



PUBLIC MINUTES
of the Board meeting
on Tuesday 24 January 2023
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
Simon Dow (SD)	
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
Will Perry (WP)	Director, Strategy
Maxine Loftus (ML)	Director, Regulatory Operations
Emma Tarran (ERT)	Assistant Director, Head of Legal and Company Secretary
Jim Bennett (JB)	Assistant Director, Policy and Communications
John O'Mahony (JOM)	Assistant Director, Corporate Services
Anna Furlong (AF)	Head of Regulatory Framework

Minutes

Christine Kitchen (CK)	Board Secretary
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1 Welcome and apologies

01/01/23 There were no apologies.

- 2** **Declarations of Interest**
- 02/01/23 There were no new declarations of interest.
- 3** **Confidential and Public minutes of the last meetings**
- 22 November 2022
- 03/01/23 The confidential and public minutes of the Board meeting on 22 November 2022 were APPROVED, subject to minor amendments.
- 4** **Matters arising – Members NOTED the actions.**
18/11/22 - June Board meeting will be in Manchester.
29/07/22 - Larch – members were updated on this case. Larch have appealed to the Court of Appeal. They were removed from the register in December 2022, following the High Court dismissing their appeal and prior to their appeal to the Court of Appeal.
31/06/22 - Board effectiveness: N&GC to oversee the programme. RBP advised that we had sent out six ITT's and got one bid from the Good Governance Institute. Following a successful interview, it was AGREED that they will be appointed. They intend to attend the board meetings in May and June and the ARAC in April. They will also meet with every board member before they produce their report. The Chair advised that the next external effectiveness review after that will be carried out once consumer regulation is embedded in the organisation.
- 5** **Board forward planer**
- 04/01/23 This was NOTED. The March meeting will be a Board away-day and the venue will be in London.
- 6** **Chair's update**
- 05/01/23 *Board apprentice* – as part of the DLUHC Boardroom Apprenticeship scheme, an individual has been confirmed as the RSH board apprentice for one year. DG has agreed to be her "buddy" and both DG and BC have met with her; she is very enthusiastic. Once a confidentiality agreement has been agreed, she will attend the February meeting.
- 7** **ARAC report to Board**
- LB gave members an overview of the ARAC meeting.
- 06/01/23 *Auditor reports:*
The NAO reported on a change to their method of auditing. They highlighted the issue of their delay in pension reports being signed off. They had not yet provided an audit plan but advised this would be forthcoming. RH had suggested that management consider having a prepared statement to any queries or any media attention to the late filing of our accounts due to the delay in the audit of the pension schemes.
- 07/01/23 GIAA presented their progress report and the final audit report on the SLA transition, which got a Substantial rating, with just one minor recommendation.

- 08/01/23 *Risk register*
The committee discussed the IT risk which the GIAA agreed to pick up. The committee considered a paper and the policy on Counter Fraud Bribery and Corruption. Members discussed the risk of cyber fraud and asked management to consider this alongside the other areas flagged in the report. Management also AGREED to consider the addition of the risk of long term non-compliant providers to the risk register.
- 09/01/23 *In-depth assurance report*
Members received a very good paper on Organisational Development controls, and this will be shared with board colleagues as it provided a great deal of assurance and evidence of good practice.
- 10/01/23
BC thanked the Chair and the committee members for their continued level of challenge and rigour and the high levels of assurance provided to the Board.
- 8 Deputy Chief Executive update:**
- General update:**
- 11/01/23 *Accounting Officer meeting:* took place in December. The main points of discussion were the setting of fees for consumer regulation and the issues of damp and mould.
- 13/01/23 *DLUHC Committee appearance at evidence session – 6 February:* The Committee wishes to follow up on their report into the Regulation of Social Housing, RSH's response, and action taken since the coroner's verdict. It is specifically to inquire further into action RSH has taken to address some of the issues associated with Awaab Ishak's death. The Committee has requested that we share with them our findings from provider's information on assessments of properties and further information in relation to damp and mould.
- 15/01/23 *Work on Damp and Mould issues:* covered in a separate report.
- Policy updates: Sector Developments**
- The Better Social Housing Review Report (December 2022)*
- 16/01/23
Members discussed this report. Members noted that this is an area that we will need to keep a close watch on and encouraged continuing discussions with stakeholders. It was AGREED that we should consider reinstating meetings with Chairs of registered providers (which had ceased during lockdown) as these were a useful forum for two-way information exchange.
- 17/01/23 *Government response to the coroner's report and building and fire safety:*
Members NOTED the updates provided in the annexes.
- 18/01/23 *Summary of Stakeholder feedback:*
KD advised Members that we continue our engagement and feedback from those that attended was positive. Tenants are giving us feedback on the issues they are facing and trust that we will feed these back to landlords. Chairs appear to be taking on board the messages we are putting out on our consumer regulation implementation plans which they will have further opportunities to feed

back on. Concerns from funders have increased somewhat in relation to the political interest in the sector and consumer regulation.

Operations Update:

19/01/23 Members NOTED the update and ML advised that the stability checks were completed but there is still work to be done, but good progress is being made. There are some strong G1/G2 RP's and operations are in discussion with I&E on the weaker providers. ML provided further background on the RJ's issued following IDAs since the last report to Board. Operations and I&E continue to monitor and engage with the providers to ensure progress is being made against these plans.

20/01/23 ML gave assurance to members that we are engaging with providers with reducing viability grades. Where these concerns are greater, we are in more intensive engagement including discussions about whether mergers/takeovers are on the agenda for the provider. LB enquired whether we are concerned that providers who step up to take on additional stock could end up in trouble themselves, but ML advised that there are large regional providers who are keen to break into the London market and they usually have strong viability.

Consumer Regulation casework:

21/01/23 Members NOTED the updates and KD advised on specific areas.

22/01/23 There appears to be a pattern appearing in respect of failure of landlords completing gas safety checks, but it is unclear at the moment if this is just an issue in LAs or across the sector. Our standards on various H&S areas will help to build resilience in organisations to deal with these issues. When asked KD said that it is unclear if these failures are a result of delays caused by covid or just poor systems and processes to keep records up to date by gas companies. Landlords often think that checks are happening as they should, and uncover issues when asked for evidence of compliance, but we continue to monitor all areas of H&S compliance and take action where appropriate.

23/01/23 Damp and mould referrals from tenants and self-referrals continue to be assessed as part of our consumer regulation but where the complaints relate to individual disputes with landlords we signpost the Housing Ombudsman. Lessons learned for April.

Investigation and Enforcement update:

24/01/23 Members NOTED the updates. HB updated on the following individual cases:

25/01/23 *Swan Housing Association:* the proposals are in the final stages of agreement. There is no completion date set as yet.

26/01/23 *Rochdale Boroughwide Housing:* RBH were issued with an RJ and RN and downgraded to G3.

28/01/23 *Heylo:* There is some complexity, with funding, and we continue to work with them to try and resolve the issues.

Performance:
30/01/23 JW gave assurance that board approval would be sought before any changes to standards are implemented. All other changes to targets were NOTED.

31/01/23 All other updates on Policy, Publications, Media and Stakeholder engagements were NOTED.

9 Chief Executive Delegations

32/01/23 ERT presented the paper which was seeking Board approval to an extension of their previous decisions at the board meetings in March, April and July 2022, to extend certain of the Chief Executive's delegations to the Deputy Chief Executive. The delegations are broadly the same except for the Delegation Period which commences at the date of this resolution, and ends at the earliest of:

- i. The date on which the Board revokes this authorisation;
- ii. 31 March 2023;
- iii. The last day on which the current DCE holds office as DCE.

33/01/23 The Board APPROVED this resolution.

10 Corporate Plan – first draft

34/01/23 JB presented the paper which set out for the Board the scoping work done so far to refresh the Corporate Plan to cover 2023-26. A complete root and branch review of the plan is scheduled for the next publication for 2024-27 which will coincide with the implementation of consumer regulation. This refresh set out framing questions considered by the Executive Team and also looked at key drivers of change for the regulator's operating environment over the three-year period of the plan.

35/01/23 JB explained the diagram in the paper which showed the mapping of drivers in what is a very active sector. Some directions of travel, such as increased consumer regulation, is a clear expectation, but there are other factors: rents, the housing market, income levels falling, rising inflation, pressure on staffing, a skills shortage, lack of resources and supplies, political drivers, and the cycle of de/re-regulation which are less certain.

36/01/23 The macro-economic position is also difficult to predict, and there is some uncertainty to factor in.

37/01/23 Members thanked JB for the very helpful overview and agreed it was a comprehensive list of drivers. Suggestions from members were to make it very clear that this is a refresh, and a comprehensive review will take place in the next iteration to reflect consumer regulation. We should stress that we are continuing to improve and build on what information we have and show confidence in what we do. Review the tone of our narrative to be more robust in reflecting our approach to co-regulation and that we understand the sector.

38/01/23 JOM picked up the refresh of the corporate priorities and strategic objectives. As with the overall Corporate Plan the intention is to do a more fundamental review next year. Members provided some feedback on the wording which will be incorporated in the draft of the Corporate Plan which will come to Board in February.

- 39/01/23 Next steps:
- Amend to incorporate comments from the Board
 - Paper to Board in February for sign off (document to be sent with track changes)
 - Submit to the Department for their sign off
 - Publish

40/01/23 Work will start early on the refresh of the Corporate Plan for 2024-27.

11 Review of Rent Standard

41/01/23 AF joined the meeting and JB gave Members an explanation for the need for the new 2023 rent standard which will sit alongside the existing 2020 standard as this one will only apply for one year.

42/01/23 The Government consulted on the rent cap and opted for a 7% cap, being mindful of the impact of a lower cap on the sector. Following this decision, we were directed to set a standard and the paper set out the drafting and implementation process. The Secretary of State directed us to dis-apply our duty to consult on this standard and we have considered the legal implications of this direction. ERT provided some additional advice on the legal risks. The paper is proposing that the Board AGREES to us publishing the 2023 standard.

43/01/23 LB asked how we intend to communicate why we are introducing the standard this way and whether the providers with homes which are outside the scope of the standard understand the basis of the exemptions. JB confirmed that we have had good levels of engagement with the sector on this and a number of providers had engaged with the consultation. The 7% cap and policy are well understood and whilst it does add another level of complexity to rent setting, they have to implement the change. BC asked if we are prepared to deal with errors in reporting and management confirmed that errors happen, and we are used to picking these up.

44/01/23 DG asked for clarity on whether the 2023 standard will automatically fall away at the end of the year based on a particular cross-reference in the document. JB/AF will check this.

45/01/23 BC said that we need to be prepared for future changes on rent regulations. Management agreed and reported that we have been in discussion with DLUHC for some considerable time about policy for social housing rents from 2025 onwards.

46/01/23 The Board APPROVED the standard and AGREED the recommendation set out in the paper.

12 Update on project to revise RSH fees regime

47/01/23 RBP presented the paper which set out the need to develop and consult on the principles for a new RSH fees regime and determine appropriate fee levels, including fees associated with our proactive consumer regulation role. The Social Housing (Regulation) Bill will grant the regulator amended powers to charge fees and we will move from charging at the point of initial registration to charging for considering a registration application. We will also be able to charge fees to cover certain costs which previously needed to be funded through grant in aid.

49/01/23 The next step is for our proposals to be approved by DLUHC and Treasury to set the fees before we can go to consultation. The timing challenges inherent in waiting for such approval and consulting were noted. The Board thanked RBP for a comprehensive and informative paper and will be kept advised on progress.

13 Consumer regulation delivery update

50/01/23 WP presented the paper which set out for members what is in the Bill, how it is progressing through the Commons Committee and Report stages and the implications of implementation for the RSH.

51/01/23 One amendment to the bill (Energy demand strategy) was reversed at Committee stage. Opposition amendments considered included new standard setting powers in relation to mandatory qualifications for RP staff, however alternative solutions are being considered. Extending RSH objectives to include supported exempt accommodation and mandating inspections of RPs to take place every four years are the areas we are most involved in.

53/01/23 Delivery of the complete standards package is dependent on the Bill receiving Royal Assent and the Secretary of State making the necessary directions. The timing of these is currently uncertain. We will then need to consult on new standards incorporating this direction to meet 1 April 2024.

54/01/23 Members noted the background to the establishment of an Advisory Panel. We will continue to work on the constitution, roles and responsibilities and membership of this panel to ensure we carry out our duties.

55/01/23 The draft standards on tenancy, transparency and accountability to tenants, neighbourhood and community and safety and quality were shared with members for information.

56/01/23 The Board NOTED the update.

14 Update on damp and mould reporting

57/01/23 WP presented the preliminary results of the survey which were based on the four areas set out in the SoS's letter to the sector. We had an excellent response rate by the closing date of 19 December 2022 and the responses were mainly narrative and some with supporting documentation reflecting the structure of the questions. There have been nine self-referrals to date following the survey.

58/01/23 The report provides a very high-level assessment of the responses and members noted that this was not the same as an assessment of a provider. We have not yet engaged with any RPs as some of the responses are likely to reflect their understanding of the questions and we need to do further assessment of the data they have provided. Members noted the scoring method we have used to assess the responses, and the variability of content. The report set out for members our scoring and showed results on assurance/oversight, records/surveying, identifying/responding, and tracking/monitoring. Responses had been graded good, acceptable, or poor in each of these areas: most providers were at least acceptable in most areas, though around a quarter had four or more areas graded poor. Better responses showed a strong understanding of the stock, effective stock condition surveys and clear case

management and escalation routes. While there were good and poor examples from both PRPs and LARPs, responses from LARPs were generally weaker and provided less detail. This may be due to a lack of familiarity with our engagement

59/01/23 While there was inconsistency in how hazard figures were reported, we estimate that only a small number of properties have very serious, category 1, damp and mould hazards, but a larger number have at least some evidence of damp and mould.

60/01/23 Next steps:

- Publish our initial findings w/c 30 January. BC asked that there is an informal discussion with the Board on the comms plan.
- Fuller more comprehensive report in April once we have filtered out the providers that warrant further engagement.

15 Any other business

61/01/23 There were no other items of business.

16 Review of meeting/papers

62/01/23 Very comprehensive set of papers and good discussion.

Date of next meeting: 21 February 2023