



PUBLIC MINUTES
of the Board meeting
on Tuesday 22 November 2022
FG47 Marsham Street and MS Teams

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
Paul Smee (PS)	
Liz Butler (LB)	
Jo Boaden (JBo)	
Kalpesh Brahmhatt (KB)	
Deborah Gregory (DG)	
Richard Hughes (RH)	
Sukhvinder Kaur-Stubbs (SK-S)	
Geoff Smyth (GS)	
Fiona MacGregor (FM)	Chief Executive and Board Member

In attendance

Jonathan Walters (JW)	Deputy Chief Executive (DCEO)
Harold Brown (HB)	Senior Assistant Director, Investigation and Enforcement (SADI&E)
Richard Peden (RBP)	Director, Finance and Corporate Services (DF&CS)
Kate Dodsworth (KD)	Director of Consumer Regulation
Jim Bennett (JB)	Assistant Director, Policy and Communications
Will Perry (WP)	Director, Strategy
Maxine Loftus (ML)	Director, Regulatory Operations
Emma Tarran (ERT)	Assistant Director, Head of Legal and Company Secretary
John O'Mahony (JOM)	Assistant Director Corporate Services & Performance

Minutes

Christine Kitchen (CK)	Board Secretary
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1 Welcome and apologies

14/11/22 There were apologies from Simon Dow (SD).

2 **Declarations of Interest**

15/11/22 There were no new declarations of interest.

3 **Confidential and Public minutes of the last meetings**

18 October 2022

16/11/22 The confidential and public minutes of the Board meeting on 18 October 2022 were APPROVED, subject to minor amendments.

07 November 2022 minutes

17/11/22 These had been circulated and would be agreed by correspondence. POST MEETING NOTE: the minutes were AGREED subject to a minor clarification on para 9/11/22.

4 **Matters arising** – Members NOTED the actions.

5 **Board forward planner**

18/11/22 This was NOTED. The Chair advised members that the March 2023 strategic meeting will now be combined with a Board away-day in London. Management agreed to arrange for one of the other 2023 board meetings to be held in an office outside London.

JW/CK

6 **Chair's update**

19/11/22 The Chair wanted to formally minute the board's agreement of two items of business that had been discussed and informally agreed by correspondence prior to the meeting:

1. That the withdrawal of the CEO's resignation should be accepted.
2. That the RSH should sign up to the DLUHC Board Apprenticeship scheme.

20/11/22 The Chair continued her update as follows:

- The Chair had spoken with the Chair of the Nominations and Governance Committee (NGC) and they had agreed to propose that:
 - An additional member should be appointed to the NGC. DG had been approached and would be prepared to join the committee. Board members were content with this proposition, and ERT advised that there would need to be a formal resolution to that effect either by written resolution or at the next board meeting.
 - NGC to assume responsibility for board effectiveness as part of its wider governance remit. ARAC will continue to ensure that the process is then implemented. RH suggested that in addition to himself as an ARAC member, a member of the N&GC is involved in the procurement process.
- Following closure of the DLUHC consultation, rent increase cap for low-cost rental accommodation had been confirmed by Government at 7%. The sector had agreed a voluntary approach to capping the rent increase for shared ownership properties at the same level.
- The Chair, JW and KD had attended media training. It had been decided, following this, to do some further work on our corporate messaging. This will be discussed further at the Board away-day in March.
- The Secretary of State and housing ministers are now confirmed and in post.

JW/BC

The agenda for this meeting had been amended to allow additional discussion on casework. The discussion on Consumer Standards has therefore now been moved to an additional Board workshop session on Monday 5 December 2022.

7 Deputy Chief Executive update

Policy updates:

21/11/22 *Autumn Statement:* Members NOTED the updates on economic forecasts, key tax changes, welfare and work and pensions, energy caps, housing and spending review. There had been no announcement on AHP capital spending cuts.

22/11/22 *Social housing rent cap 2023-24:* as updated by the Chair, the rent cap for low cost rental accommodation announced in the Autumn Statement, and consulted on, has been set by DLUHC at a maximum of 7% for 2023/24. There is an exemption for Supported Housing. The sector has also committed to hold LCHO rent increases at 7%.

23/11/22 *Ministerial appointments: NOTED.* Baroness Scott has been involved with the Social Housing (Regulation) Bill in the Lords, and understands the work of the regulator.

24/11/22 *Social Housing (Regulation) Bill* – Government amendments planned for Committee include: (i) inspections (including fees provisions) (ii) emergency remedial action (equipment left on premises) (iii) reversal of energy demand strategy amendment voted on in the Lords. The Committee stage is likely to last till mid December, but the Bill is moving at pace.

25/11/22 *LUHC Committee:* the Committee's report of its inquiry into exempt accommodation had recommended that all exempt accommodation providers be registered providers, which, if implemented, could result in us regulating an additional cohort.

The request for inclusion of links to key documents in these slides will be addressed by the team.

JB

26/11/22 The updates on the Supported Housing (Regulatory Oversight) Bill and Grenfell Public Inquiry were NOTED.

27/11/22 *Stakeholder engagement and media:* there continues to be a high level of good and positive stakeholder engagement. The viability of RPs is high on stakeholders' agendas during these discussions. The Board asked that they are kept sighted on feedback from these discussions.

JW

8 Operations update

28/11/22 Members had NOTED the update. ML advised members of the potential impact that this year's more intensive stability check work may have on the delivery of the 2022/23 IDA programme. It is likely that the completion of some IDAs will fall into 2023/24 with April/May publications.

29/11/22 *Stability Checks:* ML outlined the expected programme of publications from stability check work.

30/11/22 ML advised that it's anticipated that by the end of the stability check programme around 50% of large providers would have V2/V3 grades, up from around 35% before 2022 stability checks.

9 Consumer regulation update

- 33/11/22 Members had NOTED the updates in the paper on outcomes of CRPB and stakeholder engagement. KD advised that the format of reporting has changed to provide a more strategic view. Work on rolling out the pilot assessments from January onwards is progressing well.
- 34/11/22 Three regulatory notices were issued since the last report to Board, which were for London Borough of Redbridge, Great Yarmouth Borough Council and Newark and Sherwood District Council.
- 35/11/22 *Engagement:* This has been a busy period of engagement with external stakeholders and the interest in the regulator and our approach continues to be high. We continue to share developments in our consumer regulation model, trailing the need for the sector to prepare for the changes and speaking about what is next in the development of the new operating model. The sector continues to engage positively and there is a lot of interest in our work from tenants and tenant groups. There is constructive and positive involvement following the publication of the TSM decision statement in September, from involved social housing tenants.
- 36/11/22 Members were interested in numbers of self-referrals from LAs, and assurance was given that we are working with them to build relationships and encourage similar levels of self-referral and openness as we have with PRPs.

10 Investigation and Enforcement update

- 37/11/22 HB presented his paper and explained the new format. The paper was taken as read, and he highlighted the following:
- Gradings Under Review – NOTED.*

11 Finance and Corporate Services update

- 41/11/22 RBP presented the paper which was for NOTING. There were no concerns and the forecast had been updated in September with forecast revenue spend reducing to due to the release of contingency budgets and updates to the staff cost forecast. Overall non-pay cost variances are favourable versus budget. In response to a query to the forecast of lower L&S spend, RBP confirmed that this related to a large budget when we went standalone, and subsequent hiatus whilst we transferred from Civil Service Learning and gave assurance that L&D spend is not being held back.

12 Q2 Performance report

- 42/11/22 *Strategic Risk Register:* JOM joined the meeting and presented the Q2 performance report and Strategic Risk Register (SRR). This was the new version of the SRR and since the scores were last agreed, there were now seven risks above appetite which is an increase of one. These had been discussed by ARAC at their last meeting. Given the number of risks above appetite ARAC has requested that the team identify any tipping points that would occur if multiple risks emerge at once. This will be brought to January ARAC. The Board were asked to accept a risk tolerance score set at the current controlled score for those risks where we do not consider further mitigating actions are in our control. This will enable us to focus on those risks where we can more effectively mitigate the risk. The Chair of ARAC confirmed these were reviewed at ARAC

and added that some risks relating to non-compliant providers are volatile, so these will be monitored closely. We will also closely monitor risks where we have more limited control. There was some concern at setting a risk tolerance above appetite, but this was discussed, and members were assured.

43/11/22 In respect of risks linked to reputational damage, these will be picked up as part of the stakeholder expectations risk which can sometimes be outside our control. We need to maintain a balance of efforts in relation to risks where we have limited controls, whilst also assuring board that we are doing all we can to be aware of these risks and mitigate them down as soon as possible. The team will consider this further and bring back to ARAC.

13 Registration decisions

44/11/22 Members NOTED the report.

14 Private Finance update

45/11/22 Members thanked WP for the paper which had been NOTED.

15 Consumer Regulation case review

46/11/22 Members discussed the recent case involving Rochdale Boroughwide Housing (RBH) and the tragic death of two-year-old Awaab Ishak. Members had been sent a briefing note following the coroner's findings which set out our handling of the case to date. In addition, members were advised that a letter had been sent to CEOs of all RPs to highlight their responsibility to take action in protecting tenants from hazardous damp and mould within their homes. SoS Michael Gove has also written to Council leaders and social housing providers to assess their properties. The CEO of RBH had resigned.

50/11/22 The Board asked that management provide them with regular updates on the case.

16 Any other business

51/11/22 There were no other matters to discuss.

17 Review of meeting/papers

52/11/22 All papers were of very high quality and had been discussed.

Date of next meeting: 23 January 2023