



PUBLIC MINUTES
Of the Regulation Committee meeting
Held on Monday 22 May 2017 at 10am
Marsham Street, London

Present

Julian Ashby	Chairman
Richard Moriarty	
Ceri Richards	
Simon Dow	

In attendance

Fiona MacGregor	Director of Regulation	
Mick Warner	Deputy Director Regulatory Operations	
Jonathan Walters	Deputy Director Strategy & Performance	
Isabella Freeman	Head of Legal Services	
Emma Tarran	Principal Solicitor, Regulation	
Karen Doran	Assistant Director Regulatory Operations	
John O'Mahony	Assistant Director Regulatory Framework & Performance	Item 7 & 8
David Taylor-Smith	Assistant Director Regulatory Operations	Item 7
Jim Bennett	Assistant Director Regulation Strategy	Item 7&10
Anna Furlong	Head of Regulatory Framework	Item 9
Helen Ward	Assistant Director Assurance	Item 9
Marcus Roe	Regulatory Framework and Strategy Manager	Item 10
Will Perry	Assistant Director Commercial and New Entrants	Item 11
Harold Brown	Assistant Director Investigation and Enforcement	Item 13
Chris Kitchen	Board Secretary	

01/05/17 There was a confidential session between members and the Director of Regulation.

1 Welcome and apologies

02/05/17 There were apologies from Sarah Wall.

2 Declarations of Interest

03/05/17 There were no declarations.

3 Minutes of the last meeting – 24 April 2016

04/05/17 The confidential minutes were APPROVED as a true record.

05/05/17 The public minutes were APPROVED for publication.

4 Matters Arising

06/05/17 NOTED.

5 Committee forward look

07/05/17 Members noted the planner and were advised of some additional papers which will go to the June meeting

6 Regulation Director's update on key issues

08/05/17 Policy developments:

DoR advised members there had been limited policy activity during purdah.

LRO: work continues with policy officials and government lawyers.

- *Housing Administration regime:* work continues on the rules and regulations

09/05/17 General Election and Manifestos:

Members were advised on the housing elements in the manifestos of each of the three main political parties.

10/05/17 Performance:

DoR reported that performance against the current years' business plan targets, were on track with the exception of the workstream to update Managing Financial Failures, where the timescales for completion will be altered by the General Election delaying the finalisation of the rules and regulations for the Housing Admin regime.

Smaller Providers team: current vacancies in the team are expected to be filled by Q2. Notifications are starting to be submitted.

11/05/17 Publications, media and stakeholders:

NOTED. Priorities for publications after the end of purdah are:

- VfM Consultation – week commencing 12 June
- TI&E Standard – end of week commencing 12 June along with letters to providers
- Quarterly survey – w/c 19 June
- RTS update – w/c 19 June

7 Transition Programme Update

12/05/17 The Deputy Director Regulatory Operations (DDRO) introduced the transition update noting that additional resource had been brought in internally, both in terms of programme management (which will enhance the focus on planning, risks, issues and delivery) and specific projects. The full benefit of that will come through in coming weeks and months but some value has already been seen, with progress being demonstrated across all of the projects.

13/05/17 Members were advised that meetings had been held with the HCA and their advisors on the HCA pension scheme and with Westminster on the LGPS. An update on the project was presented to the meeting.

14/05/17 The review of facilities arrangements has been completed at Programme Board and proposals have been presented to the meeting on both core and non-core offices.

15/05/17 The paper also contains an update on the finance project and over the next few weeks work will be taken forward on the format/content of management accounting information

18/05/17 Members were given an update on the LRO which is being reviewed following comments from Parliamentary Counsel for finalisation of detailed points by officials and lawyers. DoR advised members that all work is being done with the assumption of an April go-live date.

20/05/17 Committee noted that in general the principle of shared services is being borne in mind

21/05/17 Committee AGREED to this approach

23/05/17 Committee AGREED the proposals for facilities as set out in the paper.

24/05/17 Members NOTED the finance arrangements . Members will be kept informed.

8 Terms of Reference for Fees and Resources Advisory Panel (FRAP)

25/05/17 Committee were being asked to review and agree the Terms of Reference of the FRAP.

26/05/17 *Purpose and Scope:* Members advised that there this section should include and set out clearly that the FRAP is an advisory body.

27/05/17 *Objectives:* Members asked officers to review the objectives as there was a discrepancy between the objectives in the cover paper and those in the ToR. Their preference were the objectives set out at para 5 of the cover paper,.

29/05/17 *Frequency:* amend wording to read twice a year.

30/05/17 *Membership:*

- Members suggested that the seniority of panel members should be pitched at senior executive level to ensure the right level of engagement and understanding of issues.
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- Members AGREED to the suggestion that the tenant representative body should be TPAS.

31/05/17 Members AGREED that the Principal Solicitor, Regulation would review the ToR to make it clear that the FRAP was an advisory body and that the Regulation Committee itself approves the ToR. Members AGREED that a

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further draft would be circulated for comment, and DELEGATED authority to the Chairman to approve those changes.

9 Corporate Strategy and Interim Plan for fees statement

32/05/17 DoR introduced the plan as a first draft for comment from Committee on the format and content. It is at a very early stage of development and officers want a view from committee on where they think the document is in its current form and what else they want to see included.

33/05/17 Members complimented officers on the quality of the documents, which does respond to the brief set by the committee. In their view we should have a succinct plan. comprising a three year plan which set out targets and priorities, initially for the first six months, and then yearly.

34/05/17 A business plan is an external facing document and so we need to consider who our audience will be and how it will be accessed, which is probably mainly on-line. Members also AGREED that the final version should list out or cross reference our strategic objectives for ease of access. The final version will contain both narrative and numbers.

35/05/17 It was AGREED to review next version which clearly articulates strategy and priorities via the June workshop with the aim that a near final version goes to Committee in July. The document would describe activities rather than teams. It was agreed that it needs to link into the FRAP cycle and needs to be ready for the first FRAP meeting. As invoices go out in September, it is anticipated that the first FRAP meeting will be in September.

HW/AF

36/05/17 Members were content with the other priorities.

10 Tenant Involvement and Empowerment Standard

37/05/17 Members noted the outcome of the consultation on the revised wording of Section 2.2.3 of the TIE Standard. Response had been good with a good spread of responses which included tenants. Members queried the response to question 3 in respect of leaseholders. Officers were asked to make it clear in the narrative that where leaseholders were mentioned in relation to the Standards not applying, then this did not include shared ownership tenants to which the Standard does apply.

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38/05/17 Members NOTED the analysis of the responses to the consultation questions and AGREED the proposed responses and the change to the wording of 2.2.3 which was covered in question 4, subject to a minor amendment of the final wording. It is intended that the outcome of the consultation will be published during week commencing 12 June 2017.

11 Private Finance Update

39/05/17 Members NOTED the paper and were advised that it has been a steady six months but the market is picking up and there will be more to report on in the next report to Committee. Members had requested more information on alternative lending and new entrants and this information was included in the paper.

41/05/17 Funding continues to be available from banks, public issues and private placements. New entrants to the market are offering a range of products including some index-linked items: it seems unlikely that indexed products will form a substantial part of any provider's debt in the near future.

43/05/17 Members asked about the fund set up by the Universities Superannuation Scheme with Morgan Sindall. WP advised that they were testing the market – Morgan Sindall to provide the building services – with an initial focus on extra care schemes. Committee noted that interest in this part of the sector was growing, despite uncertainties around LHA funding, and that lenders seemed to be taking the view that there would be some resolution over the long term.

12 Operations Update

44/05/17 DDRO reported that there had been eight regulatory judgements published in April.

45/06/17 Hundred House has been upgraded from G3/V2 to G2/V2. Karbon was issued an interim judgement of G1/V1 since it was registered in April 2017. Shoreline was downgraded on governance from G1/V2 to G2/ .

46/05/17 DDRO reported that there had been eighty providers considered at stocktake panels following the completion of IDAs. Since the last report a further two IDAs had been completed. Riverside (no change to judgement) and Genesis who had been re-graded on viability (G1/V1 to G1/V2) and members noted the reasons for this as set out in the paper.

47/05/17 There were no new mergers to report. AmicusHorizon and Viridian and First Wessex and Sentinel had completed their mergers.

13 Investigation and Enforcement update

48/05/17 *Broadacres Housing Association:*

49/05/17 *Onward Housing (formerly Symphony Housing Group):*

50/05/17 *Expectations:*

51/05/17 *Manningham Housing Association:*

52/05/17 *London District Housing Association:*

53/05/17 *Luminus Group Limited:*

54/05/17 *Impact Housing Association:*

Consumer Regulation

55/05/17 Members noted the cases under intensive regulatory engagement.

14 Any other business

56/05/17 There was no other business.

