

**PUBLIC MINUTES**

**of the Credit & Risk Committee  
of the Homes and Communities Agency  
held at 12.30pm on Thursday 13 September 2018 at  
Windsor House, London**

**Present:**

Simon Dudley	Chairman
Edward Lister	
Richard Blakeway	
Nick Walkley	Chief Executive

**In attendance:**

Gordon More	Chief Investments Officer	
Bayo Dosunmu	Executive Director of the Homes England Development Programme	
Paul Murphy	Interim Senior Risk Advisor and GM Land Risk	
Ken Beech	General Manager, Portfolio Management	
Graeme Hutchison	General Manager Approvals Risk (by phone)	
Stephen Cresswell	General Manager - Distressed Investment	
Jane Castor	General Manager Finance and Performance	
Demetrios Georgiou	Head of Approvals	Items 1-6
Ewa Cowling	Senior Manager – Guarantees	
Isabella Freeman	General Counsel	
Mary Carter	Board Secretary	

## **Apologies**

01/09/18 Apologies were received from Chantal Geall.

### **Item 1 Minutes of the Previous Meeting**

02/09/18 The minutes of the Credit & Risk Committee meeting on 7 June 2018 were approved as a true record.

### **Item 2 Matters Arising**

03/09/18 The Interim Senior Risk Advisor reported that the Chief Risk Officer was in discussion with MHCLG regarding contingency planning. The Agency could decide its own escalation processes meanwhile.

04/09/18 The remaining matters arising were noted.

### **Item 3 Credit Risk Report**

05/09/18 The General Manager Approvals, Risk provided an update on Credit Risk Management and Approvals Team activity.

07/09/18 Members NOTED the report.

### **Item 4 Update on Stalled Investment Sites**

08/09/18 The General Manager, Portfolio Management provided members with an update on recoverable investments in the Investments directorate where progress had stalled currently.

09/09/18 Members discussed the individual schemes, and the approach being taken with partners in each area.

10/09/18 Members NOTED the report.

### **Item 5 Registered Providers: Credit Risk Sector Developments**

11/09/18 The Senior Manager – Guarantees provided an update on recent downgrades of three Registered Providers (RPs) by S&P Global Ratings and the introduction of new proposals on the Insolvency process for RPs. These downgrades were not unexpected, and did not present an unacceptable risk to the Agency, but members needed to be aware of the emerging themes arising from Rating Agencies and the potential impact on RPs if the view continues to deteriorate.

13/09/18 The Head of Approvals explained that Rating Agencies primarily used internal and market sector data, and interrogation of Financial Accounts to assign Credit Ratings. Going forward it was important to assess management teams with close scrutiny to ensure skillsets were strong enough to take on market based activity. Corporate Finance Activity would require close monitoring, and changes in leadership.

14/09/18 Members NOTED the report.

**Item 6 Portfolio Management Update**

15/09/18 The General Manager, Portfolio Management updated members on progress with assurance and governance reporting in PM since June 2018. A new Financial Reporting Specialist had been recruited, and had started to analyse the portfolio to a much higher degree than previously. Metric capture had been improved, and new metrics introduced. Annual Reviews had taken longer to bed in than originally anticipated, but were now accelerating and he anticipated having made substantial progress by the end of December 2018.

16/09/18 Members NOTED the report.

**Item 7 Distressed Investments Watchlist**

15/09/18 The Head of Approvals declared an interest as he was involved in re-financing one of the cases on the watchlist, and left the meeting.

16/09/18 The Senior Specialist, Distressed Debt provided members with an update on the status of each of the projects on the STF/LTF watchlist with a red RAG status.

17/09/18 Members discussed the individual red list cases.

They welcomed the very low level of impairment. They anticipated that the introduction of IFRS9 would affect the reporting of impairments in future.

18/09/18 Members NOTED the report.

**Item 8 Any Other Business**

19/09/18 There was no other business.

**Date of Next Meeting**

20/09/18 This next meeting of the Credit & Risk Committee would take place on Thursday 15 November 2018.

Chairman's Signature:

Date:

WITHDRAWN