



**PUBLIC MINUTES**

**of the Board meeting**

**on Tuesday 30 June 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 8
John O'Mahony (JOM)	Assistant Director, Corporate Services and Performance – for items 9-11
Chris Kitchen (CK)	Board Secretary, Minutes

**1 Welcome and apologies**

01/06/20 There were no apologies.

**2 Declarations of Interest**

02/06/20 PS advised that he has been appointed as a Member of the Shadow Board setting up the New Homes Ombudsman. He did not anticipate remaining on

the Board once the Ombudsman has been established and therefore at this point there was no conflict of interest. PS will keep the situation under review.

### **3 Minutes of the last meeting – 26 May 2020**

03/06/20 The confidential minutes and the public minutes of the last meeting were AGREED subject to minor amendments.

### **4 Matters Arising**

04/06/20 Members noted the updates to the actions from previous meetings.

### **5 Report from the Chair of ARAC**

05/06/20 LB reported on the ARAC meeting on 19 June 2020. The Committee were presented with a first draft of the accounts for 2019/20. There were no major issues arising besides waiting for valuations from the actuaries on the two pension schemes. The Committee were also asked to consider a change in the accounting policy on capitalisation from £200 to £5k which will reduce the level of administration currently required and will bring the RSH in line with other arms length bodies of similar size. The ARAC had considered this to be a pragmatic approach and was recommending this to the Board for approval. The Board AGREED with the recommendation.

06/06/20 The Committee had received one internal audit report on the IDA QA process which had been given a substantial assurance rating, with just three low priority recommendations, of which some had already been addressed. The NAO had confirmed that their audit timetable had slipped for a number of organisations and will therefore mean they will not be in a position to undertake the work to sign off our accounts as originally envisaged. They anticipate having done so to achieve sign-off in October 2020. Management has advised MHCLG who have accepted the later date for laying our accounts in parliament. FM added that this delay was entirely as a result of the NAO having their priorities changed and the RSH audit team being put on other audits. One advantage of the delay is that we will be audited by the same NAO team that is already familiar with our organisation. Jo Chiverton from the MHCLG Finance team was at the ARAC meeting and the policy team were also aware.

08/06/20 SD thanked LB and the ARAC members for the report and their continued work.

### **6 Forward Planner**

09/06/20 Members NOTED the forward planner. Draft legislation on the Building Safety Bill is expected in July and a paper will be added when there is further progress.

#### **Chief Executive update**

### **7 Covid-19**

#### *Latest Government announcements*

10/06/20 Members noted the update in the slides.

11/06/20 General: Recent announcements on further easing of restrictions measures were outlined, The Sector is continuing to keep us informed on the impact on rent arrears and other areas impacting them .

- 12/06/20 Housing Sector:
- The ban on evictions has been extended by two months.
  - Covid testing has been extended beyond key workers and access to a portal for care providers to order testing kits and PPE has been established. The sector reports there is still some settling in of these new measures.
  - Bank of England guidance on access to CCF has been updated – V1 and V2 providers now both eligible to apply.

*Regulatory approach, stakeholder engagement and external comms*

- 13/06/20 There will be more discussion on this at the workshop session to follow the meeting, but FM reported good progress with continued proactive engagement with the sector. There continues to be lots of stakeholder engagement and regular contact with MHCLG,
- 14/06/20 Sector engagement continues to be positive with the CORS reporting receiving very positive feedback. There are a number of reports on providers having to deal with an increase in Anti-Social Behaviour.
- 15/06/20 The Black Lives Matter campaign has given rise to an increase in calls for us to insist on providers having to report on BAME representation at senior executive and board level. Given the importance of the issues, we will be very considered in our approach to avoid any tick box or otherwise ultimately unhelpful reactions, although we can use the many opportunities we have available to us to encourage the sector to ensure they treat diversity and inclusion issues seriously. The publication of the updated NHF code of governance will be a helpful addition which we can reference in our regulation as we do currently.
- CORS survey –report*
- 16/06/20 The Dir of Reg Ops (ML) gave members an overview of the May results from the Coronavirus Operational Response Survey (CORS) which showed a stable position compared to April, with some increase in the backlog of gas safety checks, which had been anticipated.
- 17/06/20 The June survey had closed 4 days ago and had a 92% response rate which was better than the same point in May. The analysis of the June survey based on a sample of responses shows a static, but not deteriorating position.
- Repairs backlogs are improving
  - Delivery of repairs services are recommencing
  - There has been a small decline in gas safety checks (a to b), with RPs reporting a backlog. We will keep this under review, but this is not a significant concern at the moment as property access to do checks is now showing improvement
  - Staffing levels and sickness absence is improving in the care and support sectors
  - Lower risk H&S checks are restarting as a result of restrictions being lifted and staff returning to work

*Internal response*

- 18/06/20 We continue to support our staff and are following Government guidance regarding a return to work in offices. We have advised staff that this is unlikely to be before September 2020, with some Civil Service departments suggesting December is the earliest they will return to work. We are doing everything we can to integrate new staff to the organisation, with their managers and teams having regular contact with them and every briefing meeting for all staff starting with an introduction of new staff members.

## 8 CEO update - Other issues

### *Policy updates*

19/06/20 As reported earlier the draft Building Safety bill is due in July. There has been a NAO report on the slow progress in dealing with cladding and a lack of clarity for lease holders accessing funding for remedial works. There could be some impact of this on RPs planning their capital expenditure. The sector had responded well to funding announced to deal with rough sleepers and are prepared to help.

### *White Paper*

20/06/20 The PM has announced the publication of the White Paper by the end of the year.

### *Corporate Insolvency and Governance Bill*

23/06/20 The Bill has received Royal Assent and the secondary legislation to disapply provisions to PRPs has been laid and ERT advised that MHCLG have confirmed that the regulations disapplied the exemption for our sector and that the exemption would be operational shortly.

### *Registrations*

24/06/20 Members NOTED that there has been one provider registered.

### *Regulatory Operations update*

25/06/20 Members NOTED the information provided.

### *Performance review*

26/06/20 Members NOTED the performance against targets.

### *Grenfell*

27/06/20 The inquiry is scheduled to restart at the beginning of July.

### *Stakeholder engagement/publications/media coverage*

28/06/20 FM reported that the RSH has joined the UK Regulators' Network (UKRN) which will provide access to various useful groups and shared good practices including, for example for legal and HR, and also access to their Chairs network. The meeting with the Housing Minister and other speaking engagements, publications and media coverage were NOTED. FM flagged that subject to the outcome of the discussion at the workshop on our regulatory approaches as lockdown eases, a letter will be sent to the sector setting out our next steps.

## 9 Staff Survey

29/06/20 FM acknowledged the hard work of JOM and RBP in producing this report. She set out for members the background to this paper and the annex documents which were intended to respond to the few areas which had low scores, in an otherwise positive staff survey. The response set out in Annex 2 is intended to be a first step in addressing the issues raised following three 'Inclusivity Workshops' which comprised one closed group for BAME staff and two open group workshops. The response from the Executive team and SLT was grouped into three themes:

- (i) Recruitment/ fairness/ consistency;
- (ii) Isolation/ fragmentation/ working practices;

(iii) Trust/ behaviours

- 30/06/20 In response to some of the issues raised, we have already carried out several actions in relation to data and analysis on recruitment, gender pay gap and principles for external and internal advertising. The response document acknowledges that there is an under representation of BAME staff at senior levels in the organisation and on our Board, and we have set out some initial actions we will put in place to seek to address this.
- 31/06/20 The Board were being asked to agree to nominating a Board equality challenge role alongside a similar role amongst the Executive group. The Chair advised members that having discussed this with FM prior to the meeting, he had taken the decision to ask DG to take up this role on the Board. It was agreed there would be a discussion with management about the role. DG had AGREED to take on the role and FM confirmed that from the executive group, ERT had AGREED to be the 'challenge champion', a role she carries out informally already. Members were in support of this decision and it was AGREED that ERT and DG will work together to develop the roles. The Chair thanked both DG and ERT.
- 32/06/20 Members were invited to give their comments on the paper and the annex documents and the following themes emerged:
- Acknowledged some hard messages, and some members noted some bits did not seem to represent the organisation they saw the RSH to be
  - There was an absolute need to address the concerns of BAME staff and find ways to address these, and to seek to address the inequality of representation that exists
  - There was caution to not ignore the positives to come out of the survey
  - The approach adopted needs to be proportionate.
  - These are important areas that need addressing and actions must be set within our obligations to meet our statutory regulatory responsibilities
  - Consider approaches to mentoring and secondments to support career progression
  - Consider a 360 style feedback process as part of the appraisal process
  - Publish/ communicate internally data (in line with recommendations in the paper) on the areas identified
  - Complete support for the actions planned
- 33/06/20 RBP and JOM responded to specific questions on our recruitment and selection processes, career progression in what is a small organisation, gender pay gap, appraisal systems, mentoring, implementation of regular pulse surveys, check-ins and communication with staff.
- 34/06/20 FM thanked members for the useful feedback and comments. She summarised the feedback from various meetings, including the all staff briefing the previous day, and some next steps:
- REG to tighten up the action plan to take account of feedback and suggestions **RBP/JOM**
  - Ensure clear communication with staff – transparency on the data we have and publish internally BAME pay gap analysis when complete
  - Challenge – taking account of the need to consider context
  - Review use of language, and continue to analyse evidence in respect of organisational history and potential myths
  - Be clear and seek to properly understand what sits behind general statements and views

- Build trust in the whole organisation, whilst working with small groups of staff to understand the underlying issues
- Provide staff with opportunities to have direct contact with CEO & DCEO
- Review mentoring schemes
- Review recruitment shortlisting processes to seek to ensure BAME candidates on shortlists where possible

35/06/20 SD added his thanks to members for their candid responses and suggestions and added that staff had taken the opportunity to be honest with management so the response needs to be honest but proportionate and engage with the whole organisation. DG asked that she is kept plugged into steps being taken and how they are being actioned.

**FM/RBP  
ERT/JOM**

## **10 Finance and Corporate Services update**

36/06/20 RBP presented the F&CS update highlighting the following areas:

Financial performance:

- for April was favourable.

*Balance Sheet:*

- receivables had increased due to the recognition of the outstanding balance on 2020/21 annual fees. Fees payments received prior to 31 March were recognised as Deferred Income in March management accounts. Cash and deferred income have increased due to the receipt of 2020/21 annual fees with cash also impacted by changes in working capital balances and GIA funding.
- Cost accruals have reduced.

*Covid-19:*

- We are continuing monitoring of the pandemic situation and update REG and our staff through regular communications. We continue to offer Wellbeing support, help and guidance on working from home and have a weekly survey to ensure all managers are checking in with their teams.
- We continue to look at arrangements for re-occupation of offices and are governed by the latest government guidance, business needs, staff preference/ wellbeing and the specific circumstances of the different offices. Currently we are still asking all staff to work from home until further notice.

37/06/20 In response to queries from members, RBP give assurance that staff recruitment during lockdown was proving successful with induction processes for new staff working well and staff in regular contact with their colleagues via a buddy scheme, weekly line manager and team catch-ups. The introduction of a more automated recruitment process will allow more timely reporting of equalities data.

38/06/20 FM advised that we have received information on the Civil Service pay award and will discuss this with the Unions.

## 11 Equalities Objectives

- 40/06/20 JOM presented the paper which set out the results of the consultation on our Equalities Objectives. There had been a small number of responses which had been mainly positive and supportive and required no changes to the objectives. It was difficult to know why the response rate had been low, but it could be because these were objectives for the RSH and not the sector. The Board was being asked to be aware of potential risks of our objectives being misunderstood despite us being as clear as we possibly can that these are our equality objectives. It is the intention that we publish the Decision Statement in July 2020.
- 41/06/20 FM added that there have been calls from a small number of RPs asking for us to set standards for RPs on numbers of BAME members on RP Boards and at senior executive level and an obligation to report on these figures. Our view is that there may be risks in setting overly simplistic or tickbox requirements. Instead, in line with our co-regulatory approach would consider it is important for RP Boards to consider carefully what action they need to take to reflect how they might best meet inclusion and diversity priorities for their organisation and context. In the first instance, we think it right to consider approaches which do not require changes to our standards, for example, the comply or explain approach to adopted codes of governance, noting that the NHF are updating their Code of Governance.
- 42/06/20 Members AGREED to the publication of the Decision Statement and the Equality Objectives and DELEGATED authority to officers to agree and publish a formal decision instrument.

## 12 Operations quarterly update

- 43/06/20 ML introduced the new format quarterly operations update, which gives the Board a broad oversight of work undertaken by the operations teams. JW added that this new format was intended to provide members with assurance on the full range of work the operations teams undertake to gain regulatory assurance.
- 44/06/20 *Regulatory engagement:* Table 2 provided the current breakdown of regulatory judgements.
- 45/06/20 *Annual Provider Engagement Meetings (APEM):* structured engagement meetings with larger and more complex providers commenced in summer 2019.
- 47/06/20 *Quarterly Survey (QS) (new to this report):* reports on the work carried out in April on the return to the end of March. Individual provider analysis of the March 2020 QS focused on forecast cashflow and liquidity. QS data compared to 2019 FFR data shows that interest cover performance is likely to be weaker than the financial plans on which our current viability grades are based. This and covenant considerations will be a key focus of the June QS analysis. We have received positive feedback to the QS work and being on top of the cashflow and liquidity forecasts.

49/06/20 Members thanked ML for a very clear and comprehensive report. LB asked if the risk register had been updated to record the greater risk from the current economic environment. RBP advised that when the risk register had been reviewed the mitigating and inherent risk scores had been increased for the risks outside of tolerance. SD asked that the board is signposted to any areas of concern at an early stage in the intervening reports to board.

### **13 Investigation and Enforcement update**

50/06/20 HB introduced the revised I&E report. We continue to engage with all non-compliant providers to seek assurance that they are continuing to manage the risks to their viability and the safety of tenants arising from the impact of Covid-19. Members were asked to NOTE the update on current cases which included updates on how providers are managing Covid-19 risks, as well as any significant developments.

#### **Case Reports – Lease Based Providers**

52/06/20 *Westmoreland:*

#### **Gradings Under Review**

53/06/20 *ForHousing Limited:*

#### **Consumer Regulation**

54/06/20 There has been a decrease in the number of stage 1 referrals we have received during the first two months of the financial year, and that has translated to a reduced number of referrals through the further stages of the consumer regulation process.

### **14 Board Effectiveness questionnaire**

58/06/20 Members NOTED the results of the board effectiveness questionnaire and SD reported a good set of results. There were some comments from members which he undertook to review with CK and draw out any themes and action points. He advised members that he had discussed with FM that it might be helpful to separate out and aggregate the responses from executive and non-executive members and non-executives supported this approach.

### **15 Board Appraisals**

59/06/20 SD reported that all non-executive appraisals had been completed and the paperwork will be finalised by CK. with FM.

### **16 Any other business**

60/06/20 RBP flagged to members that as a result of the delay in the annual report and accounts being finalised, there was an additional meeting of ARAC and Board scheduled for 26<sup>th</sup> October to sign-off the accounts. In addition, CK confirmed that she will scheduling a date for a board call in August should there be any matters requiring board attention.

**CK**