



**PUBLIC MINUTES**

**of the Board meeting**

**on Tuesday 23 March 2021 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
Paul Smee (PS)	
Liz Butler (LB)	
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 - Items 6, 7 and 8
Claire Wilde (CW)	Strategy Manager – Item 7
Tom Crawshaw (TC)	Strategy Manager – Item 8
John O'Mahony (JOM)	Assistant Director, Corporate Services & Performance – Item 10
Robert Dryburgh (RD)	Assistant Director, Business Intelligence – Item 11
Amanda Hall (AH)	Head of Data and Statistics – Item 11
Chris Kitchen (CK)	Board Secretary, Minutes

*Items were taken out of sequence of the agenda to accommodate a Board member attending another meeting, however the minutes will follow the order of the agenda.*

01/03/21 There were no apologies.

**2 Declarations of Interest**

02/03/21 There were no new declarations of interest.

**3 Minutes of last meetings – 23 February 2021**

03/03/21 The confidential and public minutes from the meeting on 23 February 2021 were considered and subject to a minor amendment to paragraph 37/02/21, both sets of minutes were APPROVED.

**4 Matters Arising**

04/03/21 Members NOTED the actions.

**5 Forward Planner**

05/03/21 Members NOTED the forward planner.

FM/CK

**6 Chief Executive update**

*General updates*

06/03/21 Members were given the following updates:

07/03/21 *Sector Engagement:* There has been a focus during the month on stakeholder engagement meetings as part of the regular cycle as well as a number of speaking engagements some of which were focussed on the new consumer regulation regime.

09/03/21 The sector is increasingly picking up on the zero carbon agenda. There is a push for further guidance/need for certainty, in particular on the impact on stock investment decisions and decisions on long term future of stock.

10/03/21 There are concerns about the impact of Covid on the sector post-lockdown, in particular the impact on staff and tenant fatigue. The impact on tenants of furlough withdrawal and economic impacts, disproportionately affecting those on lowest incomes – including social housing tenants – may be significant.

11/03/21 *Spring Budget:* members NOTED the areas of Government's focus.

12/03/21 *Governments' announcements relating to Covid-19:* specifically relating to the social housing sector – opening up care homes to visitors, guidance on testing and reducing infection spread in overcrowded or shared accommodation and the vaccination programme for the homeless. The extension to 31 May of the eviction bans and the extension of the temporary increase in the residential Stamp Duty Land Tax Nil Rate Band to £500,000 until 30 June 2021, and of note the extension to the uplift of universal credit, with some reservations on the impact of this when the period of increase comes to an end.

13/03/21 *New Fire Safety measures:* Members NOTED the new measures announced by the Home Office, as part of the legislation in the Building Safety Bill. It will include among other things, limitless fines for anyone obstructing or

impersonating a fire inspector and those who breach fire safety regulations under the Fire Safety Order. The government intends to launch a further consultation on personal emergency evacuation plans, for people with disabilities. Member NOTED the updates regarding funding to leaseholders in respect of meeting costs of the removal of cladding and the use of EWS1 forms.

#### *Grenfell Tower Public Inquiry*

14/03/21 JB joined the meeting and gave Members an update ahead of the start of module 3 of the inquiry at the end of March/start of April, subject to the completion of module 2, following the recall of some witnesses.

#### *Operational Updates*

##### *Registration*

15/03/21 Members NOTED the updates.

##### *Regulatory Operations*

16/03/21 *RJs*: Members NOTED the narrative RJs published since the last update to Board.

17/03/21 *Mergers*: Members NOTED the providers currently in merger discussions, which are in the public domain. Since the report was written Accent and Paragon Asra Housing Associations have announced that they have begun merger discussions.

##### *Performance Report*

18/03/21 Members NOTED the update and the two Amber targets.

19/03/21 *Publications*: of particular note was the imminent publication of the Global Accounts and the Gender and Ethnicity Pay Gap publications.

20/03/21 *Media Coverage and Stakeholder engagement*: members NOTED the updates. Engagement with the sector on the White Paper is likely to continue and we will be covering TSM's during these sessions.

## **7 Corporate Plan**

21/03/21 JB and CW joined for this discussion. Members were advised of the sections that had been amended following the first draft that went to Board last month:

- The business plan summary text has been updated.
- The equality, diversity and inclusion section has been expanded to include our plans for the coming year.
- Proposed targets have been added to the performance measures section. Actual performance for 2020/2021 will not be available until the end of April.
- The risks section has been revised.

22/03/21 Members all agreed that the plan read well.

23/03/21 JB and CW thanked members for the discussion and the feedback and agreed to address the points raised and reflect them in the plan. JB confirmed that the next steps were for Board to recommend that the CEO signs-off the final version of the Corporate Plan which will then be submitted to MHCLG for their

**JB/CW**

feedback. If accepted, they will submit it for Ministerial or Officer sign-off. The Board NOTED the Business Plan Targets annexed to the Plan and AGREED the recommendation to the CEO for final sign-off and submission to MHCLG.

## **8 IDA Evaluation**

- 24/03/21 TC joined the meeting. Members had NOTED the methodology adopted by IFF based on our brief to look at our IDA process and the impact of IDAs and gradings. The response rates were good at 45%. 85% of responding RPs felt their grading was as expected, 12% did not and 3% were unsure. 83% of RPs agreed the IDA was well tailored to their organisation. In the online survey, the knowledge and understanding of the IDA team (86% satisfied) and the organisation of the IDA (85%) were both praised. 90% of on-line respondents and all interviewees agreed the IDA was carried out in line with Regulating the Standards. 78% found the IDA feedback helpful, however, lack of written feedback was a consistent point raised. Members were advised that the data will be used to inform the work being undertaken by ML on reviewing the IDA process and programme. The IFF report will be published on the RSH website with the proposed statement by the end of March.
- 25/03/21 Members discussed the report and the findings and the point regarding written reports was discussed in more detail. ML advised members that there is a lot of communication with RPs during an IDA. There are plenty of opportunities for both sides to raise and discuss issues and concerns. ML also addressed the point raised that some RPs had responded that they were surprised by their final grading. In her opinion this was about an RP's awareness of the issues being raised by the IDA team and picking up on early indications of possible downgrades, rather than a lack of communication during the IDA. She did however agree to give this some further consideration to ensure RPs are clear when we raise concerns.
- 26/03/21 A member queried why there were no RPs from the North East/Yorkshire/Humberside areas included in the sample and registered her disappointment at this. TC and JB advised on the criteria used when selecting RPs for this survey. They stressed that the exclusion of the areas highlighted had not been intentional but agreed that the next time consideration will be given to increasing the sample size to ensure there was a good geographical spread.
- 27/03/21 Assurance was sought regarding the RPs who are regularly graded as V1, and how they can be prevented from complacency in showing how they offer value for money. Members were advised that the Operations team was working with Assurance colleagues to develop the VfM standards and delivery against strategy and so we will be able to question RPs on their plans to deliver on VfM. ML agreed to review the messaging to RPs about the interplay between risk and value for money.
- 28/03/21 On the point about consistency of IDA teams, ML confirmed that especially in the case of large providers, having some consistency of the IDA team is beneficial as they better understand the providers, but we do change the leads from time to time because this also had benefits in terms of regulatory rigour.
- 29/03/21 Members all agreed that this had proved a valuable exercise and having external validation of our processes is very positive.

## 9 Investigation and Enforcement update

- 30/03/21 HB introduced the I&E report which gave members background information to current cases.
- 31/03/21 *Brent Community Housing (Brent)*: Brent had been placed on the GUR list in December 2020.
- 33/03/21 Members will be kept informed of progress with this case.
- 34/03/21 *Prospect Housing Limited (Prospect)*: HB gave members an update.

### *Short term lease-based providers – Birmingham - Grading Under Review (GUR)*

- 37/03/21 Members were advised that following publication of a small number of non-compliant decisions relating to short-term lease-based providers, a focused piece of engagement with four providers operating a similar model in the Birmingham area continues. We are seeking assurance on their management of key risks, the operating model, their financial viability, and their assurance of compliance with rent requirements. In February, we placed three of these providers (3CHA, Ash-Shahada and Concept) on the GUR list, and are engaging further with these providers, and will reach a conclusion on their compliance in the coming weeks.
- 38/03/21 We continue our engagement with Birmingham City Council following their launch of their Charter.

### *Non-compliant case reports*

- 39/03/21 *Green Park*: The chair of Green Park informed the regulator at the end of February 2021 that it no longer had any social housing as all remaining leases had been surrendered or handed back to the head landlords. Green Park waived the 16-day compulsory de-registration notice requirement, and we de-registered the provider on 17<sup>th</sup> March 2021.
- 40/03/21 *Pivotal*: was placed on the GUR in February 2021. We published the non-compliant regulatory notice on 18<sup>th</sup> March 2021.
- 41/03/21 *Hilldale*: is a small registered provider which operates a long-term lease model, and which claims exemption from the Rent standard on the basis that it provides SSH. Hilldale has recently joined a group structure, with Change Housing as an unregistered parent. We have identified significant weaknesses in Hilldale's governance arrangements and its ability to manage key risks. They were placed on the GUR list in February and we published the non-compliant regulatory notice on 18<sup>th</sup> March 2021
- 42/03/21 *Auckland*: is a small registered provider which predominately operates a long-term lease model and claims an exception from the Rent Standard on the basis that it provides specialised supported housing (SSH) or temporary social housing (TSH). We have placed Auckland on the GUR list in March.

### *Consumer regulation*

44/03/21 Members NOTED that we continue to manage our consumer regulation in line with our current remit and within our existing resources.

45/03/21 Members NOTED the other updates in the paper.

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

46/03/21 RBP presented the paper and members NOTED January revenue spend is trending in line with forecast.

48/03/21 *Procurement Policy:* RSH's procurement policy was approved by the Board in 2019 and is due for review. A joint F&CS and Legal working group have reviewed the existing policy and produced the proposed update to reflect best practice (e.g. following review of NAO's policy) and RSH's procurement experience since March 2019. Only a small element of RSH's spend is relevant for competitive procurement and a principle in the procurement policy has been to ensure that processes are proportionate.

49/03/21 The Chair of ARAC confirmed her support to the increase in the threshold as a pragmatic approach. She also queried the existence of waivers and how these get reported.

51/03/21 Other members were also supportive of the proposals in the revised policy with the assurance from management that all exceptions will be reported. The revised policy was APPROVED

52/03/21 *Environmental Policy:* Following feedback from Board in January we have made some amendments to our environmental policy statement which was attached at annex 2. We have sought to strengthen the language and make further commitments whilst recognising that there are some limitations to what we can do. Subject to approval, the policy statement will be externally published and replace the current version on our gov.uk website. JBo confirmed that she was pleased to see the comments from members reflected in the revised statement. The Environmental Policy was APPROVED.

### **11 Statistical Publications – SDR/LADR**

53/03/21 AH and RD joined the meeting. Members NOTED the report which included an update on the SDR and LADR publications. This was the first year we have included Local Authority data. It had been a challenge with us providing a lot of support to the LAs but the data has been very useful and well received.

54/03/21 Members NOTED the key facts:

- 4.4m units of social stock owned by RPs - PRPs own 2.8m units compared to 1.6m units owned by LARPs.
- 0.3% increase in overall low cost rental stock since 2019 - the overall increase has been driven by the 28,218 unit increase in Affordable Rent units with most of the reduction in social rent units seen in LARP owned units.

- LARP stock has decreased each year since 2012, PRP has increased - Right to buy sales will be the key driver behind the net loss to LARP stock in most years. However, the transfer of units from LARPs to PRPs has also occurred.
- PRP For profit providers owned stock nearly doubled between 2019 and 2020 - the growth has been predominantly due to a doubling of LCHO. However, for-profit providers only own 0.3% of all social stock and 8 do not own any stock.
- PRP right to buy sales increase by 20% since 2019 - just over half of all losses were sales to tenants under various schemes, with various right to buy or acquire schemes accounting for 30% which is a 20% increase on 2019.
- Net rent decreases in social rent between 2019 and 2020 - PRP General needs (social rent) net rents fell by 0.9% between 2019 and 2020, and supported housing (social rent) net rents fell by 2.1%. LARP (social rent) net rents fell by 0.4%. However, gross rents (inclusive of service charges) did increase in PRP supported housing (by 0.1%).
- Since 2016 average net rents have fallen year-on-year - a 3.7% decrease in PRP general needs and a 3.9% decrease in LA overall average net rents has been seen. PRP supported housing rents show a year-on-year decrease since 2018 (which reflects the later introduction of WRWA(2016) rules for supported housing and ongoing work with lease-based providers).

55/03/21 Members thanked the team for their hard work and for publishing such good data. In particular they congratulated the team for securing National Statistics status which meant that the statistics were considered by the Office for Statistics Regulation (OSR) to have met the highest standards of trustworthiness, quality and public value.

## 12 Any Other Business

56/03/21 There were no other matters of business. The Chair thanked members for their contributions to the meeting.

**Date of next meeting: 26 April 2021 – 9.30am**