



PUBLIC MINUTES
of the Board meeting
on Tuesday 19 November 2024
PG46, 2 Marsham Street

10 Remote and virtual participation

10.1 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 Board 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.

10.2 A meeting shall be deemed to take place where the largest group of those Board 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
Jo Boaden (JBo)	Via MS Teams
Kalpesh Brahmhatt (KB)	
Liz Butler (LB)	
Deborah Gregory (DG)	Via MS Teams
Richard Hughes (RH)	
Sukhvinder Kaur-Stubbs (SK-S)	
Robert Light (RL)	
John Liver (JL)	
Fiona MacGregor (FM)	Chief Executive
Geoff Smyth (GS)	Via MS Teams

In attendance

Jim Bennett (JB)	Assistant Director, Policy, Strategy and Impact (item 7, 14 & workshop)
Harold Brown (HB)	Senior Assistant Director of Investigation & Enforcement)
Kate Dodsworth (KD)	Chief of Regulatory Engagement
Angela Holden (AH)	Director of Regulatory Engagement (LARPs)
John O'Mahony (JOM)	Assistant Director, Corporate Services (item 10)
Sandy Pacek (SP)	Head of Corporate Services (item 10)
Richard Peden (RBP)	Director of Finance and Corporate Services via MS Teams
Will Perry (WP)	Director, Strategy
Mila Simpson (MS)	Head of Policy, Strategy & Impact (workshop)
Emma Tarran (ERT)	Senior Assistant Director, Head of Legal & Company Secretary
Jonathan Walters (JW)	Deputy Chief Executive

Minutes

Christine Kitchen	Board Secretary
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- 1 Welcome and apologies**
- 01/11/24 RL and JL were introduced and welcomed to the RSH. There were no apologies from Board members. There were apologies from Karen Doran.
- 2 Declarations of Interest**
- 02/11/24 The Chair asked members to declare any new interests, or any interests relevant to the business of the meeting. JL declared his interests in respect of Barclays Bank UK PLC which have been recorded and in respect of which a conflicts management plan has been agreed. For this purpose, he will be recused for items 17 and 18. JBo's standing declaration was also noted and she will be recused for agenda item 18.
- 3 Minutes of meeting 15 October 2024**
- 03/11/24 The confidential and public minutes from 15 October 2024 were AGREED, subject to minor amendments.
- 4 Matters arising**
- 04/11/24 The updates against the actions were noted.
- 5 Board forward planner**
- 05/11/24 Members NOTED the forward planner.
- 6 Chair's update**
- 06/11/24 *NED recruitment:* BC advised that the latest round of NED recruitment is underway. The Ministry of Housing, Communities and Local Government (the department) Public Appointments Team (PAT) have advertised for up to five new Board members. BC and FM had met with the PAT team. Recruitment closes on 4 December.
- 07/11/24 *Board Teach-in:* BC stated that she wished to re-think these sessions with FM. All past teach-in recordings will be made available by the board secretary on request and will in time be available in a central information repository.
- 08/11/24 *Investor conference:* had been well attended. We talked about the financial position of the sector. Feedback was that our regulation and our view on governance is welcomed. There were a lot of questions about our regulation of LAs. Investors are keen to see our engagement with the new Government. SK-S who had attended added that her conversations highlighted that the RSH is held in high regard.
- 09/11/24 *Conferences:* members were reminded that the Social Housing conference is on 20 November 2024.
- 7 Chief Executive Update – JB joined the meeting.**
- FM provided the following updates:
- 10/11/24 *Ministerial engagement:* Members noted the roundtable FM had attended to discuss acceleration of building safety remediation.

- 11/11/24 FM, JW and KD had also met with Baroness Taylor of Stevenage who has taken over the sponsorship of RSH . The Baroness has a keen interest in social housing and is very focussed on the regulation of LAs and on tenants . She has requested a meeting to walk through what we do in an inspection. FM and KD had also met with Lord Best to discuss the Grenfell Phase 2 Inquiry report in advance of the Lords' debate on this topic.
- 12/11/24 *Budget/rent consultation:* JB gave members an overview of the impact of the Budget for social housing. There is also the spending review to come and the outcome of the consultation on a new rent settlement. After the MHCLG consultation, we will need to update the Rent standard in line with any changed Direction. Members were advised about the concept of convergence, which is where providers who have rents below formula are able to 'converge' via a mechanism which allows for above rent settlement increases. There is no such mechanism on in place at this stage. Providers are reporting that the increase in employer National Insurance contributions which was introduced in the Budget will have an impact, particularly for care and support providers.
- 13/11/24 *Fire Safety:* There have been various meetings to discuss MHCLG's work to develop a remediation plan for 11m plus buildings.
- 14/11/24 *Heat Networks:* JB advised that OFGEM have published two consultation documents regarding their upcoming regulation of the heat network sector. We continue to engage with OFGEM, the department and DESNZ on the proposals.
- 15/11/24 The other updates in the slide pack were NOTED and BC stressed the importance for us to maintain a good relationship with other regulators with so much going on where there is a potential for overlap in our remits.

8 ARAC annual report to the Board

- 16/11/24 LB presented the formal annual ARAC report to the Board for NOTING. The paper had also included the audit report from GIAA, our internal auditors which was a positive report. LB reported that the latest position was that the 2022-23 accounts are close to being signed off by the Comptroller General. The 2023-24 audit has been delayed as a result of resource issues at the NAO, however it was expected the ARA will be presented to ARAC in January 2025.
- 17/11/24 BC recorded the thanks of the Board and Executive for the report and for getting the 2022-23 ARA to its current position.

9 Finance and Corporate Services update

- 18/11/24 RBP presented the paper and the management accounts. Members were asked to note the budget has been updated to reflect the Supplementary Estimate (SUPPS) Budget request. As RSH moved to 100% fee funding from Q2 onward any underspend in Q2 onwards will result in a corresponding reduction in income, leading to a net-zero impact. RH suggested the layout of the table would benefit from a column to show the pre-adjusted figures: RBP to action Members NOTED the remainder of the report.

RBP

10 Q2 Performance and Risk update

- 19/11/24 JOM and SP joined the meeting. JOM introduced the new format of the performance report and the revised Strategic Risk Register (SRR) which has had extensive discussion at ARAC and with the Executive Team and is more focussed on our new remit and strategic risks. Q2 performance and risk report summarises

our risk position and performance against each of our four strategic priorities. For Q2, we have mapped the indicators from the previous performance reports to our priorities. Over the next two quarters we will be looking at bringing a summary of our detective controls into the report. JOM advised that there are no material issues to report. A few targets have known pressures but none are causing major concerns and the risks are addressed in the SRR. Members were asked for their comments – BC said that the performance data took a bit of understanding, but the visual layout gives the assurance required.

20/11/24 *SRR:* the format remains the same, however there has been a lot of work done with risk owners and there was extensive discussion of the risks at ARAC in June. The report now includes a column setting out the detective controls and JOM advised that the risks are not ranked in order of seriousness, rather there is a focus on external risks first and then the internal risks and it was noted that controls can apply to more than one risk. The risk scores are the current evaluation of controls and will be kept under review and the appetite is based on the ARAC discussion. JOM invited comments from members. JOM confirmed that the SRR is a live document and quarterly reporting will continue to ensure ARAC and Board are continually sighted. BC said that the Board takes assurance from the ARAC review of the SRR.

21/11/24 *Risk 3:* this risk has been discussed previously and amended and is in a good place, but it was agreed that JOM would further tweak it so that it worked both ways in relation to the higher/lower level of scrutiny and expectation on consumer/economic remit. BC asked if Board can take assurance that the score of 12 on risk 3 is at tolerance or whether it could move despite being dependent on other influences. LB said that the challenge is proximity of the scores and ARAC do interrogate this. Speed of movement towards the target can be interdependent on other factors, so proximity scores will help give a clearer picture. JOM added that any risks that are above appetite will be discussed in detail at ARAC and assurance will be provided to Board.

22/11/24 *Risk 4:* This risk has also been worked on previously and was in a good place.

23/11/24 *Risk 9 and 10:* relate to digital transition. BC thanked RBP and GS for their updates.

11 **Regulation Engagement (RE) update**

24/11/24 The paper was taken as read, and KD advised that our engagement with PRPs and our assessment of governance through inspections is highlighting that boards and executives do not always have the right level of oversight across key risks. Financial governance, management of viability risks and health and safety are key areas we have engaged with board members on through our inspections. PRPs are as a rule performing better than LAs, but the cases are all considered on their individual facts. A number of providers have been re-graded as V2 this year. The London effect is very visible in the sector. We continue to stress the importance of data quality.

25/11/24 AH added that this was the regular quarterly report and work is on-going to include in future reports landlord stratification data. She reported that the inspection programme is on track and there is a steady stream of referrals and we are seeing an increase in responsive engagement cases and are working through these. Referrals in relation to LARPs are generally around stock condition information and H&S and repairs requirements. We continue to message the importance of data quality to LAs and all providers. The RE team are collaborating with colleagues in the Business Intelligence team to analyse the TSM submissions and

reviewing the responses particularly in respect to H&S and where there are other concerns to consider whether providers are meeting the outcomes of the Consumer Standards. We continue to reinforce that landlords must make a self-referrals if they consider that they are not meeting the Standards.

26/11/24 JL asked about disposal of assets by landlords. AH advised that disposals can be for organic reasons, but if disposals are on a large scale this could be to back the financial plans of the provider. We would discuss this with them and the potential effect this might have on their grading. We include messaging on fixed asset disposals in our sector risk profile publication.

27/11/24 JW advised that as a result of us losing our consent powers, we can no longer stop provider disposals, nor can we give consent to (or prevent) a proposed merger. However, we do consider the impact on relevant Standards and would consider the implications for an interim grading on the merged entity in line with our published approach.

28/11/24 In response to JL's query about long term cases, AH said that there can be a variety of reasons for this and some cases are complex. Reporting to Board with updates on how long term cases are being progressed was requested.

AH

29/11/24 JL took assurance about the level of engagement with LAs and noted that we continue to take a risk based approach to our case work. KD responded that from the consumer side, while it is only seven months into our regulation, Board could take assurance that our work so far indicates that our processes and approach appear to be effective. It was noted that we have proactively regulated for a long time on the economic side, but proactive consumer regulation is still relatively new, and we do not have an economic regulation remit in relation to LAs. Ongoing risk management on our economic remit includes the stability check process, and the quarterly data we receive and analysis of rolling cashflows, which between them will usually flag areas of concern. However, it is also critical that we are clear in the separation of what is a landlord's responsibility and what is the regulator's responsibility. It is not for the regulator to decide what the provider's risks are or should be.

12 Registrations

30/11/24 The report was the standard report for NOTING and AH highlighted the key areas:

- Currently 92 cases - 40% For Profit applications and 60% Not for Profits.
- Introduction of a fee at each stage of the application process has had an impact on the number of applicants remaining on the register, particularly if we have advised them that the information they have provided does not meet our criteria.

31/11/24 Members NOTED the remainder of the paper.

13 Governance update

32/11/24 ERT presented the paper which dealt with:

Board and Committee Appointments and Reappointments

33/11/24 The Board NOTED that the Secretary of State (SoS), on 11 June 2024, extended the appointment of Kalpesh Brahmhatt, Sukhvinder Kaur-Stubbs and Geoff Smyth as non-executive members of the Board, in each case for an interim period until 29 October 2024. On 28 August 2024, the SoS confirmed a further reappointment of all three, as non-executive members of the Board, in each case

for a period from 30 October 2024 to 29 October 2027. In light of the further extension of Kalpesh Brahmhatt's appointment to the Board until 29 October 2027, the Board AGREED to his continued appointment to ARAC for the remainder of his term of office as a Board member (subject to earlier termination for any reason), and to DELEGATE authority to the Chair of the Board to sign a letter of appointment to effect this continued appointment.

- 34/11/24 Board NOTED that on 31 October 2024, the Secretary of State appointed Robert Light as a non-executive member of the Board, for the period from 1 November 2024 to 31 October 2027.
- 35/11/24 Board NOTED that on 31 October 2024, the SoS appointed John Liver as a non-executive member of the Board, for the period from 1 November 2024 to 31 October 2028. The Board considered and AGREED to appoint John Liver as a member of ARAC with immediate effect for the remaining period of his appointment as a non-executive member of the Board (subject to earlier termination for any reason), and to DELEGATE authority to the Chair of the Board to sign a letter of appointment to effect this appointment.
- 36/11/24 Board NOTED that Liz Butler who is currently the Chair of ARAC had her appointment as a board member and as a member of and Chair of ARAC extended to continue to 31 August 2025 (subject to earlier termination). It was intended that her further appointment would end sooner than 31 August 2025, subject to the successful appointment of new non-executive directors. In light of the appointment of John Liver, as noted above and, in order to facilitate the planned handover of the Chair of ARAC to him, the Board considered and AGREED that Liz Butler shall cease to be the Chair of ARAC on 31 January 2025 and shall cease to be a member of the board and ARAC on 31 March 2025, and to DELEGATE authority to the Chair of the Board to sign a letter of appointment to this effect.
- 37/11/24 Taking into account the aforementioned, the Board also considered and AGREED that John Liver be appointed as the Chair of ARAC with effect from 1 February 2025, and to DELEGATE authority to the Chair of the Board to sign a letter of appointment to effect this appointment.
- 38/11/24 Board NOTED that Richard Hughes' current extended appointment to the Board and as a member of ARAC is due to end on 31 December 2024. It is anticipated that the SoS will extend his appointment for a further period beyond that date. The Board considered and AGREED to a further appointment of Richard Hughes to ARAC, for the period of his extended board appointment (subject to earlier termination for any reason), and to DELEGATE authority to the Chair of the Board to sign a letter of appointment to effect this continued appointment to ARAC.
- 39/11/24 The Board NOTED the updated gifts and hospitality, travel and expenses policies. In respect of the travel policy, RBP agreed to check if there is a requirement for staff to have business insurance if they are using their own car for business purposes. Members were asked to note that the board member G&H register will be published on our website from April 2025. Also, included in the annexes was the Social Media policy and BC stressed the importance for members to be aware of what they post on social media. The extracts from the Acts were for information.

14 Corporate Plan

40/11/24 JB introduced the paper. The 2024 plan had had a lot of input from the Board and we have used that as the basis for the 2025 plan, updating it to reflect the change in our remit. This paper is a high level first look at the 2025 plan which will be brought back as the formal plan to Board in February 2025, before publication in April. In addition, the Business Intelligence team have begun work on the KPIs, and these will also be brought for discussion to the February meeting. Members NOTED the paper.

41/11/24 Following discussion JB agreed to bring information to allow a high level discussion on KPIs to the January board meeting.

JB

15 Any Other Business – none.

16 Review of Papers

42/11/24 Members agreed that the papers were of a good standard.

43/11/24 JL left the meeting for the next two agenda items and the workshop on lending to the sector.

17 Investigation and Enforcement update

44/11/24 The paper was taken as read and the updates NOTED.

46/11/24 JBo left the meeting for the next agenda item and would rejoin for the workshop sessions.

18 Private Finance update

47/11/24 Members NOTED the update and WP gave members an overview of the markets.

49/11/24 BC thanked everyone for their input and the meeting ended in advance of the workshop sessions that were to follow.

Date of next meeting: 21 January 2025