



PUBLIC MINUTES

of the Board meeting

on Tuesday 25 January 2022 at 1000

Microsoft Teams Meeting (no members were together, and the meeting was deemed to have been held in Suffolk, 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
Geoff Smyth (GS)	

In attendance

Jonathan Walters (JW)	Deputy Chief Executive
Harold Brown (HB)	Senior Assistant Director, Investigation and Enforcement
Maxine Loftus (ML)	Director, Regulatory Operations
Richard Peden (RBP)	Director, Finance and Corporate Services
Emma Tarran (ERT)	Senior Assistant Director, Head of Legal Services and Company Secretary
Jim Bennett (JB)	Assistant Director, Policy and Communications – item 6
Althea Houghton (AH)	Assistant Director, Registration and New Entrants – item 9
John O’Mahony (JOM)	Assistant Director, Corporate Services – item 10
Chris Kitchen (CK)	Board Secretary, Minutes

1 Welcome and apologies

01/01/22 There were no apologies.

2 Declarations of Interest

02/01/22 There were now new declarations of interest.

3 Minutes of last meetings – 23 November 2021

03/01/22 The confidential and public minutes from the meeting on 23 November 2021 were considered and subject to one minor amendment, were APPROVED.

4 Matters Arising

04/01/22 Members NOTED the actions.

5 Forward Planner

05/01/22 Members NOTED the forward planner.

6 Chief Executive update

Members were given the following updates:

General Updates

06/01/22 *Meeting with Eddie Hughes, Homelessness Minister, 12 January*
Meeting was called to discuss the TSM consultation and FM, JW and Rob Dryburgh attended. The Minister was particularly interested in how tenants had been involved in the consultation; how we could avoid gaming of the measures and what we would do with the information.

07/01/22 *Accounting Officer Meeting - 17 January 2022*
This was a routine scheduled AO meeting. The standard agenda included discussion on strategic risks to the regulator. In terms of strategic risks to the sector, there was a focus on supply chain issues and the impact this was having on providers, and on planned investment in existing homes and new build.

Policy Updates

09/01/22 *LUHC select committee inquiry into regulation of social housing*
We have submitted our written evidence.

10/01/22 Members NOTED the content of the two oral hearing sessions held on 17 January firstly with tenant representatives/bodies and secondly with providers and the topics covered by the Committee. Members also noted that two further select committee inquiries have been confirmed:

11/01/22

- *Exempt Accommodation:* members NOTED the questions for the inquiry. We intend to make a written submission.
- *Building Safety:* The next phase of the Building Safety Fund is to be opened early this year.

12/01/22 Members NOTED the remaining policy updates covering:

- Social Housing Professionalisation Review – announced 18 January 2022
- Smoke and CO2 alarm requirements for RPs – Government response to consultation published 23 November 2021

- Adult Social Care White Paper: 'People at the Heart of Care'
- Labour party cabinet reshuffle – 29 November 2021

13/01/22 *Grenfell Tower Public Inquiry*: members NOTED the key headlines from the hearings Module 6 hearings are due to recommence on 31 January.

Operational Updates

14/01/22 *Performance December 2021*: Members NOTED that of forty-six targets, one is COMPLETE, six are marked AMBER and all other targets are GREEN. The new AMBER target is in relation of the NROSH+ redevelopment project which will be covered in the F&CS item in more detail.

Publications, media and stakeholder engagement

15/01/22 *Publications*: provided for information – to add is the publication of the quarterly survey in February.

16/01/22 *Media*: positive reaction to the TSM consultation. The Birmingham exempt accommodation issue continues to get coverage and our publications have received a lot of media coverage. Mention was made of the article in Social Housing magazine about issues facing auditors in sector. It appears that this is affecting other sectors and LAs as well.

17/01/22 *Stakeholder engagement* – NOTED.

7 Feedback from the ARAC meeting on 24 January 2022

18/01/22 LB gave members an overview of the ARAC meeting. The key areas covered were:

19/01/22 *Review of the Strategic Risk Register*: four risks were above appetite which was the same position as at the last review of the SRR. The position is improving on some of the risks, and this will continue. Management confirmed that the next review of risk appetite will be after the Board has discussed this.

20/01/22 *In-depth review – SLA transition*: acknowledgement that is a very large and complex piece of work. The Corporate Service team, with oversight from DF&CS are dealing with this with input from the Legal team.

21/01/22 *Internal Audit Reports*: two audits completed on Payroll and Counter Fraud, both receiving a Substantial level of assurance with minor recommendations.

22/01/22 *NAO*: reported on the areas of focus for their audit which included the presumed risk of management override of controls and the pension fund. The timetable for the audit sign-off and filing of our accounts is likely to be later in the year again this year given timing of the sign off of the Westminster LGPS scheme's own audit, as the scheme remains material to the RSH accounts. The F&CS teams are however, working to an earlier timetable.

23/01/22 The Chair thanked LB and members of ARAC for their continued good work.

8 Investigation and Enforcement update

24/01/22 HB introduced the I&E report which gave members background information to current cases. He reminded Members that the information is market sensitive and confidential. He gave members an update on the key developments.

- 25/01/22 *Prospect Housing Limited*: they are in the process of winding up and have no social housing stock.
- 26/01/22 *New Roots Limited*: the registered charity has no social housing stock and on that basis have sought voluntary de-registration as a registered provider, but will continue as a charity.
- 27/01/22 *Larch Housing Association*:
- 28/01/22 *Westmoreland*:
- 29/01/22 *Eldonians*:
- 30/01/22 Members NOTED the updates on the other cases in the report.
- 32/01/22 Members thanked HB for the report and the updates.

9 Operational update

- 33/01/22 *ML introduced the report for the period from October to December 2021*. 159 RJs have been published in total in this period the majority of which (145), were from stability checks and confirmed existing grades. The remainder comprised 10 from IDAs, two from reactive work and two interim judgements as a result of merger activity. There are currently 17 IDAs in progress and we are on track to deliver the 60 IDAs that were planned for 2021/22. Quarterly survey analysis continues to provide assurance on the sector's short-term viability and the findings were NOTED
- 34/01/22 *Annual engagement meetings (AEMs)*:
- 35/01/22 There was a query as to whether providers are helping tenants who might be facing financial difficulties, resulting in an increase of rent arrears. ML advised that providers are aware of the difficulties facing tenants and we are aware that some providers offer budget advice and in some cases hardship funds
- 37/01/22 Members thanked ML for a very informative report.

10 Finance and Corporate Services update

- 38/01/22 RBP presented the paper which was an update on the work of the Finance and Corporate Services Team. In addition to the Finance update in the paper the Board was also asked to:
- APPOINT** the Accounting Officer as the board member accountable for counter fraud within the regulator;
 - APPROVE** retrospectively the commencement of a procurement of a supplier to develop and support a replacement data collection system (and to provide related services), with an estimated contract value of £1.5m (for development and support over a maximum of 8 years); and
 - DELEGATE** to the Chief Executive authority to approve the award of the contract to be entered into with the successful supplier following the competitive procurement for the data collection system replacement.

- 39/01/22 *Counter Fraud:* the updated fraud policy and response plan had been included in the pack. The revised HM Government's counter fraud functional standard published in August 2021 mandates that a senior officer will be accountable for counter fraud and be accountable for the day-to-day management of fraud, bribery and corruption risk at the regulator and be accountable to the Accounting Officer. DF&CS will fulfil this role for the regulator. Also mandated is the requirement for there to be an accountable individual at board level to 'provide effective leadership at an organisational level to ensure the organisation is managing the risk of fraud, bribery and corruption'. The standard notes that an accounting officer may fulfil this role in smaller organisations such as the regulator. The Board was asked to agree the appointment of the Accounting Officer as the board member accountable for counter fraud within the regulator. The Board AGREED this appointment.
- 40/01/22 *Finance update:* the reported negative performance against forecast was caused by the payment of annual performance bonuses in November rather than December. This will return to a positive position next month
- 41/01/22 *NROSH+ replacement procurement:* members had been made aware of the need to replace the NROSH system which is a data collection system. The capital spend had been discussed in 2021 with a procurement estimated to be £500k based on the capital spend. However, the aggregate value of the contract to build and support a new system over a maximum of 8 years is estimated to be £1.5m for the commencement of the procurement and the approval of the contract sits with the Board.
- 42/01/22 The procurement has been working to tight timescales to award the contract in April 2022. A Selection Questionnaire (SQ) was published commencing the procurement. ERT flagged to members that because of the way this procurement works, the contract would be issued with the ITT.
- 43/01/22 This matter had been discussed by the Chair with the Deputy Chair and the Chair of ARAC. The Board confirmed that the procurement should go ahead, and provided such retrospective approval as might be necessary. As this was a business critical system and because of the high value, the Chair and Deputy Chair wished to be involved in the approval of the award of the contract and in a supportive role in relation to the procurement process going forward. They did not envisage getting involved in the technical details, nor to review the contract documentation, but rather to provide appropriate additional governance oversight.
- 44/01/22 Management accepted and welcomed this support from the Board and RBP agreed to keep them updated. Given the need for expedience with this procurement, there is likely to be a need for approvals outside of board reporting cycles. This was accepted and the retrospective APPROVAL for the commencement of the procurement was given. The board also confirmed it was content for the procurement to proceed to the next stage and for an ITT to be issued to the pre-qualified bidders
- 45/01/22 The approval of the award of the contract to be entered into with the successful supplier following the competitive procurement was delegated to the Chief Executive working in conjunction and consultation with the Chair and Deputy Chair on behalf of the Board. A note would be prepared to record this proposal for Chair and Deputy Chair and it would be shared with the whole Board.

RBP

11 Decisions of the Assistant Director Registration and New Entrants (ADRNE)

46/01/22 AH joined the meeting. Members had NOTED the updates in the paper and AH referenced in particular the registration of the L&G companies which had been discussed with the Board previously. Also of note were the voluntary de-registrations and subsequent removal from the register of Prospect and New Roots.

48/01/22 Members thanked AH for the report.

12 Any other business

44/11/21 There were no other matters of business. The Chair thanked members and executives for their contributions to discussions.

Date of next meeting: 24 February 2022 – 10.00am