20/05/20 Internal discussions are underway in respect of the appointment of advisors. Internal procedures are also being updated.

Internal Response

- 22/05/20 DF&CS(RBP) advised members that we are continuing to monitor Government developments and our approach is to remain working at home, in line with the advice to do so if possible. We are also dependent on the landlords of some of our offices deciding on when they will reopen buildings. We will also review advice when available of the re-occupation of offices or the continuation of working from home options and the impact that will have on staff.
- 23/05/20 We continue to undertake weekly check-ins on staff wellbeing and will work with staff as advice develops regarding schools returning, we continue to encourage staff to use rather than defer leave in the interests of their wellbeing.

7 CEO update - Other issues

Corporate Insolvency and Governance Bill

- 24/05/20 JB gave members an overview of this Bill which has been developed by BEIS and was put to Parliament on 20 May.

Registrations

- 25/05/20 Members NOTED the report.

Regulatory Operations update
26/05/20 Members NOTED the updates.

Performance review
27/05/20 Members were advised that the Executive had discussed this and refocused the performance monitoring to reflect the need to be responsive to changes in the external environment. It had agreed that the existing targets will be designated as either 'continuing', 'scaled back', or 'deferred'. This will continue to be reviewed by the Executive on a regular basis.

Grenfell Tower Public Inquiry
28/05/20 Members NOTED the update in respect of the resuming of the hearing

29/05/20 Members NOTED the updates on stakeholder engagement, publications and media coverage.

8 Finance and Corporate Services update

30/05/20 RBP presented the paper. He reported the financial performance for the year ending 31 March was favourable to budget overall and on most individual cost headings. We remain within all budgetary control limits and have sufficient cash to meet all obligations. The Board were asked to note that the final outturn for the year may change slightly between the management account figures shown in the paper and the final accounts for the year once final accruals, including the holiday pay accrual are calculated.

34/05/20 Members were advised that the outcome of the equalities objectives consultation will be presented to the June Board meeting. The other updates on Covid-19 and transfer of HR services were NOTED.

9 Approval of RSH Annual 2020/21 Budget

35/05/20 RBP presented the annual 2020/21 budget.

36/05/20 Para 11 of the paper set out the budget by line and performance against budget will be monitored. He advised that the payroll figure is based on actual head count at 31 March 2020 and known recruitment plans. RBP outlined the approach taken to attribute costs between fee and GIA funding sources based on staff time.

37/05/20 Member NOTED that the budget has been developed based on costs in normal circumstances but there are some costs eg staff travel where there has been a reduction due to Covid-19.

38/05/20 Members thanked RBP for the report and APPROVED the 2020/21 RSH budget.

10 Strategic Risk Register (SRR)

39/05/20 RBP presented the report and the SRR which had been reviewed by ARAC in April 2020.

40/05/20 Members NOTED the explanations for why **risk rank 1 and 2 and risk rank 3** were above appetite. **Risk rank 4 to 7** would have **both** the inherent and controlled scores increased, with the exception of **risk rank 6** where the inherent scores were already high. As a result of these management decisions, **another four risks would be, in some cases quite significantly, above appetite**. Members NOTED the explanation for this in paras 11-15 of the paper. No changes were proposed to **risk rank 8 -14**.

41/05/20 Members were content with the proposals. There was acknowledgement that there was a need to remain flexible whilst monitoring the rating and weightings in order to be prepared should a risk crystallise. The Chair of ARAC also gave assurance that the monitoring of the risk register by management is detailed. The CEO also confirmed that to date, no risks on the risk register had crystallised to the point of not being manageable .

11 Investigation and Enforcement update

42/05/20 HB introduced the paper and reminded members of the confidentiality of the information in the report. He 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

43/05/20 Members NOTED the table in para 19 of the paper, which showed the number of consumer referrals we have received in 2020/21 compared to the previous year. There has been a decrease in the number of stage 1 referrals we have received during the first month of the year, and that has translated to a reduced number of referrals through the further stages of the consumer regulation process.

Leased Based Providers

46/05/20 *Prospect Housing*: a regulatory judgement for Prospect was published on 15 May confirming its first published judgement as G3/V3.

48/05/20 Members NOTED the updates on the other providers.

Gradings Under Review

51/05/20 *ForHousing Limited*:

Jo Boaden left the meeting to avoid a conflict of interest on the discussion on the next agenda item. The Chair confirmed she had nothing to discuss as any other business.

12 Private Finance Update

52/05/20 WP presented the paper which members had read. He advised that there were four areas he wanted to highlight:

53/05/20 Currently there was no evidence of a lack of demand for finance from the sector. Banks are open for business and there is plenty of competition in the capital markets.

54/05/20 WP advised that the material uncertainty clause in valuation reports had been removed since the paper was prepared. In response to queries WP responded that valuations had been sustained despite the material uncertainty clause.

57/05/20 Members NOTED the other information provided in the report.

13 Any other business

58/04/20 Members AGREED that a board telephone catch-up may be beneficial in the absence of a formal meeting in August. A suitable date will be identified and held in case it is needed.

CK