



PUBLIC MINUTES
of the Board meeting
on Tuesday 20 February 2024
PG49, 2 Marsham Street

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

In attendance

Jonathan Walters (JW)	Deputy Chief Executive
Harold Brown (HB)	Senior Assistant Director, Investigation and Enforcement (SADI&E)
Will Perry (WP)	Director, Strategy
Richard Peden (RBP)	Director, Finance & Corporate Services – via MS Teams
Karen Doran (KED)	Director of Regulatory Engagement (PRPs)
Angela Holden (AH)	Director of Regulatory Engagement (LARPs)
Mark Smith (MS)	Senior Solicitor – attended for Emma Tarran
Simon Turner (ST)	Senior Solicitor – attended for Emma Tarran
Angela Maher (AM)	Assistant Director, CE's Office – via MS Teams – for items 7 & 8
Jim Bennett (JB)	Assistant Director, Policy, Strategy and Impact – for items 7 & 8
John O'Mahony (JOM)	Assistant Director, Service & Performance – for item 8
Sandy Pacek (SP)	Head of Performance Management – via MS Teams for item 8
Claire Wilde (CW)	Head of Policy, Strategy and Impact – via MS Teams for item 8
Jenny Allen (JA)	Head of Policy, Strategy and Impact - via MS Teams for item 12
Vicky McDermott (VMcD)	Assistant Director – Investigation and Enforcement

Minutes

Christine Kitchen (CK)	Board Secretary
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- 1 Welcome and apologies**
- 01/02/24 There were apologies from executives, Kate Dodsworth and Emma Tarran.
- 2 Declarations of Interest**
- 02/02/24 There were no new declarations of interest.
- 3 Minutes of meeting 16 January 2024**
- 03/03/24 The confidential and public minutes from 16 January 2024 were considered and subject to minor amendments, these were AGREED.
- 4 Matters arising**
- 04/03/24 NOTED.
- 5 Board forward planner**
- 05/03/24 NOTED.
- 6 Chair's update**
- 06/02/24 BC updated members on the following:
- *NED recruitment update*: NOTED.
 - *Upcoming General election*: The Chair took this opportunity to remind members to be aware of their activity on social media and to consider, and if necessary, refresh their conflicts of interests and to be conscious of their position as board members of the Regulator.
 - *Preparedness for 1 April*: . Staff have worked very hard to prepare the organisation for consumer regulation. There are a lot of new staff who have been recruited and inducted and training has been rolled out to them and existing staff, pilots have been undertaken and lessons learned, and everyone is ready to start. The Chair noted that it will take time for the new regime to bed down and for the sector to get used to the new regulation. It will also take time before we will begin to see trends. She asked members to continue to provide constructive challenge, but also to be supportive to management and staff.
 - *NED renewal of contracts and annual performance appraisals*: in addition to the renewal proposals in the governance update paper for two members of the board in March and April, three other members of the board are approaching the end of their first terms as board members in June 2024. In addition, all members will be contacted for dates for their annual appraisal. The Chair asked that members are co-operative in providing their availability for appraisal meetings and to provide feedback.
 - *Board papers*: members were asked to consider whilst reviewing board papers, strategic themes which can be taken forward for discussion at the strategic board meetings either across the whole business or in specific areas. Consumer regulation is one such area where emerging themes or trends in future reports could highlight areas for the board to discuss in more detail.

- 7 Deputy Chief Executive's update**
- 07/02/24 JW flagged the new format of the DCEO update and provided updates on the key issues listed in slide 1 of the pack:
- Key issues**
- 08/02/24 *Department of Levelling Up, Homes and Communities (DLUHC) consultations:*
- 09/02/24
- *STAIRS (Social Tenant Access to Information Requirements formally ATIS)* – discussions on-going.
- 10/02/24
- *Awaab's Law:* consultation on part of the law is progressing and closes on 9 March.
- 11/02/24
- *Decent Homes Standard (DHS):*
- 12/02/24
- *Competency and Conduct (Professionalisation):* Following consultation, there will be a direction to us. The consultation closes on 2 April.
- 14/02/24 It was AGREED that we should consider carefully our comms around boundaries between our and landlord responsibilities.
- 15/02/24
- *Rents policy:* confirmation from Government of the position for 2025/26 is awaited by the sector.
- 16/02/24 In rounding up the discussions, the Chair concluded that there are a number of Government consultations on-going which is having an impact on the sector. Whilst we will be directed on the outcomes of these, we need to look carefully to ensure there are clear boundaries between us and other regulators as to our regulatory remit.
- 17/02/24 *Consumer Standards:*
The comments from the last review have been reflected in the report and the documents are ready for publication on time on 29 February 2024. The Chair thanked all the staff and executive involved in getting the standards and supporting documents ready on time and the Board for their input. In response to a question about the preparedness of the sector it was noted that it was likely that not all providers will be fully ready from the outset. However, the engagement we have had with the sector has been positive and the pilots have worked well. Many providers will be ready, but there are a number of different and new areas of focus and there will be learning for us and our staff as well for the sector. Management gave the Board assurance that they will be kept informed on progress and on any themes coming out of inspections.
- 18/02/24 *Second fire safety remediation survey:* there was an improved response rate and quality of data provided. We have done analysis and will report at provider aggregate level.
- 19/02/24 We are separately consulting and liaising with the Building Safety Regulator (BSR)

20/02/24 *Stakeholder engagement:* there has been a lot of discussion with landlords and whilst the sector is financially stable, there are significant pressures impacting on business plans. Engagement with tenants has been positive with a good level of understanding on our role and that of landlords. The Chair asked about getting assurance on the effectiveness of our QA and QC processes in managing risks around consistency in delivering inspections and on evidencing our regulatory decisions in the context of our enhanced consumer regulation. KED said that the training to staff has been focussed on exactly this and that we are increasing the range and frequency of supplementing our QA and QC activity. It was acknowledged that the triangulation of evidence to underpin assurance that providers are delivering the outcomes in regulatory standards can be difficult and there will need to be clear messaging to providers and stakeholders while processes bed down.

21/02/24 *Organisation preparedness for 1 April:* still things to do, but in the main we are on track and staff are eager to get started. Management was asked to be conscious that whilst staff might be enthusiastic, it is natural for not everything to go as expected once implementation starts and important that staff feel supported to deal with this as it arises. AH acknowledged this was a good reminder and this would be explicit in our internal communications and training.

22/02/24 In response to whether our work or publication of key documents might be impacted on by election purdah, assurance was given that as in previous purdah periods, we have been able to carry on with business as usual publications such as regulatory judgements and as long as the rules don't change we anticipate we will do the same this time. It was acknowledged that we are mindful of the particular circumstances of LAs however this would not stop us publishing where we are able to.

8 Corporate Plan

23/02/24 FM introduced the paper and the Corporate Plan which is due to be submitted to DLUHC for Ministerial sign-off at the end of February. Previous comments from Board discussions have been reflected in this version of the plan. FM flagged to members that it is an important document to the organisation, and we are committed to having a three year plan.

24/02/24 Members NOTED the decision to reduce the number of objectives from five to four, by merging the following two objectives: *Understanding the sector* and *Supporting the sector*, as it was felt that there was a lot of overlap in the narrative of these, so combining the two will give an overarching narrative which is *driving improvement* in the Sector. As we are embarking on integrated economic and consumer regulation, we will need to balance this message both internally and externally. We have tried to make this Corporate Plan more accessible in language but without losing the emphasis of our statutory objectives and technicality of the legislation we operate under.

25/02/24 There was a discussion about how we will measure our success and achievements and it was acknowledged that quantitative measures will be difficult especially in Year 1, however we can look to use data, if available and relevant, from the first year as the baseline for the future. It was AGREED that we should consider having a Board discussion/teach-in on how we can do impact assessments of inspections.

KED

26/02/24 JB and JOM were content to take the paper and the plan as read, and the Chair invited discussion and comments:

- *Sector environment Performance indicators*

27/02/24 The Chair thanked officers and members for their comments. It was AGREED that comments will be reflected in the next iteration of the plan. The Board delegated final sign-off to CEO and DCEO.

9 Governance update

28/02/24 MS presented the paper. The Board was invited to consider amendments which are proposed to take effect from and including 1 April 2024 to the following:

1. **Board Scheme of Delegated Authority** and the proposed amendments largely relating to:

- certain provisions of the Social Housing (Regulation) Act 2023, the Charitable Incorporated Organisations (Notification Requirements: Social Housing) Regulations 2023 and the Social Housing (Regulation) Act 2023 (Consequential and Miscellaneous Amendments) Regulations 2024 legislation which are expected to come into force on or before 1 April 2024;
- delegating some existing powers to additional or replacement officers (e.g. further to the restructuring of staff roles in the run up to 1 April 2024, or in the general interests of delegating powers to reflect the strategic role of the Board); and
- other miscellaneous amendments and updates (e.g. to improve clarity).

The Board APPROVED and ADOPTED the Amended Board Scheme of Delegated Authority to replace in its entirety the current Board Scheme of Delegated Authority, with effect from and including 1 April 2024 (the Effective Date); provided that the Relevant Provisions come into force on or before the Effective Date.

29/02/24 2. **Appeals Scheme:** agreeing the Appeals Scheme is a matter reserved to the Board under the Board Scheme of Delegated Authority and is proposed to continue to be reserved to the Board under the Amended Board Scheme of Delegated Authority. It is proposed that the Appeals Scheme be amended with effect from 1 April 2024 to include:

- changes proposed in view of certain provisions of the Social Housing (Regulation) Act 2023 which are expected to come into force on or before 1 April 2024;
- clarifying that the scope of the Appeals Scheme is limited to a defined list of decisions to provide greater certainty for stakeholders and the regulator; and
- adding or removing certain decisions to or from the defined list.

The Board APPROVED and ADOPTED the Amended Appeals Scheme to replace in its entirety the current Appeals Scheme with effect from and including the Effective Date (1 April 2024); provided that the Relevant Provisions come into force on or before the Effective Date.

- 30/02/24 3. **Schedule of Authorised Signatories:** The Board last agreed amendments to the Schedule of Authorised Signatories in September 2023, in part to reflect the creation of the roles of Chief of Regulatory Engagement and Director of Regulatory Engagement in the run up to 1 April 2024. It is now proposed that the Schedule of Authorised Signatories be amended with immediate effect, to reflect that the roles of Director of Consumer Regulation and Director of Regulatory Operations have now ceased to exist.

The Board APPROVED and ADOPTED the Amended Schedule of Authorised Signatories with immediate effect, to replace in its entirety the current Schedule of Authorised Signatories

- 31/02/24 4. The Board was asked to note that no changes to the Scheme of Financial Delegations are proposed.

- 32/02/24 5. The Board was invited to consider the following proposed appointments:
- a. AGREE to APPOINT **Deborah Gregory** as the Deputy Chair of the Board, with effect from the earlier of 16 April 2024 or the day after the date on which Paul Smee's appointment as Deputy Chair of the Board ends, on terms that such appointment will come to an end (unless terminated earlier by the Board) at the earliest of 31 August 2025 or the date on which she ceases to be a member of the Board;
 - b. AGREE to APPOINT Deborah Gregory as the Chair of NRC, with effect from the earlier of 16 April 2024 or the day after the date on which Paul Smee's appointment as Chair of NRC ends, on terms that such appointment will come to an end (unless terminated earlier by the Board) at the earliest of 31 August 2025, the date on which she ceases to be a member of the Board, or the date on which she ceases to be a member of NRC; and
 - c. DELEGATE authority to the Chair of the Board to sign letters of appointment to effect the agreed appointments set out at paragraphs a) and b) above.

All of the above were AGREED.

- 33/02/24 a. AGREE to RE-APPOINT **Liz Butler** as a member of ARAC, with effect from and including the start date of her Extended Appointment, on terms that such re-appointment shall come to an end (unless terminated earlier by the Board) at the earliest of the end date of her Extended Appointment or the date on which she ceases to be a member of the Board;
- b. AGREE to RE-APPOINT Liz Butler as the Chair of ARAC, with effect from and including the start date of her Extended Appointment, on terms that such re-appointment shall come to an end (unless terminated earlier by the Board) at the earliest of the end date of her Extended Appointment, the date on which she ceases to be a member of the Board, or the date on which she ceases to be a member of ARAC; and
- c. DELEGATE authority to the Chair of the Board to sign a letter of appointment to effect the agreed re-appointments set out at paragraphs (a) and (b) above.

The Board's AGREEMENT was made, subject to the Secretary of State confirming Liz Butler's Extended Appointment.

- 34/02/24 a. AGREE to RE-APPOINT **Richard Hughes** as a member of ARAC, with effect from and including the start date of his Extended Appointment, on terms that such re-appointment shall come to an end (unless terminated earlier by the Board) at the earliest of the end date of his Extended Appointment or the date on which he ceases to be a member of the Board; and

- b. DELEGATE authority to the Chair of the Board to sign a letter of appointment to effect the agreed re-appointment set out at paragraph (a) above.

The Board's AGREEMENT was made, subject to the Secretary of State confirming Richard Hughes's Extended Appointment.

10 Finance and Corporate Services update

35/02/24 RBP presented the shorter report and took the paper as read. He advised that we were trading positive to budget and gave assurance that the overspend on the admin element of our budget allocation, will be evened out at year end. The Chair of ARAC flagged the single biggest variance figure is described as "other costs" and asked that this is unpacked in future reports. RBP explained that the costs related to one-off type costs but AGREED to provide more detail.

11 Performance and Risk Q3 update

39/02/24 RBP presented a revised report and invited comments on the layout and contents of the report. He advised that the Strategic Risk Register had been reviewed by the Executive and ARAC and he picked out the two controlled score reductions, on single provider failure and implementation of proactive consumer regulation. This means that the single provider failure risk is now back at appetite and proactive consumer regulation remains at appetite for now but likely reduce as the recruitment and induction of staff starts to have an impact.

40/02/24 AH was asked to explain the RED risk in relation to Stage 2 - economic service standards and she explained that this was nothing serious but rather a single point of failure in the process of responding to a case within the 20 day response period. It was agreed that a bit more narrative on the circumstances of these cases would be helpful.

41/02/24 The NROSH risk is also being managed as we have got through the pressure point in our reporting cycle and recruitment is underway to strengthen the team.

12 Fees consultation decision statement

42/02/24 JA joined the meeting and invited questions from members. Members were given assurance on the following areas:

- 43/02/24
- Forthcoming election – a change in Government is unlikely to impact on our fee charging as it would have a real cost impact on Government if they were to retract and would be a substantial risk to them . However, it was agreed that this point would be brought up at the AO meeting later.
 - LA concerns on being charged fees –.
 - Cross-subsidy – confirmed that there are no risks of this as the costs allocations have limited cross over in roles. RBP confirmed that this area will be the subject of an internal audit and reported for April's ARAC meeting
 - Rebates – RBP confirmed this will continue for now, but we will discuss the potential for carrying-forward credits rather than making rebates each year.
 - The Chair asked that the language in para 11(a) be reviewed.

44/02/24 There were no further questions or comments and in summing up, the Chair confirmed that a robust consultation process had been completed. The consultation outcomes have been considered and changes implemented. On that basis, the board APPROVED the decision statement and delegated final sign-off to CEO or DCEO.

13 S215 consultation outcomes

45/02/24 HB and VMcD introduced the paper which members took as read, and assurance was given that the responses/feedback to the consultation have been addressed and members were asked if there were any other queries.

46/02/24 HB advised that the 10% of respondents that had not responded positively related to a misunderstanding of the legislation. HB also explained the background to the definition of Power to Appoint came from the legislation and we would work with that definition. In respect of the triggering of a re-classification, again this is from legislation, while it does not trigger a re-classification of the sector, it could lead to individual providers being reclassified where we use our appointment powers, depending on numbers of members.

49/02/24 There were no other queries, the board APPROVED the content of the Decision Statement and DELEGATED the final sign-off to any one of the CEO, DCEO or CoRE.

14 Investigation and Enforcement update

50/02/24 HB introduced the paper which was a slightly different layout although the annex is still quite detailed. Future papers will draw out themes and core messages which will drive future agendas. The paper was taken as read and HB picked out additional updates:

51/02/24 *Octavia*

52/02/24 *Project London*

53/02/24 *Lease Based Providers:* the April board discussion will be on long term non-compliance cases.

54/02/24 *Auckland Home Solutions:*

55/02/24 Members were looking for more discussion on a thematic assessment of the various potential new models and HB confirmed that this will be picked up as part of the April board discussion.

HB

15 Regulation Engagement update

56/02/24 KED introduced the paper which covered both Economic and Consumer regulation. She advised that good progress is being made on the Operating Model which will include management information and new reporting from Dynamics. The update report to Board will in time carry more metrics and thematic information.

58/04/24 *Consumer regulation (LARPs):* AH reported that the number of referrals continues to be on the increase and likely to continue. We are however, better resourced to deal with the increase but it is early days to know exactly what the impact of this increase will have on us. In response to a query on the nature of these referrals, AH confirmed that they are not “group” referrals but mainly individual referrals. In respect of resolution of stage 3 cases, AH confirmed that most are resolved within response timescales, but can vary depending on the complexity of the case. Reporting is via the performance report which shows the target as Green, and we will continue to report on this quarterly.

59/04/24 AH was asked whether we share information with the sector on issues such as fire risk assessments and she confirmed that when we issue regulatory notices, these usually act as a prompt to providers and specifically where these or other issues exist, we follow up if no improvements are seen. JW added that we do message the sector on any issues but have to maintain a balance between individual issues and the suite of publications that we publish on meeting standards. We are considering our communications with the sector and can include this point into our thinking.

60/04/24 There was a discussion about the volume of LAs particularly those in category 1 referred to in the report. AH gave assurance that we work with providers on their action plans and follow up on these on a regular basis. The level of engagement will vary, and board asked that we look at the aged profiles of cases and pick up on any trends and getting assurance on material risks including those to tenants. It was confirmed that board will be interested in continuing to see data on case stratification in future reports. Members thanked KED and AH for the report and agreed the structure of the paper was good.

16 Registrations decisions

61/02/24 The paper was NOTED. AH gave members an update.

17 Ofsted lesson learned

62/02/24 Members NOTED the report which KED reported had been a useful exercise. The findings showed that the culture of an organisation is especially important, and our mapping exercise has shown that as we are getting bigger, it will be important that we have a system to check on our controls and methods of handling issues, a number of which are addressed in our operating model. Members acknowledged the culture point, but also stressed the importance on ensuring we are regularly checking on staff welfare and reinforce our messages on culture, values, and behaviours. It was confirmed that staff have had and will continue to be able to access training from MIND.

18 Any Other Business

63/02/24 There was no other business to discuss.

19 Review of papers

64/02/24 Papers were informative and good standard as usual.

Date of next meeting: 19 March 2024 – away-day Friends House, Euston