NOTES

In attendance

1.	Adra	Aled P. Davies	Head of Governance
2.	Aelwyd Housing Association	Gareth Cole	Governance Support
3.	Bro Myrddin Housing Association	Rhodri Jones	Director of Corporate Resources
4.	Cadwyn Housing Association	Leynie Pearn	Governance Manager
5.	Cardiff Community Housing Association	Daniel Lewis	Head of Governance
6.	Cardiff Community Housing Association	Samantha Williams	Governance Officer
7.	Cartrefi Conwy	Sandra Lee	Company Secretary
8.	Community Housing Cymru	Clarissa Corbisiero	Deputy Chief Executive/Director of Policy
9.	Community Housing Cymru	Laura Courtney	Policy & External Affairs Manager
10.	Community Housing Cymru	Julia Sorribes	Member Services & Business Development Assistant
11.	Coastal Housing Group	Joanne Smith	Regulation and Governance Manager
12.	First Choice HA	Donna Jones	Director Corporate Services Housing
13.	Hafan Cymru	Julie Phillips	Director of Finance

14. Hafod Housing	Jayne Jenkins	Governance Officer
15. Linc Cymru	Kevin Howell	Head of Housing
16. Melin Homes	Thomas Broadhead	Director of Business Improvement
17. Melin Homes	Sarah Felvus	Governance Officer
18. Merthyr Tydfil Housing Association	Jayne Lewis	Governance Manager
19. Merthyr Valleys Homes	Claire Payne	Governance Officer
20. Monmouthshire HA	Kate Fitzpatrick	Head of Corporate Services
21. Monmouthshire HA	Emma Assender	Governance Officer
22. Newport City Homes	Joanna Fairley	Head of Governance & Strategy
23. Pobl Group	Paula Williams	Head of Assurance
24. Pobl Group	Gill Owen	Group Governance Manager
25. Taff Housing Association	Blodwen Lewis	Governance & Assurance Manager
26. United Welsh	Neil Chidgey	Group Finance Director
27. United Welsh	Nia Roblin	Head of Governance & Compliance
28. United Welsh	Elli Meredith	Governance and Compliance Partner
29. Wales & West Housing Association	Claire McDougall	Governance Manager

Online attendance

Adra	Gwenno Littlewood	Governance & Assurance Officer
Adra	Herb Farrington	Governance Coordinator
Bron Afon	Kevin Willmott	Governance Manager
North Wales Housing	Wendy Moore	Governance Manager & PA

Rhondda Housing Association	Hannah Davies	PA and Governance Officer
Tai Tarian	Angela Priestley	Head of Corporate Services
Tai Tarian	Carolyn Heaven	Corporate Governance Officer

Apologies

| Abbeyfield Wales Society Ltd. | Gary Hortop |
| ClwydAlyn Housing Ltd. | Rachel Storr-Barber |

1. Actions and updates from the last meeting

Dan Lewis and Clarissa Corbisiero confirmed that all actions were either complete or in hand.

Dan Lewis provided an update his input into the development of the governance assessment tool on behalf of the Strategic Delivery Group.

2. Regulatory update

Huw Maguire and Ian Walters provided a regulatory update. This included:

Recruitment

- The Welsh Government has seconded a new Regulatory Manager into post and have put in an additional funding bid to support the team.
- Recruitment is underway to appoint new members to the Regulatory Board and interviews have now been completed. The team will shortly re-advertise for the position of Chair and sought the support of the Delivery Group in publicising the opportunity.

Tenant services

- Research tender is due to be released imminently. The research will investigate the closer alignment and accountability of tenant services across local authorities and housing associations.

Framework review:

- The review is due before summer 2020 and is likely to be commissioned out. The SDG would play an important role in responding to the review.
- The Regulatory Board are keen that the model of regulated self-assurance is preserved moving forward.
- The review will also pick up issues raised as part of the tenant's voice review.

Learning from regulatory themes and complex cases:

- The regulatory team plan to produce an overview report on key regulatory themes following the close of this financial year.
- Sector risk report:
- The regulatory team are working on a new regulatory risk report which will be published shortly.

3. Affordability and local rent setting

Clarissa Corbisiero updated the group of the work of the affordability task and finish group. Clarissa sought feedback on the draft affordability principles and the support tools under development.

Colleagues were interested in exploring the role of Board members in determining rent levels based on an analysis of affordability and the governance implications of this.

ACTION: Session to be brought to a future meeting focusing on the implications for governance of local rent setting.

4. Risk assessment – learning session

Tim Jackson, Newport City Homes, gave an overview of the approach to risk taken by the association. Colleagues discussed the presentation and shared good practice and their own experiences via a workshop.

5. Governance assessment tool

Ceri Victory Rowe, Campbell Tickell updated the group on the research into a governance assessment tool and sought views on the emerging model. A summary of the workshop discussion can be found at Annex A.

ANNEX A

Write-up of governance assessment tool workshop

Group 1

- Not happy re: external validation from other associations – nervous about this
    - Wouldn't know enough about organisation
    - Whole other layer and expense
    - External person would need to learn about organisation
- Not self-assessment if someone else's opinion
- Could process be validated – e.g. how self-evaluation is done
- Isn't this getting RSLs to do the regulator's job?
- External evaluation has always been optional but frowned upon if not done. This is formalising this.
- Where have issues come from with self-assessment and what are they?
- External reviews are another expense
- Creating a business for consultants which is already happening a lot
- This is addressing lack of capacity within regulator
- There is capacity in the sector – trust the sector to help the regulator
- Acid test: do we feel this system would pick up the real problems? This table isn't confident it would.
- All the auditors that made mistakes are still in place – still doing audits because there is no-one else to do it.
- Issue: organisations aren't likely to invite scrutiny of areas they are less confident on.
- You can't completely prevent failures and problems.

- Interesting to see process on H&S reporting. That could be a good way to discover risks – e.g. can an HA respond quickly, etc.

- The focus on H&S made everyone sit up and think of what questions they might need to answer.

- Deep dives can be useful.

- Boards are treated as a panacea in regulation. Not enough focus on senior management in regulation.

- How will this interact with all other tasks? When RSLs are large they have more capacity to do this.

  o Small organisations even more worried about external evaluation as it is a cash cost and would require extra capacity to manage

  o RSLs aren't 'like for like'. We don't automatically know each other's business.

- Experience of building external validation approach on equality and diversity to establish what good looks like.

  o This is also a big issue for VFM

- Are we talking about external validation of self-assessment processes? Yes – asking if there is a role for anyone except the regulator.

- This is an additional layer – current requirement just for external evaluation.

- Change in relationship with regulation manager

  o Could this approach become more consistent across Wales (currently this is inconsistent)

- What does triangulation currently mean?

- Some triangulation approaches are good and experiences good

- Not aware of issues with self-assessment at this table

- Question whether regulators understand the validation provided

- Why is there reticence to work with the sector?

- Is there a common understanding of best practice?

- Suggestions don't seem particularly different to now except point 3

- There is already loads of validation detail

- Always the same consultancies so no longer independent as too close to the sector

- Consultancies sometimes appear to take a cut and paste approach – not tailored enough

- Risk (point 4):

  o Does regulator look at board packs now? They don't have the capacity. Already saying 'pull out the relevant paper'.

  o RSLs will need to pinpoint areas of risk to address regulator capacity.

Group 2

- Not much needs to change

- Detailed assessments – doesn't this already happen?

- Detailed validation every X (2) years no matter what the 'lighter touch' validation and self-assessment says

- Format/content of a self-assessment:

  o Set a minimum requirement

  o No penalties if more given

  o Based on compliance with the performance standards

- Risk Factors:

  o Size / complexity / new business aspirations

- Are the performance standards reflective of business risks? – tension between compliance statement and the self-evaluation which relates to the organisations achievement of its business plan…

Group 3 (online)

- Should assessment be ongoing or 'one off' – resources

- Prescription – allows better relative judgement – easier for regulator

Group 4

- Principles for self-assessment will help reduce inconsistency

- Welcome validation based on robust evidence

- Doesn't seem that different to status quo

- Support the focus on upskilling RMs

- We need to learn lessons from RAPs – where RSLs had to guess what was acceptable to the regulator.

- Some high level principles but we don't want detailed prescription for the self-assessment.

- Question how this would work for RSLs with complex governance models e.g. subsidiaries

- When categorising RSLs need to consider:

  - Diversity – moving away from core business – exposure to market risks/downturn

  - Financial metrics

  - VFM

  - Staff feedback

  - Robust processes for tenant satisfaction

  - Approach organisation takes to risk

- Validation:

  - Danger of duplication if regulator tries to validate everything

  - Share 'worry lists' – Chair/CEO/ARC with regulator and determine a small number of high priority areas for validation

  - What does validation mean?

    - Not about counting gas certificates!

    - Detailed issue-based discussion and challenge with Chair and CEO

- There is a risk that we develop an industry about validation.

- Risk of undermining integrity and professionalism of people working in housing – 'someone else will check it'.

- External validation – Board and senior team to decide where external validation needed and why. Not for the regulator to determine.

- Regulatory engagement – would like to see:

  - More 2 way dialogue – sending info into black hole

  - Cultural board assessment – could this be a model? – some worries about skills levels

  - RAP should include regulator engaged across the piece not just board meetings on high risk areas

    - Site visits

    - Meeting chair and chair fo audit

    - Feedback from stakeholders

  - Link with comparative data?

    - Evictions – prevention

    - Turnaround times

- Transparency – are we high or low risk and why? Share respective concerns to support better outcomes.

- Regulator outline what they will use various information for – purpose of different submissions – comp stat / RAP / self-assessment

- Not welcome:

  - Inspection

  - We don't expect RMs to be the experts on everything

  - No knee-jerk reactions – including (?) orgs – deep dives – realistic about what is possible (e.g. deep dives require board approval with S/T timescales)

- Not overly prescriptive

- Does already feel quite light-touch – what is realistic?

Group 5

- Self-assessment is this

  - Self-evaluation: main source of assurance to residents/staff and stakeholders - and main source of assurance for RJ

  - Performance standards compliance statement

  - RAP

- All very different documents – combined won't work

- Self -assessment: should <u>not</u> be prescriptive, but regulator should provide a brief on purpose and requirements

- Skills of team – has this been addressed? Is structure right? Resources

- What does 'self-assurance' mean?

- <u>No</u> role for external validation – resource issues need to be addressed

- Detailed validation should involve:

  - RM attendance (meaningful) at Board meeting

  - RM understanding of the risk faced by RSL at strategic level

  - Scrutinise/challenge evidence

  - What is current process – perhaps publicise

  - What are they looking at?

  - Talk to:

    - External auditors

    - Internal auditors

    - Tenants (scrutiny panels)

    - Lenders

- Categorising risk:
  - ? risk to WG / regulatory
  - ? protecting publicly funded assets
  - ? risk to resident
  - ? failure to comply with PS
- Not too much / not too little regulatory oversight
- Publish lessons learned more frequently
  - Too much rumour
  - No clarity
- Proportionality