



Homes &  
Communities  
Agency

The social housing regulator

**PUBLIC MINUTES**  
**of the Regulation Committee meeting**  
**held on Monday 21 November 2016 at 10 am**  
**Marsham Street, London**

**Present**

Julian Ashby                      Chairman  
Richard Moriarty  
Ceri Richards  
Simon Dow

**In attendance**

Fiona MacGregor              Director of Regulation  
Mark Hodgkinson            Chief Executive - HCA  
Mick Warner                    Deputy Director Operations  
Jonathan Walters             Deputy Director Strategy & Performance  
Jack Lee                         Asst. Director Investigation & Enforcement (Governance)  
Catherine Farrington        Principal Solicitor – Corporate & Regulation  
  
Christine Kitchen              Asst. Board Secretary

01/11/16    There was a confidential session between members and the Director of Regulation.

**1            Welcome and apologies**

02/11/16    There were apologies from Sarah Wall. Queries from Sarah were being addressed directly.

**2            Declarations of Interest**

03/11/16    There were no new declarations of interest.

**3            Minutes of the last meeting – 24 October 2016**

04/11/16    The confidential minutes were APPROVED, subject to a minor change to 12/10/16 & 25/10/16. Members clarified that in 26/10/16, their concerns were that management were clear about the focus of the stress testing carried out on providers based on the information in business plans and associated risk registers. Executive gave assurance that this was the case.

05/11/16    The public minutes were APPROVED.

#### **4 Matters Arising**

06/11/16 Members NOTED the items.

#### **5 Committee forward look**

07/11/16 Members noted the planner and that it would be further populated when the outcome of the HCA Review is known and there is progress on charging of fees.

#### **6 Regulation Director's update on key issues**

##### **08/11/16 Policy update:**

*Autumn Statement:* The Director of Regulation (DoR) advised that the statement would be given on Wednesday. Elements we are aware of that were being discussed and relevant to us is greater flexibility in terms of tenure mix for the affordable housing programme, and potentially some additional money as well. There's also been discussion about the HCA's role in accelerated construction, and about more support for SME house builders, as well as more funding for infrastructure. Recent media speculation indicated the Chancellor was seeking to manage expectations given on-going pressures on public finances, and a strong focus on measures which would help with increasing productivity and contribution to economic growth.

09/11/16 *Housing White Paper:* Members were advised that there is no confirmed date for this but it was expected before Christmas. The DWP's consultation on funding for supported housing has just been launched.

10/11/16 *Fees:* DoR advised that the Regulator was ready to launch the consultation on charging fees as soon as permission is granted. If this happens before Christmas, it will allow for a 6 week consultation period to enable fee charging to be implemented from the proposed date of April 2017. Members and Officers both agreed that there should be strong messaging to the sector about fees so that providers can make the necessary adjustments in their budgets. DoR confirmed that comms on this will continue to be high profile. It was confirmed that the most recent SDR social housing stock figures will be used to calculate fee levels for each provider. DoR confirmed that HCA finance is leading development of the invoicing system and there was senior oversight of that. Members asked that the invoicing system/production of invoices is thoroughly tested prior to launch date, including checking that we have up-to-date information for RPs registered offices. DoR confirmed we have assurance on that information point as we contact providers frequently, but noted that we have difficulty with a very small number of small providers (for example, in relation to seeking their accounts) and this is likely to continue in relation to fees invoices. She undertook to report back on plans for system testing.

**FM**

11/11/16 *HCA Review*: there was still no definitive date for the announcement of the outcome of the HCA review.

12/11/16 **Reduction of the Benefit Cap**:  
Members noted the information provided on the impact of the reduction which came into effect on 7 November 2016 and is due for full roll out by the end of January 2017.

13/11/16 Members noted the information provided in the paper on which areas will be the most impacted based on HCA modelling.

14/11/16 **Regulation 2016**: Members were given an update on the latest position of current projects, many of which are now BAU. Work has progressed well on “mega mergers”.

*Deregulation* - We are still awaiting a commencement date for provisions in the Housing and Planning Act 2016.

15/11/16 **SLT – Operational Programme Board**: Members NOTED the agreed evaluation programme and forward plan for those areas to be reviewed by SLTOPB.

16/11/16 **Performance Management**: performance against the agreed targets of the Business Plan are on track. Two new targets were approved by RET and two targets with deliverables in Q1&2, have been rolled into Q3 & Q4 due to the delay in the deregulation commencement.

*Internal Audit* – no issues expected and audits are on track.

17/11/16 **Publications, Media & stakeholders**: Members discussed the adjournment debate in relation to Circle/Old Ford/Tower Hamlets. It has been suggested in the debate that the HCA had not dealt with complaints and concerns raised in a prompt manner. That was not recognised as being a fair reflection by the regulator. DoR confirmed that we are seeking to manage the relationships and reputational issues actively, alongside understanding the substance underlying complaints. Meetings are taking place or have been offered to local MPs, councillors and council executives of local authorities. There continues to be active engagement with both Circle and Affinity Sutton.

## 7 **Operations Update**

18/11/16 DDRO reported that there had been thirty one regulatory judgements including one new narrative judgement published in October. St Vincent’s has been downgraded on governance following a self-reported issue with fire risk assessments and we have also issued a Regulatory Notice to the effect that this was a breach of the Home Standard.

19/11/16 Sixty providers had been considered at stocktake panels following the completion of the IDAs. Three of those had taken place since the previous Committee report. DDRO advised that Johnnie Johnson had been given a G1/V1 grading and Wrekin a G2/V1 grading since the report was issued. He also gave assurance that we were delivering against the IDA programme. There is slowdown in the programme towards the end of the calendar year, as operational staff are focussed on carrying out stability checks.

20/11/16 Members noted the merger activity amongst providers.

## **8 Investigation and Enforcement update**

22/11/16 The Committee were sighted on cases which were of concern and NOTED the issues in each case.

23/11/16 *Derwent Housing Association:* there continues to be progress made with Derwent joining PfP group. Regulator engagement continues with both Derwent and PfP.

24/11/16 *Chapter 1:* the merger with the Salvation Army has been agreed by the organisations. The consent to the constitution change will be sought from the Regulator and the merger is likely to go ahead with continued support of the co-optees and Altair and we continue to monitor progress.

25/11/16 *Saffron Housing Trust:*  
Our intensive regulatory engagement with them continues.

27/11/16 **Consumer Regulation:** Members noted that 62 cases have been investigated by the I&E team and there are currently 31 active consumer regulation investigations.

28/11/16 *Circle:* as previously discussed there was a parliamentary debate at the end of October about Circle Housing Group. We are working closely with Circle and Affinity Sutton to understand the both specific and service-wide issues that Circle is facing, particularly in east London, and their approaches to resolving them in the short and the medium term. There is a strategy for the proposed merger to deliver sustainable improvements. This is a priority for both Circle currently and for the leadership of Clarion when that comes into being.

39/10/16 Members NOTED the progress on the other providers.

## **9 Any Other Business**

**Date of Next Meeting:** Monday 19 December 2016.