



PUBLIC MINUTES
Of the Regulation Committee meeting
Held on Monday 25 September 2017 at 11am
Marsham Street, London

Present

Julian Ashby	Chairman
Liz Butler	
Simon Dow	
Ceri Richards	
Richard Moriarty	Confidential session only

In attendance

Fiona MacGregor	Director of Regulation	
Mick Warner	Deputy Director Regulatory Operations	
Jonathan Walters	Deputy Director Strategy and Performance	
Emma Tarran	Principal Solicitor, Regulation	
Karen Doran	Assistant Director, Regulatory Operations	
Harold Brown	Assistant Director, Investigation and Engagement (Finance)	
Isobella Freeman	General Counsel	For items 7 - 9
Jim Bennett	Assistant Director Regulatory Strategy	Item 7
Stephanie Fleck	Solicitor, Regulation	Item 7
Althea Houghton	Head of Regulations and Notifications	Item 8
Will Perry	Assistant Director, Commercial and New Entrants	Item 9
Chris Kitchen		Minutes

01/09/17 There was a confidential session between members and the Director of Regulation.

1 Welcome and apologies

02/09/17 There were apologies from Richard Moriarty who left after the confidential session. The Chairman welcomed Liz Butler to the Regulation Committee and introductions were made.

2 Declarations of Interest

03/09/17 Ceri Richards declared that she is a member of an Investment Committee for an infrastructure fund, but there was no conflict of interest with her role on the Regulation Committee as the fund does not cover housing.

3 Minutes of the last meeting – 24 July 2017

- 04/09/17 There were no comments on accuracy on the confidential or public minutes.
- The confidential minutes were APPROVED as a true record.
 - The public minutes were APPROVED for publication.

4 Matters Arising

05/09/17 *07/07/17:* agenda item 9.

06/09/17 We do not have automatic triggers for downgrades or findings of breach. However, when we are made aware of a problem, there is an investigation by the consumer regulation panel.

07/09/17 Management agreed that it would:

- Reinforce messages to providers about self-referrals for incidents that could be a breach of our standards.

5 Committee forward look

08/09/17 Members NOTED the planner. The content of forthcoming workshops will be populated following discussions at the workshop after this meeting and will be used to update the January to March planner.

6 Regulation Director's update on key issues

09/09/17 Policy context

Green Paper: DoR advised members that the Secretary of State had announced a green paper on social housing in England which has been badged as a root and branch review. It is expected to cover the position and provision of social housing and who it is for, technical issues, health and safety and tenant rights. It is intended that the approach to the green paper will be very consultative and we will be working the DCLG policy team on any areas concerning regulation of social housing.

10/09/17 *SOS NHF speech:* key points from the speech were that there is to be an announcement "very soon" on rents. Upcoming events that would provide possible opportunities for an announcement include the Conservative party conference or the autumn Budget. The SoS also announced a forthcoming decision on the Right to Buy.

11/09/17 *Wider NHF conference feedback:* the Chairman's speech was well received, with some surprise about his stepping down as Chair of the Regulator. The breakfast meeting was well attended, and very well received with interest focused on V1/V2 boundaries and the Sector Risk Profile. There were also speeches from John Healey MP and the Housing Minister.

12/09/17 *Grenfell tower inquiry:* the inquiry opened on 14 September and the list of issues were confirmed as governance and management of the TMO and tenant complaints. DoR stated that we are working with DCLG to provide any information they may need for the Inquiry. Since the last committee meeting, and following discussion with the NTOs we have written to them setting out our role and have published the letter on our website. The BRE ACM cladding system tests have concluded and the outcomes are set out on

the DCLG website as part of the Building Safety Programme. A review of Building Regulations has also begun. Members were advised that there are around 5,500 HA and LA tower blocks of which around 160 owned by HA's which have ACM cladding.

13/09/17 DCLG are continuing to lead on the Building Safety programme work, to identify requirements for replacement cladding, which will need to be agreed locally with the Fire Service. Providers are aware that they will need to liaise with the regulator if the final requirements will cause viability issues.

15/09/17 **Legislation and Policy**
Members noted that regulations to reduce LA influence of RPs were introduced in Parliament and were anticipated to be discussed in late October. Discussions are on-going on a number of rent policy issues.

16/09/17 **Consultation timeline:**
Members NOTED the timings of consultations and were advised that the VfM consultation was planned for 27 September.

17/09/17 **New Registrations**
Members NOTED the registrations.

18/09/17 **Performance**
Members NOTED the performance against the business plan and were advised that there are at the time of reporting, three targets at Amber.

19/09/17 **Publications, media and stakeholders**
Members NOTED the forthcoming publications and stakeholder events.

7 Transition Programme Update

20/09/17 SF and JB joined the meeting and MW presented the paper which contained updates for information. They were advised that good progress is being made with the project overall especially in the Governance and Corporate Services projects.

21/09/17 *Service Level Agreement:* The first draft of the shared services SLA has been shared with the HCA Director of F&CS.

22/09/17 *Fees:* the invoice run was successful and payments have started coming in. There have been a few queries which are being responded to. Issues highlighted through these queries will be addressed in the next version of the guidance.

23/09/17 Members queried the membership of the FRAP. Officers confirmed that most representative bodies who had been invited have put forward representatives and there is a good spread of representation both geographically and sector coverage.

25/09/17 *HR policies and procedures:* initial review of the differences between the two sets of terms and conditions for regulation staff is now complete. The union was given a verbal update at the recent JNCC meeting on the position

regarding T&Cs for regulation staff. Discussions continue with HR regarding the services they will provide to the RSH.

26/09/17 *Communications and engagement.* Members were advised that there has been good progress on the re-brand work. We are working to the Cabinet Office guidelines in respect of the RSH website. Staff engagement with the re-brand has been positive and we are awaiting the document and presentation templates. Email addresses will change over the weekend before go-live and will run in parallel with current addresses for a while.

27/09/17 Members NOTED the status report and the risk map.

8 Principles of Re-designation

28/09/17 AH joined the meeting and JW introduced the paper which set out the approach and principles we will apply in assessing an application from a provider for re-designation on the register.

29/09/17 Prior to considering the application we will usually want to consider whether the provider is still eligible for registration, as we would typically do when a provider comes to our attention. That is, whether the provider meets the statutory eligibility requirements – that they are an English body and a provider of social housing in England.

30/09/17 The paper set out in paragraph 28 the principles for any re-designation of providers from profit making to non-profit. The eligibility test will not be part of the consideration for re-designation and therefore the principles will be those as set out b) to f) at paragraph 28.

31/09/17 Committee AGREED with these principles.

32/09/17 If there was an application from a non-profit provider requesting re-designation to a profit-making provider, we propose to follow similar principles as set out at paragraph 30, b) to f).

33/09/17 Committee AGREED with these principles.

9 FFR Update

39/09/17 WP joined the meeting and presented the paper which summarised key findings from the FFR dataset and included some comparisons with the 2016 data. WP advised members that a more detailed paper including broader scenario modelling would be provided to the December meeting.

10 Investigations and Enforcement Update

42/09/17 Members NOTED the reports on the intensive regulatory cases

43/09/17 *Broadacres*

44/09/17 *Manningham Housing Association*
In response to the G3/V1 regulatory judgement and the regulatory notice for

gas safety issues, Manningham has strengthened the executive team and board. It has appointed an interim CEO and a new finance director. The new Chair has sector experience and is supported by two co-optees.

- 45/09/17 *Luminus Group Limited*
Members were advised that Luminus are now close to selecting a merger partner and there are three applicants being considered. The annual accounts have been signed off
- 47/09/17 *Impact*
Our engagement with Impact continues.
- 49/09/17 *Central and Cecil Housing Trust*
This provider was placed on the GUR list for potential non-compliance with the governance element of the G&FV standard. It is currently G2
- 50/09/17 *Gentoo Group Limited*
Gentoo were placed on the GUR list for potential non-compliance with the governance element of the G&FV standard. Members were given an update on the self-referral of serious issues relating to senior executive remuneration and termination payments .
- 51/09/17 **Consumer Regulation**
WM Housing Group Limited
We have concluded that the failure of WM Housing to give licensees sufficient notice of their eviction represented serious detriment and a regulatory notice is due to be published shortly. This will be reflected in a Regulatory Judgement to be published this month.
- 53/09/17 Members NOTED the updates on the other consumer regulation cases.
- 11 Operations Update**
- 54/09/17 DDRO-MW introduced the paper and reported that there had been twelve regulatory judgements published in July and August. Members noted the providers who had had grade changes and those who had been issued regulatory judgements.
- 55/09/17 Members noted the downgrade of Arches Housing Limited and Severn Vale Housing Society Limited to G2.
- 56/09/17 The IDA programme was noted. 101 providers have been considered at stocktake panels following the completion of IDAs. Unity has been downgraded on governance and re-graded on viability (G1/V1 to G2/V2). Following the report to the July meeting, and consideration by RET, Network have been regraded from G1/V1 to G1/V2. Committee were given assurance that we are on track with the IDA programme.
- 57/09/17 Stability checks were near completion and regulatory judgement will follow. Members noted the information in the paper on mergers in the sector.

58/09/17 Committee NOTED the report.

12 Any other business

There was no other formal business.