

PUBLIC MINUTES
of the Regulation Committee meeting
held on 17 July 2014, 10.00am
Board Room, Maple House, London

Present

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| Julian Ashby | Chairman |
| Richard Moriarty | |
| Jonathan Adlington | |
| Inge Kettner | |
| Piers Williamson | (agenda items 1 – 14 only) |
| Sarah Wall | (observer) |

In attendance

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| Andrew Rose | Chief Executive (items 1-8 only) |
| Matthew Bailes | Director of Regulation |
| Jonathan Walters | Deputy Director Strategy and Performance |
| Bronwen Rapley | Deputy Director Investigation and Enforcement |
| Isabella Freeman | Head of Legal Services and Company Secretary |
| Catherine Farrington | Principal Solicitor |
| Will Perry | Assistant Director Commercial and New Entrants (item 3 only) |
| Jim Bennett | Assistant Director Regulatory Strategy (items 7 & 8 only) |
| Ros Poulson | Registrar (items 13 & 14 only) |
| Anna Simpson | Head of Regulatory Framework and Performance (item 12 only) |
| Michelle Tucker | Assistant Board Secretary |

1 Welcome and apologies

01/07/14 The Chairman welcomed everyone to the meeting including the proposed new Committee Member Sarah Wall. No apologies were given.

2 Declarations of Interest

02/07/14 No further interests were declared.

4 Minutes of the meeting held on 12 June 2014

08/07/14 The minutes of the meeting were AGREED as an accurate record of the meeting subject to:

MT

- Amending the wording in 10/06/14 to read: 'The Chairman reported

that a paper was going to HCA Board which made proposals on a new Committee structure for the main Board.'

09/07/14 The Committee AGREED the proposed public minutes.

MT

5 Matters Arising

10/07/14 The Chairman updated Members on his appearance before the DCLG Select Committee.

11/07/14 Members NOTED the matters arising.

6 Committee forward look

12/07/14 The Director of Regulation reported that Officers would be working up a plan of engagement regarding the changes to the operational strategy. Once this had been devised the relevant items would be added to the forward planner. He also stated that work would be done on pre and post-election planning which would also be added to the forward planner.

13/07/14 Members indicated they were not content with the forward planner as currently populated and requested that this was remedied for the next meeting.

14/07/14 Members NOTED the forward planner

7 Regulation Director's update on key issues

15/07/14 The Director of Regulation updated Committee on key developments since the last Committee meeting. Particular note was taken of the following points.

16/07/14 Media Coverage and Stakeholders: There had been some press activity regarding the level of surplus in the sector. It was important to note that around 82% of this was reinvested into fixed assets in the sector.

18/07/14 Moody's and Fitch: The feedback received from the credit ratings agencies was positive.

19/07/14 DWP research: The Director of Regulation shared some of the headline data on the impact of the spare room subsidy on local authorities and PRP landlords. He confirmed that further analysis of the results would be conducted by the strategy and performance team.

JW

20/07/14 Affordable Homes Programme: The Director of Regulation confirmed that the allocations would be announced in the next few days.

21/07/14 Members NOTED the report.

8 Sector Risk Profile

22/07/14 The Deputy Director Strategy and Performance outlined the proposals for this year's Sector Risk Profile publication for Committee to consider.

- 23/07/14 He stated that this year's report would not be significantly different from what had been published previously, but more a refresh. He reported that an internal workshop had taken place and the key changes identified were to the non-financial risks section of the report, liability based risks and income based risks.
- 24/07/14 The key strategic non-financial risk which had been identified for inclusion in this year's report centred on providers working in a more political environment with a higher profile in the media, as well as increased political interest.
- 25/07/14 On liability based risks the key risk concerned providers taking on new debt and whether Boards understand the complexities of the financial transactions being entered into. The Deputy Director Strategy and Performance said that the report would reinforce that Boards should take into account Treasury Management advice and that Boards had responsibility for understanding the risks.
- 26/07/14 Income based risks included risks such as the impact of Welfare Reform, for example, the implementation of direct payments. Committee suggested that some narrative be added reflecting on the Scottish referendum and General election outcome and policy changes.
- 27/07/14 The Deputy Director Strategy and Performance confirmed that the publication of the report was planned for mid-September. Officers proposed that the draft report be sent to Members by email in the week commencing 16 August for comments and the final report be signed off by the Chairman.
- 28/07/14 Committee AGREED to the above process.
- 9 Consumer Regulation – Working with other Regulators and Annual Review**
- 29/07/14 The Deputy Director Investigation and Enforcement introduced the report which sought Committee's approval for an approach to dealing with consumer regulation cases where other regulators were involved and presented the 2013/14 Consumer Regulation Review for approval.
- 35/07/14 Committee APPROVED the approach as set-out in the paper to consumer regulation where there are other regulators involved and AGREED that the final sign-off of the Consumer Regulation publication be delegated to the Chairman.
- 10 Value for Money Regulation in 2014/15**
- 36/07/14 The Deputy Director Strategy and Performance gave an overview of the planned approach to evaluating the Value for Money statements for 2014/15.
- 37/07/14 He stated that there was an expectation that VfM statements for 2014/2015 would be qualitatively different from those received in 2013/2014.
- 40/07/14 It was AGREED that a workshop would be held for Members later on in the year

JW

41/07/14 Committee AGREED the proposed approach and objectives for evaluating Value for Money in 2014/15.

11 Q1 Performance Report – 2014/15

42/07/14 Committee were invited to consider the quarter 1 business plan progress report and agree the mitigating actions for those targets which had amber status.

46/07/14 Committee NOTED the report.

12 Regulators' Code

47/07/14 The Head of Regulatory Framework and Performance introduced the report which updated Committee on the requirements of the new 'Regulators' Code' and the outcome of the government's proposals to introduce 'Small Business Appeals Champions'.

48/07/14 She explained that we have a duty to consider and comply with the Regulators Code when setting standards.

49/07/14 With regard to *Small Business Appeals Champions and Non-Economic Regulators* the Head of Regulatory Framework and Performance confirmed that government intend to introduce small business appeals champions via legislation to ensure that they have the appropriate powers and independence. The bill is at an early stage so may be subject to change.

50/07/14 Members requested that a monitoring report be brought back to Committee in April 2015 AS

51/07/14 Members NOTED the report.

13 Tenanted disposals outside of the sector

52/07/14 The Registrar sought Committee's views on the disposal of tenanted social housing to unregistered commercial landlords and sought their agreement on the principles to be used when considering cases such as these.

56/07/14 Committee AGREED with the proposed principles and approach as set out by the Registrar.

14 Decisions of the Registrar

57/07/14 The Registrar advised the Committee of the decisions taken in accordance with the delegation to the Registrar on registrations, de-registrations and restructurings since May 2014.

62/07/14 Members NOTED the report.

15 Investigation and Enforcement update

63/07/14 The Deputy Director of Investigation and Enforcement updated Members on registered providers where a significant measure of under-performance had

been identified during regulatory engagement and provided a detailed briefing on those cases which are of most concern currently.

66/07/14 Members NOTED the report.

16 Any Other Business

67/07/14 The Chairman confirmed that revised dates would be circulated to Members MT
for Regulation Committee meetings in 2015.

Date of Next Meeting

The next meeting would take place on Tuesday 16 September 2014.