



PUBLIC MINUTES
of the Board meeting
on Tuesday 27 July 2021 at 1000
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)	
Jo Boaden (JBo)	
Kalpesh Brahmhatt (KB)	
Deborah Gregory (DG)	
Richard Hughes (RH)	
Sukhvinder Kaur-Stubbs (SK-S)	
Fiona MacGregor (FM)	Chief Executive
Ceri Richards (CR)	
Geoff Smyth (GS)	

In attendance

Jonathan Walters (JW)	Deputy Chief Executive
Maxine Loftus (ML)	Director, Regulatory Operations
Will Perry (WP)	Director, Strategy
Emma Tarran (ERT)	Senior Assistant Director, Head of Legal Services and Company Secretary
Jim Bennett (JB)	Assistant Director, Policy and Communications - item 6
Angela Holden (AH)	Assistant Director, Investigation and Enforcement – item 9
Althea Houghton (AHo)	Assistant Director, Registrations and New Entrants – item 11
Chris Kitchen (CK)	Board Secretary, Minutes

1 Welcome and apologies

01/07/21 There were apologies from two officers – Harold Brown and Richard Peden.

2 Declarations of Interest

02/07/21 There were two new declaration of interests:
SK-S – Chair of Thames Water Challenge Group.
JBo – stepdaughter has a taken a tenancy for a property from South Tyneside Homes.
LB – previously declared post as Independent Member, General Dental Council has now commenced.

3 Minutes of last meetings – 29 June 2021

03/07/21 The confidential and public minutes from the meeting on 29 June 2021 were considered and were APPROVED.

4 Matters Arising

04/07/21 Members NOTED the actions.

5 Forward Planner

05/07/21 Members NOTED the forward planner.

6 Chief Executive update

General updates

06/07/21 Members were given the following updates:

07/07/21 *ITV coverage of sector:* Members were advised that the media interest in social housing conditions is continuing following coverage by ITV News and also social media. In a recent interview and following the adjournment debate, Ministers and the SoS have said that where stock owned by both Councils and PRPs was in such poor condition, that was unacceptable. Media coverage of LBPs especially in Birmingham, is also continuing and we continue to engage with local MPs.

09/07/21 *MHCLG:* we continue to work with MHCLG colleagues on various policy matters.

10/07/21 Work on the White Paper continues, and we have held constructive discussions with local authorities, including via London Councils who are keen to establish on-going dialogue

11/07/21 *RSH pay remit:* following discussion at the Nominations and Governance Committee the zero% Civil Service requirement which also applies to ALBs will be submitted to MHCLG and discussed with the unions.

12/07/21 *Return to Offices:* Members were advised that we continue with our approach that staff will not be compelled to return to offices, but a flexible approach will be taken taking account of business needs and the benefits of ensuring collaboration. Currently there are nine desks available in the London office, Manchester will be re-opening in August and the Leeds and Birmingham offices will be in new premises from September on the completion of the new licence agreements with the GPA.

Policy Updates

13/07/21 Members NOTED the updates on the Building Safety Bill, latest Government announcements relating to Covid-19 and the latest updates on the Grenfell Public Inquiry.

14/07/21 *Publications/Media coverage:* the latest Regulatory Notices were NOTED.

15/07/21 *Stakeholder engagement:* NOTED.

7 Tenant Satisfaction Measures (TSM)– Standard and Survey Methodology

16/07/21 RD joined the meeting, and the paper was taken as read. RD confirmed that the paper set out for Board:

- Content of the proposed TSM Standard
- Rationale for the TSM standard to be a standalone standard and not included in the TIE standard
- Proposed Survey Methodology for comment

17/07/21 SK-S had, prior to the meeting, raised some queries with RD and these along with other queries were responded to by RD, WP and FM. Members were reminded that the TSMs are just one part of the overall consumer regulation work and one element of what we have been asked to work on via the White Paper. Therefore, the TSMs should not be the total focus point and should be considered in the context of the wider Consumer Regulation work that the White Paper will require the RSH to implement. The timing of the TSMs is what is driving this discussion. The long lead in time to consult, develop systems and collect the data mean that we have needed to start work on TSMs in advance of the rest of the consumer regulation programme. The TSMs will be both a tool for tenants to use to hold landlords to account and for the regulator to gather performance data which will inform our engagement with landlords. Further work is continuing to develop our operational approach. For now, we need to ensure that we get the methodology right. We have undertaken stakeholder engagement on our proposed approach and have taken and are acting on third party advice. We have assurance from third party experts that our proposed approach is robust and meets good practice standards. Our approach will be prescriptive in a number of areas, but this would enable us to gather good comparative data. We will also be consulting on the proposed standard and survey methodology.

19/07/21 *Is the objective of the TSM survey to provide data that will improve the trust tenants have in their landlords and that can be used by the RP Boards for improvement?*

Currently there is no common approach to publishing RP performance data, so existing published data is difficult to compare. Our engagement with tenants shows that there is a degree of interest from tenants to have access to

performance data, but there is an appetite to ensure that it is prepared on a consistent basis to prevent gaming. We have commissioned external expert advice with the specific aim of mitigating the risk of gaming. Requiring RPs to collect data according to a common methodology should reduce the scope for inconsistency and gaming. Ensuring RPs publish their data, prepared on a common basis, should improve comparability and reliability. In time this should improve trust in the published data, and which should help to improve trust between tenants and landlords.

20/07/21 *Will there be a review of the language used in the current survey to ensure it is not too technical so as not to exclude groups of tenants who might have different experiences?*

We are testing the proposed wording with a variety of stakeholders, sector experts, tenants' workshop. The suggestion to review for jargon by non-technical stakeholders will be followed up. The proposed wording of the TSMs, the standard, and the accompanying guidance will also be consulted upon publicly. The questions in the survey do pick up other areas, this paper is tenant focussed. Other areas covered by the White Paper eg. Repairs, Health & Safety, stock quality are intended to be addressed primarily through management information Our proposals for the design of the TSMs themselves will be shared with board in a draft of the technical paper at the September Board meeting.

22/07/21 *How will the data be collated and what do we do with the data when we've got it? What's our rationale for avoiding league tables? Have we considered using Net Promoter Score?*

Timing of the introduction of TSMs ahead of other White Paper directives is the challenge for us, as we have not yet finalised our future operational approach to consumer regulation. We will need to set out how we propose to use the data at a high level in the consultation. Our initial thinking is that we will use the data in the same way as we do for other data in our economic regulation. It could trigger follow-ups with RPs or regulatory action if there is evidence of potential standard breaches, but we would need to consider alongside other evidence and would not use the TSMs as the sole basis for reaching a view on a provider. There are a number of issues which do not lend themselves to us using NPS.

23/07/21 *To what extent have tenants been consulted with and has this been with a range of tenants? Can we consider having annual engagement with all providers rather than 2 yearly for small providers?*

There has been extensive tenant engagement through tenant groups including TPAS, TAROE, with specific discussions convened with tenants to hear views on the questions and methodology. To date, this engagement has been largely with the more engaged tenants who are reasonably engaged with tenant panels. Consideration will be given to widening the tenant engagement group before the launch of the full public consultation. Frequency of engagement with small providers will also be given further consideration.

24/07/21 *Have we considered the cost implications of this to RPs?*

A full regulatory impact assessment is being carried out which will include estimates of the cost implications. In light of discussions of impact/frequency for small providers, we will look at the costings impact for small providers, for the next report to Board.

25/07/21 Members thanked management for a very clear and informative paper and for the good debate. Additional assurances provided were appreciated and on that basis the Board AGREED:

- **the proposed Standard for consultation**
- **the proposal to have a separate TSM Standard**
- **to delegate responsibility for approving the design of the proposed technical notes, including the survey methodology, to the Chief Executive**

8 Investigation and Enforcement update

26/07/21 AH joined the meeting and introduced the I&E report which gave members background information to current cases.

27/07/21 *Prospect Housing Limited (Prospect):*

Grading Under Review (GUR)

28/07/21 *Auckland Home Solutions C.I.C (Auckland):* have been placed on the GUR list.

29/07/21 *Ash-Shahada Housing Association Limited:* We published a regulatory notice on 23 July 2021.

30/07/21 *Concept Housing Association CIC:* We published a regulatory notice on 23 July 2021.

31/07/21 *Empower Housing Association:* this provider was placed on the GUR list.

32/07/21 *Welwyn Hatfield Borough Council and Cornwall Council:* both these councils have breached the Home standard and there has been a risk of serious detriment to tenants. Both Welwyn Hatfield and Cornwall Councils self-referred. The Councils have been advised of our non-compliant decisions, the regulatory notices are due for publication on 28 July 2021.

33/07/21 AH gave assurance that Councils are increasingly self-referring issues, and we engage with them in the same way that we engage on other non-compliant cases, with regular meetings, regular reporting, and holding local authorities to account for delivering their plans. We expect local authorities to address the issues with sufficient pace, and to obtain independent assurance that tenants are not at risk at the end of the process.

35/07/21 Members thanked AH for the report and the updates.

9 Finance and Corporate Services update

36/07/21 FM presented the paper in the absence of RBP, and Members NOTED that we are currently under budget, mainly driven by payroll, C-19 related reduction in travel costs and underspend on contingent budgets. None of this is unusual at this point in the financial year.

37/07/21 *Fees:* In respect of the off-setting of fees rebates, FM confirmed that we will no longer make rebate payments – instead we will carry-forward the rebate amount and offset against the next annual fee billing.

38/07/21 Member NOTED the rest of the paper.

10 Quarter 1 Performance and Risk report

39/07/21 Members NOTED the report. FM advised that the SRR is taken through a number of validation processes, including the Risk Regulation Group (RRG) checking the scoring of each risk. The Chair of ARAC confirmed that the Committee regularly review the SRR and added that it was a very clear report. She asked where the risks flagged in the TSM paper that the Board had considered earlier will be picked up and assurance was given that they will be reflected in Consumer Regulation Risk Register, as not every risk can be reflected in the SRR. Board were also given assurance that work is being undertaken to map risk and assurance across the organisation.

40/07/21 In Operations there is a churn of mainly finance staff as a result of internal promotions, which was a good thing, but did result in vacancies.

41/07/21 Members NOTED the other information in the report and had no further queries.

11 Operations Update

42/07/21 ML presented the paper and set out for the new Members the reporting cycle of operations' updates to Board. This report covers the period April-June 2021. Appendix 1 to the report sets out the Regulatory Judgements published in this period and show changes in strapline from the previous published judgement, interim judgements (published following material constitutional changes such as mergers) and first judgements. The team are currently busy with IDAs and are on track to deliver 60 IDAs this financial year, with 19 completed and 16 on course for completion by the end of September. There will then be a hiatus whilst the Stability Check work is completed and IDAs will recommence after that.

43/07/21 Table 1 shows the number of grades in isolation. Grade numbers remain generally static though the numbers of V2 are gradually increasing. Table 2 shows the current breakdown of regulatory judgements in combination, e.g., number of G1/V1s. There has been an increase in G1/V2 grades, which is not a surprising trend and is likely to continue. Most V grade changes take place as a result of stability check work which has just commenced for 2021.

44/07/21 ML explained that we have annual engagement meetings with some of the larger and more complex providers between IDAs. This engagement will slow down whilst we assess business plans through our stability check work enabling future meetings to focus on updated analysis of plans. The Quarterly Surveys flag short-term financial outliers. There has been a lot of movement in delivery against forecasts and projected forecasts during the pandemic, but this is levelling out. Table 4 shows the volume of reactive engagement cases. Table 5 showed the most significant merger cases, which are in the public domain.

45/07/21 There was a discussion about the level of voids in the sector. Some of the rationale for higher than normal voids is likely to be as a result of landlords not having access to tradespeople and/or materials during the pandemic to carry out repairs. In care and supported housing, the void levels are likely to be as direct results of Covid-19 and facilities being inaccessible which resulted in void levels rising, but the situation is improving. Although voids levels are relatively high compared to historic trends, they are low in terms of proportions of stock, and Operations will continue to monitor the situation via routine engagement.

12 Decisions of the AD Registrations and New Entrants

46/07/21 AHo joined the meeting and reported that in the three-month period since the last report, four new entrants have been registered, two for profit and two not for profit organisations. There have been many restructure registration decisions during the period which is consistent with year-end restructures. Members were advised in the last report about the compulsory de-registration of Dawson Housing Limited. Dawson has appealed the decision to the High Court and was restored to the register pending the outcome of that appeal .

47/07/21 AHo was asked to explain what intermediate rent was and she explained that it was a tenure type that is outside the scope of the rent standard, which is usually set at up to 80% of market rent levels. It has to meet specific defined criteria which means, in most cases, it is not eligible for public subsidy.

48/07/21 Members thanked AHo for the paper and there were no further questions.

13 Board Appraisals

49/07/21 The Chair confirmed all Board Member appraisals have been completed and he thanked members for their helpful and constructive feedback. Members were keen for having a session to do more horizon scanning in the coming months.

14 Any Other Business

50/07/21 There were no other matters of business. The Chair thanked CR for her contributions to the Board of the Regulator, as this was her last meeting. Her contributions to the Board and ARAC have always been greatly appreciated and valued and she will be greatly missed. CR thanked the Chair, fellow Members, the Executive and Secretariat. She praised the culture, governance and performance of the RSH and wished them every success for the future.

Date of next meeting: 28 September 2021 – 10.00am