

PUBLIC MINUTES
of the Regulation Committee meeting
held on 20 March 2014, 10.00am
Board Room, Maple House, London

Present

Julian Ashby	Chairman
Jonathan Adlington	
Inge Kettner	
Richard Moriarty	
Jane May	
Piers Williamson	(agenda items 1 – 11 only)

In attendance

Andrew Rose	Chief Executive (Items 1-7)
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)
John O'Mahony	Assistant Director Regulatory Framework and Performance (items 7-10)
Anna Simpson	Head of Regulatory Framework (Item 8)
Ros Poulson	Registrar (item 11)
Mary Carter	Board Secretary

1 Welcome and apologies

01/03/14 The Chairman welcomed everyone to the meeting.

2 Declarations of Interest

02/03/14 No further interests were declared.

4 Minutes of the meeting held on 20 February 2014

12/03/14 The minutes of the meeting held on 20 February 2014 were AGREED as a true record. The Registrar's initials were added to the actions column for minutes 50/02/14 and 52/02/14.

13/03/14 The Committee AGREED the proposed public minutes.

5 Matters Arising

14/03/14 Members NOTED the matters arising.

6 Committee forward look

15/03/14 Members agreed that the Regulation report to Board in June 2014 should be the routine monthly update report.

MB

7 Regulation Director's update on key issues

16/03/14 The Director of Regulation updated Committee on key developments since the last Committee meeting. Particular note was taken of the following points.

17/03/14 *Recruitment:* Interviews were taking place for a Head of Performance Management this week. Two new Board members were being recruited, and an application had gone to recruit a replacement Regulation Committee member. Unite had called a three day strike from 25 to 27 March over the proposed distribution of the pay award.

18/03/14 Members agreed to discuss recruitment at their afternoon workshop.

MB

19/03/14 *Value For Money:* the HCA had published revised judgements for 15 providers on 12 February 2014 and a letter was sent to the whole sector setting out the Regulator's expectations for the following year on vfm, with a separate letter to those providers who only partially complied. There had been a strong reaction from the sector as expected.

20/03/14 *Media coverage and Stakeholders:* media coverage of the revised vfm judgements and the serious detriment findings regarding gas inspections had been generally positive. There had been feedback on the fees discussion document regarding the level of resources required for effective regulation. Looking forward, the main topics of interest would be the consultation paper on changes to the Regulatory Framework and the Cosmopolitan Lessons Learned report.

MB

21/03/14 *Business plan:* the final Regulation Directorate business plan and the text for the Corporate Plan would come to the Committee for sign off in April 2014.

JO

22/03/14 *Budget:* Key housing announcements included the extension of Help to Buy to 2020, a £500m Builders Finance Fund for smaller schemes, and a loan fund to kickstart regeneration of some of the worst housing estates.

23/03/14 Members noted that other changes announced in the Budget, particularly the welfare cap and changes in the Annuity market, could have long term implications for the sector.

24/03/14 The Director of Regulation reported that, following the concerns raised by the sector in relation to the new approach with complying with international accounting standards, the NHF were now more optimistic that the issues might be resolved through revised proposals, which would shortly be consulted on.

8 Protecting Social Housing Assets in a more Diverse Sector

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| 25/03/14 | The Deputy Director Strategy and Performance introduced the draft consultation document and Business Engagement Assessment for the diversification project, and sought members' comments, together with their agreement to the communications strategy and the planned route to publication. | |
| 39/03/14 | Members AGREED that the Chairman would decide the timing and arrangements for the launch with the Director of Regulation. | JA/MB |
| 40/03/14 | Members DELEGATED the Chairman to sign off the final version of the consultation paper, and agreed to receive a copy by email outside the meeting, together with the press notice. They AGREED to send any further minor points to the Head of Regulatory Framework by email. | JA/JW
Members |

9 Global Accounts 2013

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| 41/03/14 | The Deputy Director Strategy and Performance updated Committee on results in the Global Accounts 2013, which were published on 18 March 2014. The sector had reported an aggregate surplus for the year of £1.9 billion. This represented a record surplus, although the rate of increase had slowed in comparison with previous years. |
| 42/03/14 | Members noted the healthy position reported in the accounts, and that the sector historically re-invested its surpluses in new supply and existing stock. To date 82% of historic surpluses had been re-invested |
| 43/03/14 | Committee NOTED the report. |

10 Review of the Strategic Risk Register

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| 44/03/14 | The Assistant Director Regulatory Framework and Performance invited Regulation Committee to undertake the half yearly strategic risk review and update of the strategic risk register. Following members' comments the revised register would be submitted to the Audit & Risk Committee in April 2014. | |
| 45/03/14 | Members asked the Director of Regulation what the overall trend in risk exposure had been since the last report, and whether he considered that the Social Housing Regulator was regulating effectively. | |
| 46/03/14 | The Director of Regulation considered that the revised structure had improved effectiveness, and improved the Regulator's ability to spot problems, and that management of difficult cases was better. | |
| 47/03/14 | Members went through the register in detail, and suggested various amendments to the text and adjustments to the timescales for mitigating actions. | |
| 48/03/14 | The Assistant Director Regulatory Framework and Performance agreed to send the amended draft risk register to Inge Kettner, who represented Regulation Committee on the Audit & Risk Committee, ahead of its distribution to that Committee. | JO |
| 49/03/14 | Regulation Committee AGREED the register, subject to their amendments being incorporated. | |

11 Decisions of the Registrar

50/03/14 The Registrar advised the Committee of the decisions taken in accordance with the delegation to the Registrar on registrations, de-registrations and restructurings since February 2014.

52/03/14 Members NOTED the report.

12 Investigation and Enforcement Update

53/03/14 The Assistant Director, Investigation and Enforcement advised the Committee of those registered providers where a significant measure of under-performance has been identified during regulatory engagement, and provided a detailed briefing on those cases which were of most concern currently.

56/03/14 Members NOTED the report.

13 Any Other Business

57/03/14 There was no other business.