



**PUBLIC MINUTES**  
**Of the Regulation Committee meeting**  
**Held on Tuesday 24 January 2018 at 0930am**  
**Marsham Street, London**

**Present**

Simon Dow	Chairman (Cover)
Liz Butler	
Richard Moriarty	
Ceri Richards	

**In attendance**

Fiona MacGregor	Director of Regulation	
Mick Warner	Deputy Director Regulatory Operations	
Jonathan Walters	Deputy Director Strategy and Performance	
Richard Peden	Deputy Director Provider Engagement	
Stephanie Fleck	Solicitor, Regulation Legal	
Harold Brown	Assistant Director Investigation and Enforcement	
Isabella Freeman	General Counsel, Homes England	Items 1-11 & 13
Will Perry	Assistant Director, Commercial/New Entrants	Item 6
John O'Mahony	Assistant Director, Regulatory Framework and Performance	Item 7 & 12
Tom Crawshaw	Regulatory Framework and Performance Manager	Item 7
Ros Poulson	Assistant Director Registrations, Notifications and small providers	Item 8
Helen Ward	Assistant Director, Assurance	Item 10
Liz Knott	Performance Manager, Regulatory Framework	Item 10
Karen Doran	Assistant Director, Investigation and Enforcement	Item 13

01/01/18 There was a confidential session between members and the Director of Regulation.

**1 Welcome and apologies**

02/01/18 There were apologies from Catherine Farrington. Simon Dow noted for the minutes his thanks and that of other committee members, to Julian Ashby who had resigned as Chairman of the Regulation Committee. His leadership of the Committee and dedication to raising the profile of the Regulator within the sector was acknowledged and everyone wished him well for the future.



## 2 Declarations of Interest

03/01/18 Richard Moriarty advised that he will be taking up the post of Chief Executive of CAA from June 2018. There is unlikely to be any areas of conflict from this appointment with his role on the regulation committee.

## 3 Minutes of the last meeting – 18 December 2017

04/01/18 **Public Minutes:** The DoR was asked to review the public minutes. FM agreed to review and circulate to members to agree by correspondence.  
**Post meeting note: the revised minutes were circulated to members for comment – no comments were received and therefore the public minutes will be amended accordingly and published on the website.**

## 4 Matters Arising

05/02/18 Noted.

## 5 Committee forward look

06/01/18 Noted.

## 6 Regulation Director's update on key issues

### 07/01/18 New Ministers

Members noted the new ministers in post (Dominic Raab MP and Heather Wheeler MP) after the recent cabinet re-shuffle. The portfolios published for each Minister were noted and discussed. Feedback on matters that have passed to Dominic Raab MP from the previous Minister will be advised when available.

08/01/18 FM advised members that there had been PQ's received in the past few days about regulation.

### 09/01/18 Policy Areas

*LRO and Housing Admin Regulations:* Members noted that there is a possibility that these could be laid in February.

10/01/18 *Green Paper:* The new Minister will want to give a steer on his priorities.

11/01/18 *Rents:* we are having on-going discussions with the Department. The consultation on sheltered rent model closes today and we are discussing the implication of gross rents for sheltered accommodation being regulated by RSH. Members discussed the implications for the RSH in regulating LA rents, which will bring a resource implication. There will need to be clarity about what exactly our remit would be. The rent settlement post 2020 will be progressed via a Direction to the Regulator. This will require a consultation.

12/01/18 *Single Housing Ombudsman:* Government will consult on this.

13/01/18 *Homes (fitness for Human Habitation) bill:* members noted the implication of this bill which is intended to apply to all landlords. It was noted that it will



allow tenants to take legal action against landlords. There has been discussion about the resources and support available to tenants who do so.

14/01/18 **VfM consultation response**

All of the feedback will be considered in the analysis work being undertaken currently and before the standard and metrics are finalised.

17/01/18 **Publications, media and stakeholders**

Members NOTED the forthcoming publications and stakeholder events.

18/01/18 **Other**

MAP: members NOTED the update.

19/01/18 *Grenfell Tower Public Inquiry*: NOTED.

20/01/18 *Authorised signatories*: Members noted the amendments to the authorised signatories for regulation to reflect changes in personnel and the removal of our consents powers. Members were content with the changes and these were AGREED and will go to the Homes AND Communities Agency Board (as legal entity) for information on 25 January 2018.

**7 Fees Analysis/Lessons Learned**

21/01/18 Tom Crawshaw and John O'Mahony (JOM) joined the meeting.

*Fee collection 2017/18*: TC gave members an update. Since the report, a further two payments have been received. There are on-going de-regulation applications for which the fees are suspended.

22/01/18 *Fee Levels for 2018/19*: Members noted that the per-unit fee to the nearest pence will be £4.74 (an increase of 2 pence or 0.42%) which is slightly less than the budget increase of 1% due to the increase in social housing units in the sector. This was the indicative figure given to the sector in the October fee statement. Small providers will continue to pay a fixed fee of £300. The total fee income based on current figures will therefore total £326,100 from small providers and £12,291,493 from larger providers.

23/01/18 They were advised that the 1% would be applicable for the period of the spending review which ends in 2020. After that, we will need to take a further view on the budget needed to provide effective regulation.

24/01/18 Members noted that the fees statement was agreed by Committee previously. The fee level proposed was in line with the formula set out in the fees consultation document. Committee AGREED the fee level for 2018/19 as set out in paragraph 8 of the paper.

25/01/18 *Lessons learned review*: members noted the information and were advised that generally the project had gone very well, notwithstanding there are some areas where there could be improvements and many of these are being addressed for the next round of fee invoices.



26/01/18 There was a discussion about data collection and ways of getting the most up to date data on the number of units directly from providers at the time of issuing fee invoices. The process of the SDR was explained and the fact this data had to be checked and updated for fees purposes as a result of mergers and changes to group structures in the sector. The SDR is a statutory return, so using it as the source of data for fees, which is data provided by the RP's continues to be the most appropriate method at present, but the role of Microsoft Dynamics is being considered.

28/01/18 *Fees impact on small providers:* members noted the information provided

29/01/18 Members wanted recorded their congratulations to the staff involved in the fees project and for the smooth running of the project and the high level of fee recovery.

## **8 Decisions of the Assistant Director Registrations, Notifications and Small Providers**

30/01/18 RP presented the paper which The paper set out a summary of the activity in the last quarter and details of decisions taken.

31/01/18 Members NOTED that there had been three registrations for new entrants. The three registrations were for:

- Nottingham City Homes Registered Provider Limited
- Lets for Life Limited
- Swift Homes Limited

32/01/18 There had been one refusal of registration.

33/01/18 As a result of a change in legislation, providers who have informed the Regulator of a restructure by way of transfer of engagements, amalgamation and conversion are required to have the new entity registered. Members NOTED the four transfers and five conversions.

34/01/18 Members NOTED the sixteen providers who had been compulsorily de-registered, primarily following a merger. RP reported that there has been an increase in the number of providers applying for voluntary de-registration. To this end, the period to submit their applications was extended. If an application was made before 31 December 2017, and the de-registration was granted before the end of March 2018, the fee for the year will be waived.

35/01/18 At a previous meeting, Committee had asked for information on how many providers were on the Statutory Register. The paper provided this information at paragraph 14. Members requested a further breakdown by charitable status according to size of provider and RP confirmed this information will be included in future reports. She clarified that information on the number of units held by local authorities is information we do not hold.

RP



36/01/18 RP reported on a previous provider the Committee were made aware of

**9 Regulation Committee Scheme of Delegated Authority amendments**

37/01/18 SF introduced the paper which was seeking agreement from Committee to changes to the Scheme of Delegated Authority (SDA) which were prompted by the changes set out in paragraphs 4(a): re-designation of providers from profit to non-profit or vice versa and the amendment to the SDA will reserve the decision to re-designate a provider from non-profit to profit making to the Committee; and 4(b) which relates to S169D HRA and the current position that both the policy on notifications and agreement of any general directions are reserved to Committee. The amendment is proposing that the direction is a formal translation of policy once approved into requirements and therefore does not require Committee review and could properly be delegated to the Director of Regulation, whilst Committee retain authority for policy changes.

38/01/18 Committee were content and AGREED the changes to the Scheme of Delegations and NOTED that the amended SDA will be submitted to the Homes and Communities Agency Board (as legal entity) as required by the Governance Manual.

**10 Performance and Risk Report – Quarter 2 2017/18**

39/01/18 HW introduced the paper which reported on how regulation is performing against the business plan targets and how the business risks are being managed.

40/01/18 Four of the thirty one targets are marked as Amber; all other targets are marked green. Committee NOTED the rationale for the four targets which were Amber rated as set out in paragraphs 7-10.

41/01/18 Members were advised that at the December meeting of the Risk Review Group (RRG), the strategic risk register was reviewed for appropriateness of the risk articulation and controls.

43/01/18 On the request of Committee, the original risk 13 *Transition out of HCA* has now been split into two

**11 Operations Update**

44/01/18 RBP introduced the report. As at 20 December 2017, a total of 21 regulatory judgements were published. Only one (The Community Housing Group Limited) involved grade change (G2/V1 to G1/V2) and members noted the reasons for this change.



45/01/18 There was a detailed discussion on the IDA programme. Members noted that 122 IDAs have been completed which was in line with the IDA programme target for Q3 2017/18. 116 of these were considered at stocktake panels and 6 were switched to a RED process to confirm the grading decision. RBP advised that 143 of the current 229 large providers have had their first IDA. Plans are under discussion to complete some second IDAs within the four year programme. Assurance was given that there is capacity in the 2019/20 programme to pick up slippage in the programme should it occur or revisit any large or complex providers. Members found the table at paragraph 16 showing the actual or forecast year of IDA completion for all providers by size very useful. Members were advised that an update will be provided to the February meeting on the review of the updates risk segmentation model (RSM). In addition, the MAP programme will consider how to best use the RSM analysis and analysis of other statutory returns.

46/01/18 Members will receive regular updates through the operations report on progress with the IDA programme.

## 12 Transition Programme update

48/01/18 **Programme timings:** The next key milestone is the overarching SLA and a workshop is scheduled with Homes England for mid-February. This will influence the individual corporate services specifications. Regulation legal are in discussion with the Homes England legal team on the SLA. RC will discuss the outcomes of the SLA workshop at the February workshop.

49/01/18 **Marshall Street:** Homes England are moving out of Marshall Street at the end of March and we are liaising with IT, facilities and MHCLG on ensuring continuity of all necessary services for RSH once this happens.

50/01/18 **Corporate ID:** RSH rebrand went smoothly with just a few minor IT glitches which are being resolved. Housing press (Inside Housing and Social Housing) reported on the rebrand and the reaction from the sector has been positive.

51/01/18 **Governance project:** members discussed the proposition of publishing a statement about our position on modern slavery. Members stressed the importance of any statement clearly stating that our position does not bring the position of registered providers in this area into regulatory scope.

52/01/18 Members NOTED the other information in the report.





**13 Investigation and Enforcement update**

- 53/01/18 HB introduced the paper and gave members an overview of the current intensive and enhanced cases. KD joined the meeting.
- 54/01/18 *Broadacres Housing Association*
- 55/01/18 *Central and Cecil Housing Trust*  
This provider was on the GUR list and had had its existing compliant grades of G2/V2 confirmed. The RJ and RN will be published in January 2018 in respect of fire safety risks.
- 56/01/18 *Gentoo Group Limited*
- 57/01/18 *Impact Housing Association*  
We continue to engage with Impact and Riverside as they progress merger plans.
- 58/01/18 *Luminus Group Limited*  
We continue to engage actively with Luminus to monitor progress with the merger plans with PfP.
- 59/01/18 *Manningham Housing Association*  
The update in the report was noted by members.
- 60/01/18 Committee NOTED the updates on the other cases under intensive regulatory engagement.  
*Tower Hamlets*  
*Onward Homes* – have been regarded to G2/V1.  
*Cobalt* – have left the Onward group and currently do not have a governance or viability grading.
- 61/01/18 KD provided updates on the following cases:  
*Saffron Housing Trust*  
There continues to be intensive engagement with this provider to address the serious governance issues resulting in the resignations of the Board Chair, vice Chair and the Chair of Audit. Appointments have been made to all three posts in addition to the appointment of two co-optees to the board.
- 62/01/18 *Suffolk Housing Society Limited*  
An IDA highlighted a lack of assurance that the Board of Suffolk has ensured that there is an appropriate, robust and prudent business planning, risk and control framework. This resulted in them being grading G3/V2 and an RJ will be published at the end of January 2018. A new interim CEO is in post from January 2018.



64/01/18 **Consumer Regulation**

66/01/18 *Islington and Shoreditch Housing Association (ISHA)*

An internal referral was made to CRP during an IDA regarding a 2016 report from an external Health & Safety (H&S) .

**14 Any other business**

67/01/18 Members were advised that the proposed merger of Radian and A2Dominion has been called off.

68/01/18 **Date of next meeting: 27 February 2018**

Members were advised of a potential change of venue for the March Committee meeting as the Board Room in Marsham Street will be unavailable. RM offered to host the meeting at his offices. Members will be kept informed.