



PUBLIC MINUTES
of the Board meeting
on Tuesday 24 May 2022 at 1000
2 Marsham Street and Microsoft Teams Meeting

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

Bernadette Conroy (BC)	Chair
Simon Dow (SD)	
Paul Smee (PS)	
Liz Butler (LB)	
Kalpesh Brahmhatt (KB)	
Deborah Gregory (DG)	
Richard Hughes (RH)	
Sukhvinder Kaur-Stubbs (SK-S)	
Geoff Smyth (GS)	

In attendance

Jonathan Walters (JW)	Deputy Chief Executive (DCEO)
Harold Brown (HB)	Senior Assistant Director, Investigation and Enforcement (SADI&E)
Maxine Loftus (ML)	Director, Regulatory Operations (DRO)
Richard Peden (RBP)	Director, Finance and Corporate Services (DF&CS)
Emma Tarran (ERT)	Senior Assistant Director, Head of Legal Services and Company Secretary (SADLegal)
Will Perry (WP)	Director, Strategy (DS)
Kate Dodsworth (KD)	Director, Consumer Regulation (DCR)
Jim Bennett (JB)	Assistant Director, Policy and Communications – item 7
John O’Mahony (JOM)	Assistant Director, Corporate Services – item 9 & 10
Chris Kitchen (CK)	Board Secretary, Minutes

The minutes reflect the agenda, however the confidential discussion @agenda item 16 was taken at the start of the meeting.

1 Welcome and apologies

01/05/22 There were apologies from Jo Boaden (JBo).

2 Declarations of Interest

02/05/22 There were no new declarations of interest.

3 Minutes of last meetings – 26 April 2022

03/05/22 The confidential and public minutes from the meeting on 26 April 2022 were considered and subject to some amendments, were APPROVED.

4 Matters Arising

04/05/22 Members NOTED the actions.

31/04/22: *Consumer Regulation (CR) reporting*: in response to consideration of the frequency of reporting to Board on CR and I&E, it was AGREED that management will reconsider how best to align reporting in the two areas.

KD

5 Forward Planner

05/05/22 NOTED. Any additional items identified through the meeting will be added to the planner.

6 Chair's Update

06/05/22 The Chair stated that as discussed there is a lot of activity in the sector and for the regulator with things moving at a very fast pace in the current economic climate. The Executive continue to liaise with the Department on rents and decency which will impact the viability in particular on Operations and Strategy, and the Board will be interested in being kept informed on how we assess the impact on providers finance from the Government's agenda in these areas.

Induction meetings: these are continuing with members of the Executive and she thanked them for their time.

June Board meeting: the Chair confirmed the Board meeting will be in the Manchester office. In addition to formal business, there will be an opportunity for members to meet CEOs from northern RPs and also a roundtable with tenants and tenant representatives.

Board Self- Effectiveness survey: the results show areas which could be strengthened, and the Chair will give thought to how these will be addressed.

Meetings: the AO meeting is scheduled for Thursday 26 May, which she will be attending and also scheduled is a meeting with Grenfell United.

7 Deputy Chief Executive update

07/05/22 Members NOTED the information in the slides and the DCEO gave some additional background information.

General updates

On-going policy discussion with DLUHC

08/05/22 There is continued interest from ministers in the Decent Homes status of stock in both PRS and SRS. We continue to monitor the inflation position and the implications for social rents.

Stakeholder issues

09/05/22 Stakeholders are also interested in the impact of inflation on tenants, social rents and business plans.

Select Committee

10/05/22 At the final hearing of the LUHC Select Committee Inquiry into the Regulation of Social Housing on 16 May, Eddie Hughes MP commented about the work of the RSH in relation to a number of points raised by the Committee. We are continuing our thinking on the work of the Inquiry and in preparation for its recommendations in due course.

11/05/22 There have been a further two sessions of the LUHC Select Committee Inquiry into Exempt Accommodation and members NOTED the outcomes from those sessions.

Policy Updates – Members NOTED updates on the following topics:

12/05/22 *Queen's speech:*

- Social Housing Regulation Bill: in addition to the published clauses, there will be further measures to enhance our powers.
- Renters Reform Bill will apply to both the PRS and SRS and the Decent Homes Standard will apply to the PRS for the first time.
- Levelling-up and Regeneration Bill: this could have implications for registered providers, and there is a real shift towards focussing on areas for investment.

13/05/22 *Cabinet Office review of public bodies:* there has been no further information on this.

14/05/22 *Better regulation framework reform:* we are monitoring this as it will come into effect after the Social Housing White Paper implementation legislation is in place.

15/05/22 *Building Safety Act:* there are links to the levelling-up report and the Act has had a lot of interest from the sector and stakeholders, who are keen to know what support will be available to meet costs that cannot be passed onto leaseholders. Members NOTED the updates on Fire Safety and PEEPs.

16/05/22 *Fire Safety:* responses to the Phase 1 Grenfell Tower Inquiry report recommendations were NOTED.

17/05/22 *Grenfell Tower Public Inquiry:* the most recent module focussed on the aftermath of the fire.

Operational updates

18/05/22 *Registrations:* NOTED

19/05/22 *Regulatory operations:* Members NOTED the RJs published since the last meeting and the 3 material merger discussions that are on-going.

20/05/22 *Consumer regulation – reactive cases:* an RJ was published for Ealing on 11 May and RJs on East Suffolk and Swan are due to be published.

21/05/22 *Performance:* NOTED

Publications, media and stakeholder engagement

22/05/22 Members NOTED the updates and high level of stakeholder engagements undertaken and scheduled and that recent discussions have been mainly focussed on inflation and rents.

8 Governance of the RSH

23/05/22 ERT introduced the paper which had annexed draft documentation for Board to approve and adopt in relation to:

- Scheme of Delegated Authority
- Schedule of Authorised Signatories
- Appeals Scheme

24/05/22 *Scheme of Delegated Authority:* Members NOTED that the changes proposed were to reflect organisational changes including the establishment of a Consumer Regulation Directorate, and to update for miscellaneous other developments since the Board last approved the document in September 2019. Members APPROVED and ADOPTED the revised Scheme of Delegated Authority.

25/05/22 *Schedule of Authorised Signatories:* Members noted that this has been updated to add the Director of Consumer Regulation. Members APPROVED and ADOPTED the revised Schedule of Authorised Signatories.

26/05/22 *Appeal Scheme:* ERT set out the background to the proposed changes to our internal appeal scheme.

27/05/22 KB had some more detailed questions, and the Chair asked him to discuss those with ERT after the meeting.

28/05/22 The changes to the appeal scheme were APPROVED.

29/05/22 The final decision requested in the paper was in relation to the Nominations and Governance committee membership. The Board noted the proposals and AGREED:

(a) to APPOINT Bernadette Conroy to the NGC with immediate effect and until the end of her current appointment to the Board; and

(b) to RE-APPOINT Jo Boaden to the NGC with immediate effect and until the end of her current appointment to the Board; and

(c) to APPOINT Paul Smee, who is already a member of the NGC, as Chair of the NGC with immediate effect; and

to DELEGATE authority to the Chair of the Board to sign letters of appointment to effect the agreed appointments set out at paragraphs (b) and (c) above; and

DELEGATE authority to Paul Smee to sign a letter of appointment to effect the appointment set out at paragraph (a) above.

9 Finance and Corporate Services update

30/05/22 RBP presented the paper and JOM joined the meeting. Members NOTED the year to date spend and balance sheet updates. RBP gave assurance that there has been no scaling back on the delivery of L&D.

- 31/05/22 *Fees:* were outstanding from 133 small providers which was a very positive position. There was a query about what appears to be a disproportionate amount of work that goes into the collection of these small amounts, but RBP advised that this work is now being done in-house by the finance officer and administration officer and the resource cost is lower than the value remaining to be collected.
- 32/05/22 *Cashflow forecast:* the cash forecast was considered.
- 33/05/22 NROSH replacement procurement has been concluded with the contract awarded to Softwire. There continues to be good engagement with them on the development of the system.
- 34/05/22 Legal Panel procurement is now completed.
- 35/05/22 The EDI plan at annex 4 was NOTED.

10 Performance and Risk report Q4

- 36/05/22 RBP advised that the new Strategic Risk Register will be presented to ARAC in June and the Board in July and the risks referenced in this report are from the current risk register. There were four risks above appetite and Members NOTED the explanation for each of these. RBP responded to a question regarding staff returning to offices and explained that even prior to the pandemic RSH was a dispersed organisation and had an organic-hybrid style of working which we are continuing. This has always included staff coming in when needed, including for agreed meetings. Also, in response to a question, it was confirmed that staff engagement on this matter has taken place with four pulse surveys in eighteen months and the response rate has been very good. Guidance has been issued for hybrid working which has taken on board what has worked well, and we will continue to monitor. Members advised that changes to ways of working need to be considered in relation to business continuity and also the increasing cyber risks with staff working from home more. Management took these points on board.
- 37/05/22 In relation to Risk 5, members asked how management were tracking the movement in the sector. Assurance was given that whilst these are unusual times with the current inflation we have skilled staff to monitor the impact on the sector, but we are not able to predict how things will play out for non-traditional providers with greater sensitivity to these changes. Quarterly surveys will pick up trends at individual provider level, but we are expecting business cases for example on major repairs will be less specific and will need more scrutiny. The FFR's will also give us an overview of risk areas and stress testing will allow us to triangulate the data. The Chair flagged the double risk of changes in the sector which will require new skills as well as for us to have staff who can monitor and manage the risks with these changes, and asked that the ARAC keep these areas on their radar.
- 38/05/22 The Chair challenged management on the performance and risk report and questioned whether the number of performance indicators at Green with flat trend arrows were an indication that we were not stretching ourselves or the performance measures were not the correct ones. Officers provided assurance in response to the challenge, but would bear it in mind going forwards. The Chair observed that proactive consumer regulation will present new risks and test our risk appetite and she asked that Board give this some thought and the type of challenges it can put to the executive.

11 Board Effectiveness survey

39/05/22 ERT presented the paper and the results of the survey which were based on the same questions used the previous year so there was a degree of consistency. The Chair thanked members for their feedback and some very thoughtful comments. In light of the results she would like the Board to consider the following areas going forward:

- Is there the right balance of backward and forward looking work at Board?
- Are we confident of our ambition, risk appetite, ability to deal with the pace of change coming our way?
- Do we have the right number of meetings/workshops?
- Are the right things on the board agenda and are the discussions at the right level?
- With new legislation coming our way, are we confident we will have the required time to discuss the consequent changes?

40/05/22 The Chair advised members that she is considering the possibility of introducing bi-monthly informal Board meetings. She committed to sending out an email asking specific questions to get feedback on papers and give members an opportunity to feed in any other thoughts they may have on the structure of future meetings.

12 Proposed 2023 meeting dates

41/05/22 These were AGREED.

13 Investigation and Engagement update

42/05/22 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. The eight new staff are settling in and picking up on the long-term cases. He gave members an update on the key developments on cases, which included:

43/05/22 *Larch Housing Association:*

44/05/22 *Inclusion:*

46/05/22 *Eldonians:*

Gradings under Review

47/05/22 *Shepherds Bush HA Ltd:*

48/05/22 All other updates in the paper were NOTED.

14 Private Finance Update

51/05/22 WP presented the paper. He advised that while the funding market continues to be volatile there does not appear to be a lack of demand for social housing debt.

- 52/05/22 Members were advised that the Social Housing White Paper and the need for capital investment is a very live discussion point and is influencing the type of covenants on offer, particularly around EBITDA/EBITDA MRI interest cover.
- 53/05/22 Board noted that reporting against the Sustainability Reporting Standard (a sector-led initiative) was becoming widespread.

13 Any other business

- 54/05/22 SK-S advised that she had attended the Social Housing Finance conference which she had found very useful and considered JW's session to be very good.
- 55/05/22 The Chair asked members for feedback on the meeting and papers etc. Members were content with the papers, but said that getting late papers was unhelpful. The Chair said that she would be sending out to members a form to gather their feedback on the usefulness of the papers, the level of discussion and any other feedback/observations members wished to make on the board meeting. She thanked members and officers for their contributions to the meeting.

Date of next meeting: 28 June 2022 – 10.00am, Manchester