



NOTES

Chief Executives SDG Meeting

Date: Wednesday 15th January 2020

Venue: Hugh James, Cardiff
Two Central Square, Cardiff CF10 1FS

In attendance

1. Abbeyfield Wales Society Ltd	Gary Hortop	Chief Executive
2. Aelwyd Housing Association	Sharon Lee	CEO Designate
3. Adra	Ffrancon Williams	Chief Executive
4. Cadwyn Housing Association	Kath Palmer	Chief Executive
5. Campbell Tickell	Tamsin Stirling	Associate Consultant
6. Cardiff Community Housing Association	Hayley Selway	Chief Executive
7. Cartrefi Conwy	Andrew Bowden	Chief Executive
8. ClwydAlyn	Clare Budden	Group Chief Executive
9. Coastal Housing Group Ltd	Simon Jones	Executive Director of Finance
10. Community Housing Cymru	Stuart Ropke	Chief Executive
11. Community Housing Cymru	Clarissa Corbisiero	Deputy Chief Executive/Director of Policy
12. Community Housing Cymru	Aaron Hill	Head of Policy & External Affairs
13. Community Housing Cymru	Rhea Stevens	Head of Policy & External Affairs
14. Community Housing Cymru	Bethan Proctor	Policy & External Affairs Manager
15. Community Housing Cymru	Laura Courtney	Policy & External Affairs Manager



16. Cynon Taf Community Housing Group	Victoria Slade	Chief Executive
17. Family Housing	Marcia Sinfield	Chief Executive Officer
18. First Choice Housing Association	Adrian Burke	Chief executive
19. Grwp Cynefin	Shan Williams	Chief Executive
20. Hafod Housing	Tracy Healey	Executive Director of Assurance
21. Melin Homes	Paula Kennedy	Chief Executive
22. Merthyr Tydfil Housing Association	Karen Courts	Chief Executive
23. Merthyr Valleys Homes	Michelle Reid	Chief Executive
24. Mid Wales Housing Association	Charles Brotherton	Interim Chief Executive
25. Monmouthshire Housing Association	John Keegan	Chief Executive
26. Newport City Homes	Matthew Davies	Executive Director of Development
27. North Wales Housing	Helena Kirk	Chief Executive
28. Rhondda Housing Association	Luke Takeuchi	Chief Executive
29. Taff Housing Association Ltd	Sarah Cole	Finance Director
30. Tai Calon Community Housing	Joe Logan	Chief Executive
31. Trivallis	Ian Thomas	Chief Executive
32. United Welsh Housing Association Ltd	Richard Mann	Group Operations Director / Deputy Chief Executive
33. Valleys to Coast Housing	Duncan Forbes	Interim Chief Executive



34. Wales & West Housing	Anne Hinchey	Group Chief Executive
35. Welsh Government	Sarah Laing-Gibbens	Head of Commercial Performance, Homes and Places,
36. Welsh Government	Ian Walters	Head of Regulation Operations

Apologies

37. Hafan Cymru	Sian Morgan
38. Newport City Homes	Ceri Doyle
39. Newydd Housing Association	Paul Roberts
40. Pobl Group	Amanda Davies

1. Housing Futures launch

Edwina O'Hart provided information on the launch of Housing Futures and encouraged all colleagues to consider getting involved. More information on the Housing Futures innovation programme can be found here including dates for the forthcoming series of Challenge ID sessions.

2. Actions from the last meeting and review of joint CEXs and Chairs/Vice Chairs meeting

Positive feedback on the joint meeting and interest in engaging more often across Chairs and Chief Executives. Colleagues suggested a number of amendments:

- It was felt that it was important that the joint meetings are in addition to the regular cycle of meetings. **ACTION:** Edwina O'Hart to take into account when scheduling cycle of Strategic Delivery Group meetings for 2020/21.
- The group would welcome a progress update on the actions and key areas agreed at the joint meeting.
- The group would welcome inputting into the agenda for future joint meetings. **ACTION:** All to contribute ideas to Clarissa Corbisiero or Paula Kennedy for future meeting topics.
- It was felt that there was an opportunity to stimulate discussion on a regional basis to encourage collaboration at future joint meetings.



3. Governance self-assessment tool

Tamsin Stirling, Associate, Campbell Tickell provided an update on work underway to develop a series of governance tools to support the regulatory team. The group provided feedback on the emerging model. A summary of the feedback is attached at [Annex A](#).

4. Decarbonisation

Bethan Proctor provided an update on the implementation of the decarbonisation review which reported in July 2019. Bethan updated on the Welsh Government research programme, current discussions related to the funding of decarbonisation measures in social housing stock and CHC's priority areas.

The group discussed the update and comments included:

- It was essential that Welsh Government have a robust understanding of the cost of decarbonisation.
- CHC should continue to press for this to be funded appropriately via a grant programme.
- Welsh Government's proposed research to explore the measures necessary against a series of archetypes was helpful but it was important that this reflected the reality of the stock.
- It would be useful to have an overview of the progress housing associations are making with their stock condition surveys. ACTION: Bethan Proctor to explore with Welsh Government as this is likely to be part of their phase 1 research.
- Important to consider energy production policies especially where the investment required is a viability issue.
- The manner in which housing associations invest in retrofit work was important. There is a real opportunity to support the circular economy and support the development of jobs and skills within Wales. It was suggested that CHC work closely with others looking at this issue including IWA and Social Business Wales.
- Important to recognise that the recommendation in the decarbonisation review recognised that EPC A was not achievable for all homes.
- Important for housing associations to consider unintended consequences for tenants that might arise via retrofit work – for example increased electricity bills exacerbating fuel poverty.



5. Grant

Aaron Hill provided an update on the latest proposals to implement the affordable housing review recommendations for a new grant framework. Comments included:

- Many expressed a concern about ever dwindling standards via a gap funding model. It was felt by many that in the balance of priorities cost will usually hold more weight in decision making.
- The role of the regulator was highlighted as an essential part of a workable model. This was particularly true for a gap funding model. It was reflected that under this model in England the regulator plays a strong role to provide assurance. The capacity of the Welsh regulator to play a similar role was debated.
- The role of local authorities was discussed. CHC confirmed that it was still a sector red line that local authorities shouldn't have a role in distributing funding if they are accessing grant out of the same pot.
- Regional allocations were discussed. The point was made that the assessment of need must be made on housing and social care need.
- **ACTION:** Aaron Hill to share recent correspondence with John Howells and update colleagues following discussions with senior officials and the grant working group due to take place shortly after the Strategic Delivery Group.

6. Affordability principles

Rhea Stevens provided an update to the Delivery Group on the work of the affordability and local rent setting task and finish group. Rhea presented some draft affordability principles for comment. The discussion included the following points:

- The principles should reflect the importance of housing related costs, not just rent.
- It was acknowledged that a number of housing associations were using the JRF Living Rent methodology to determine or sense check rent levels. It was felt that it was important not to impose a one size fits all methodology but to leave the decision on appropriate methodology to the individual housing association.
- Responding to tenant expectations and working with tenants to identify what they value were suggested as missing principles.
- VFM is a key perception issue – it was suggested that we needed to reflect this in the principles.

7. Rent settlement

Sarah Laing Gibbons, Welsh Government outlined the key elements of the rent settlement and the emerging approach to monitoring compliance. Sarah stressed that the approach to compliance would be developed with the social housing sector.



ANNEX A

Feedback from Governance Self-Assessment tool workshop

Culture

- Importance of culture. Needs to be reflected in the principles to underline its importance in supporting excellent governance.
- Risk and culture can't be exclusively determined and assessed by a series of performance indicators or process measures. It needs to be recognised that some of the warning signs are difficult to quantify.
- Ensure that disincentives to reporting aren't built into the system. Self-reporting shows a culture of trust and transparency. We need to be careful of about being seen to penalise those that flag emerging issues.

Validation

- Concerns about building an industry around validating the self-assessment for consultants.
- Request for feedback on how useful the more detailed discussions with the chair/audit.
- Concerns expressed regarding over prescription on the self-assessment - it is for the organisation to determine the format and level of detail, not the regulator.
- IDA process in England is prescriptive - detailed set of questions start the process off. It is important that this is avoided if we move towards a detailed validation process in Wales.
- Role of the regulator
- There is a link back to the Essex review which outlined the role of the regulator as a critical friend.
- Critical friend relationship is really important. This is about the culture of the business - when are you prepared to expose a weakness and the culture and response of the regulator. Consistency is important here, having a regulator that knows you and understands the business.
- We need to be really clear that this is a tool for the regulator. It would be really unhelpful if this was then translated into a tick box exercise for the sector to complete - will drive unhelpful behaviours.
- The skills, experience and knowledge of the regulation team is essential if we are going to make a critical friend model work. If recruitment remains an issue then the sector is keen to support enhanced training and development.



- We have the building blocks already in place - the right stuff, code of governance. The focus needs to be on changing the knowledge and skills within regulatory team. This should be a priority for investment either in posts or training and development.
- We need to make sure that the skills within the regulatory team reflect risks facing our businesses. For example, landlord health and safety - there needs to be some expertise in the team on business critical areas. It was recognised that this already takes place with regard to finance.
- One key concern from this group is the seniority of the regulatory team and their expertise. The group is keen to support development given the constraints on recruitment. One suggestion was for regulatory managers to spend more time in organisations to learn about the business rather than to regulate. Another suggestion was a smaller number of more highly skilled regulators.

Partners

- Some funders are not clear about how we are regulated. The final approach must give confidence to other parties, for example lenders. It was noted that funders have an in depth understanding of the English system but not the Welsh and there is a risk that this impacts on their assessment of risk of Welsh organisations.
- Is there a role for peers to be involved in a way that respects competition to provide support? Whilst it was recognised that implementing this in a small sector has its challenges it was felt that we might learn from the experience in the Education sector.