



PUBLIC MINUTES

of the Board meeting

on Tuesday 25 May 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 - item 6
Robert Dryburgh (RD)	Assistant Director, Business Intelligence – item 8
Andrew Wilson (AW)	Head of Financial Viability Assurance – item 12

Chris Kitchen (CK)	Board Secretary, Minutes
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1 Welcome and apologies

01/05/21 There were no apologies.

2 Declarations of Interest

02/05/21 There was one new declaration of interest from CR effective from August 2021 – NED and Chair of Audit and Risk Committee of Kent Holdco.

3 Minutes of last meetings – 27 April 2021

03/05/21 The confidential and public minutes from the meeting on 27 April 2021 were considered and subject to minor amendments, both sets of minutes were APPROVED.

4 Matters Arising

04/05/21 Members NOTED the actions.

5 Forward Planner

05/05/21 Members NOTED the forward planner.

6 Chief Executive update

General updates

06/05/21 Members were given the following updates:

07/05/21 *Accounting Officer Meeting:* at the meeting on 6 May, the standard items discussed were risk register, delivery performance, finance update, strategic and sector risks. A discussion was held on the findings of the external IDA survey. It was confirmed that the RSH Corporate Plan had been signed off by Minister Eddie Hughes MP. It will be published shortly.

08/05/21 *GU meeting:* A meeting had been held with GU to cover Tenant Satisfaction Measures (TSMs).

09/05/21 *Ministerial Meeting:* a meeting with Eddie Hughes MP had been called to discuss recent issues.

10/05/21 *Internal Audit:* RBP confirmed that, subject to any delays on the review of pension schemes by Grant Thornton, the NAO are still aiming for their end of year reviews to be completed to enable the annual report and accounts to be reviewed by ARAC and signed off by the Board at the end of October.

11/05/21 *HCAPS – RSH Trustee place:* Members were advised that Homes England had confirmed that the RSH can have an employer nominated trustee of the HCAPS pension scheme.

Policy Updates

- 12/05/21 *Queen's speech – 11 May 2021:* Members NOTED the housing and planning legislative agenda for this session of Parliament
- Planning Bill
 - Leasehold (Ground Rent) Reform Bill
 - Building Safety Bill
- 13/05/21 The key point for us was the absence of a slot for the Social Housing White Paper in the second session. The briefing in lobby pack stated that a Bill to implement the social housing white paper will be introduced 'as soon as practicable'. There appeared to have been a relatively muted response to this across the sector. We will continue to work with MHCLG for a third session bill.
- 14/05/21 Members were taken through the implications for the consumer regulation programme. Members NOTED the information and were given assurance that they will be kept informed on progress.
- 15/05/21 Members NOTED the other policy updates which provided information on:
Fire Safety Act 2021: received Royal Assent on 29 April 2021
Domestic Abuse Act 2021 – received Royal Assent 29 April 2021

Grenfell Tower Public Inquiry

- 16/05/21 JB gave members an overview of the evidence provided to the Inquiry from KCTMO and RBKC and from the Councillors. The evidence from all three showed a poor oversight of the issues and a lack of response to concerns raised. Evidence to Module 3 continues.

Operational update

- 17/05/21 *Registrations:* Members NOTED the two registrations for Bradford Flower Homes Development Limited and The Hospital of William Parson – both not for profit providers.
- 18/05/21 *Regulatory Operations:* Members NOTED the information provided on the April 2021 narrative, interim and strapline RJs.
- 19/05/21 *Government updates on Covid-19* – NOTED.

External Communications

- 20/05/21 *Publications:* the final CORS survey had received good media coverage as had the VfM metrics annex. The RN against LB Croydon was discussed previously and may serve as a reminder to LAs to self-report issues where they exist. The Quarterly Survey and Corporate Plan had imminent publications dates.
- 21/05/21 *Stakeholder engagement:* Members were given an overview of the NHF Board meeting the CEO had attended.

7 RSH 2021-22 Budget

- 22/05/21 RBP presented the 2021-22 annual Budget to the Board for approval. Members were advised of the process by which funding levels are set which included engagement with Private Registered Providers (PRPs) and MHCLG in relation to fee proposals for the 2021/22 year. Separate discussions were held with MHCLG in relation to Grant in Aid (GIA) funding for those elements of the

regulator's functions which cannot be funded through fees. The basis for funding discussions were NOTED as set out in para 6 of the paper and RSH's budget allocation for 2020/21 has been confirmed by MHCLG.

24/05/21 RBP concluded that the budget provided assurance that RSH had adequate funding for 2021/22.

25/05/21 The Board AGREED the 2021-22 annual budget.

8 Tenant Satisfaction Measures – Approach and Principles

26/05/21 RD joined the meeting and with WP presented the paper which invited the Board to NOTE the indicative timetable and process for developing the TSMs, and the proposed components of the consultation package, and to AGREE the proposed approach to developing the consultation package. Members had read the paper and the Chair invited them to put their questions to the content of the paper to RD/WP.

27/05/21 Members enquired about how we are engaging with tenants, particularly harder-to-reach groups and were advised that our direct engagement with tenants is currently through round table meetings facilitated by partners from the TSM sounding board, and tenant representative organisations. The comms team are looking into presenting the consultation information in a format which is more accessible to a wider, non-technical audience. The team will consider further options for reaching less engaged tenants. Assurance was also given to Members that engagement meetings will reach out to PRPs, LAs and tenants.

28/05/21 In response to a query on whether there will be opportunities in the future for the TSMs to be reviewed to ensure they remain fit for purpose, Members were advised that there are certain areas such as electrical safety and other areas where we are dependent on MHCLG finalising policies and we will need to run another consultation process to include these measures once finalised. That would be an opportunity to consider whether other TSMs could benefit from being reviewed. While it would not be appropriate to amend TSMs too frequently, question would be kept on the agenda.

29/05/21 Members noted that BMG are the chosen supplier to advise on the TSM methodology and asked for assurance about their relevant experience. BMG have a lot of experience of working in and beyond the housing sector. In addition, our research included engagement with the Scottish Regulator, UK Regulators Network, other Regulators and the Institute of Customer Service groups.

30/05/21 Members queried whether the length of time landlords take to respond to and resolve tenant issues should be included in the measures. It was noted that this could risk a perception of effectively setting specific targets, which is not our intention or approach as an outcome focussed regulator. It was also noted that the TSMs are set at the organisational level, and that individual tenant issues fall within the remit of the Ombudsman, if they are referred. WP noted that the scope of the measures is directed by the content of the White Paper.

- 32/05/21 The decisions required from the Board were:
- 33/05/21 **Was the board content to delegate responsibility for approving the technical documentation and survey methodology for consultation to an officer?**
The Board AGREED to delegate this responsibility to the CEO.
- 34/05/21 **Did the Board have any comments on the principles that we plan to use for the development of the TSMs?**
The Board AGREED the principles for the development of the TSMs set out in paragraph 17 of the paper. The timings and programme were ACCEPTED, and it was noted that further work would be on-going to identify whether it was possible to find ways of reaching out to less engaged tenants.
- 35/05/21 The Board will continue to be kept informed of progress. RD left the meeting.

9 Investigation and Enforcement update

- 36/05/21 HB introduced the I&E report which gave members background information to current cases.
- 37/05/21 *Brent Community Housing (Brent):* Members will be kept informed of progress with this case.
- 38/05/21 *Prospect Housing Limited (Prospect):* Members will be kept informed.
Grading Under Review (GUR)
- 39/05/21 There remain six providers on the Grading Under Review list (including Brent discussed previously):
Auckland Home Solutions C.I.C (Auckland)
3CHA Limited (3CHA)
Ash-Shahada Housing Association Limited
Concept Housing Association CIC
- 40/05/21 *Salvation Army Housing Association (SAHA):*
- 41/05/21 Members NOTED the update in respect of the non-compliant cases and the updates on consumer regulation casework.

- 43/05/21 The issues at LB Croydon had been mentioned previously.

10 Finance and Corporate Services update

- 44/05/21 RBP presented the paper which set out the year end outturn figures.
- 45/05/21 Fees rebate for 2020/21 which will be issued after the laying of the accounts.
- 46/05/21 *Covid-19:* the latest staff wellbeing survey showed a reassuring picture with staff reporting better physical and mental wellbeing. There are a few staff still finding the lockdown and associated conditions difficult and we continue to offer support, but overall staff are appreciative of the support they have been given. Early indications from staff on returning to offices is mixed, with some staff

reporting concerns about using public transport. We intend to issue some early guidance on returning to offices which will be followed up after Government guidance is issued in June.

11 Q4 Performance and Risk report

47/05/21 Members had read the report and RBP advised that the Strategic Risk Register had been reviewed in detail by ARAC in April.

48/05/21 Paragraph 7 of the paper in respect of risk 2: *we are not able to take appropriate remedial action or effectively resolve consumer standards failures that are within our remit*, results from the CORS survey have shown that since restrictions have eased, landlords are reporting a resumption of repairs and maintenance activity and therefore the proposal agreed was to reduce the score from 5/2 to 4/2, which reflected the risk scoring pre-pandemic. The mitigated risk score is in line with the risk appetite as a consequence.

49/05/21 Three risks as set out at paragraph 8 in the paper remain outside appetite. Following discussions at ARAC in April, the Risk Regulation Group (RRG) has agreed to do further work to articulate the risk on stakeholder expectations and their potential impact on our risk exposure for the next ARAC review of the SRR in October. Progress is being made in respect of resources with internal promotions filling a number of vacancies resulting in all Financial Analyst posts in Operations now filled. LB suggested RRG also review the scoring for risk 5 and RBP confirmed that he will take this to the next RRG meeting for consideration.

50/05/21 Members NOTED the performance report which explained the two amber targets. The procurement of the Multi-Disciplinary Panel has been delayed and the target has been re-baselined as part of the 2021/22 business plan. Publication of the fee statement had been dependent upon MHCLG confirming the 2021/22 grant-in-aid funding making publication likely in Q1 of 2021/22. The fee statement is an information piece and provides a breakdown of costs and does not impact on next year's fee level. This year it is linked to the Corporate Plan. RBP flagged the minor adjustment to the staff turnover figure which is 0.5% higher than previously reported, which is still significantly lower than Civil Service and Local Authority benchmarks.

12 Accounting Direction (AD) 2022 – sighting paper

51/05/21 AW joined the meeting and along with WP, gave members an overview of the paper which provided the Board with an early update on the development of a new AD, to financial reporting periods beginning after 1st January 2022. It included a summary of the progress made through a working group set up with external stakeholders and outlined the next steps towards the consultation on the updated direction.

52/05/21 The latest direction was published in January 2019 to include the Value for Money metrics and interim financial reporting arrangements following the abolition of the Disposal Proceed Fund (DPF). During the consultation on the 2019 direction some concerns were expressed, particularly over audit and segmental reporting. In the consultation response we undertook to review the Direction further to address these concerns. This has been done through a working group consisting of RPs and auditors which has met several times during 2020/21. The core issues discussed were:

- Segmental operating reporting requirements
- Segmental operating reporting definitions and guidance

- Narrative reporting requirements (particularly those in relation to VfM and compliance with the G&FV Standard)

53/05/21 Members NOTED the scope of the proposed changes to be included in the Accounting Directions consultation and that as stipulated by the Housing and Regeneration Act 2008, any changes to the AD require a consultation. Given the extent of engagement that has already taken place with stakeholders, we are proposing a 10-week consultation period. The consultation materials will be presented to the Executive Group and Board for approval, and Members NOTED the proposed timescales, which they considered to be appropriate in the circumstances. AW confirmed when asked that there were no major unresolved issues.

54/05/21 Members thanked AW and WP for a very clear and informative paper. AW left the meeting.

13 Proposed 2022 Board and ARAC meeting dates

55/05/21 Both sets of dates for NOTED and subject to one error, were AGREED.

JBo left the meeting before the next agenda item to avoid a conflict of interest.

14 Private Finance Update

56/05/21 WP presented the paper with headlines showing a stable previous six months. The main developments noted in the profile are a historically high level of debt raising, particularly from the capital markets; the emergence of ESG reporting and sustainability-linked loans. In response to a query about trends towards unsecured loans, WP confirmed that in his opinion, there could be an increase in unsecured debt, as this structure is more favoured by US private placement investors, but secured financing is likely to remain the preferred approach for most.

57/05/21 Members NOTED the report.

15 Any Other Business

56/05/21 There were no other matters of business. The Chair thanked members for their contributions to the meeting.

Date of next meeting: 29 June 2021 – 9.30am