



PUBLIC MINUTES
of the Regulation Committee meeting
held on Monday 23 May 2016 at 10 am
Marsham Street, London

Present

Julian Ashby Chairman
Richard Moriarty
Ceri Richards
Sarah Wall
Simon Dow

In attendance

Fiona MacGregor Director of Regulation
Mick Warner Deputy Director Operations
Jonathan Walters Deputy Director Strategy & Performance (2nd confidential session)
Mark Hodgkinson Chief Executive
Catherine Farrington Principal Solicitor
Jack Lee Asst. Director Investigation and Enforcement
Ros Poulson Registrar (items 8, 9 and 2nd confidential session)
Jane Cox Head of Regulatory Framework (items 8 & 9)
Will Perry Asst. Director Commercial and New Entrants (2nd confidential session)
Jim Bennett Asst. Director Regulation Strategy (item 6)

Christine Kitchen Asst. Board Secretary

01/05/16 There was a confidential session between members, HCA Chief Executive and the Director of Regulation.

1 Welcome and apologies

02/05/16 There were no apologies. DD S&P would be late.

2 Declarations of Interest

03/05/16 There were no declarations of interest other than those noted at the last meeting.

3 Minutes of the last meeting – 28 April 2016

04/05/16 The confidential minutes were APPROVED.

05/05/16 The public minutes were APPROVED.

4 Matters Arising

06/05/16 Members noted the items.

5 Committee forward look

07/05/16 DoR advised members that as a result of changing priorities, there will be some changes made to agenda items for the next few meetings. Members were content with this and AGREED the suggested changes.

6 Regulation Director's update on key issues

08/05/16 **HCA Review:** The Director of Regulation reported that the HCA Review recommendations were still going through the clearance process.

10/05/16 **Housing and Planning Act:** the Act received Royal Assent on 12 May.

11/05/16 **Right to Buy:** The pilots are going well.

12/05/16 Members discussed the implications of RtB for the regulator, whose role is to monitor compliance with homeownership criteria. Our principal role will be data monitoring.

13/05/16 **Value for Money:** Members were advised that there has been a lot of progress made on the Unit Cost and Regression Analysis. This year, letters and data will be sent to the Chair and Chief Executives of RP's providing them data for their RP. It is intended that the documents will be published on 8 June. Members will be sent by email the revised documents for their comments.

15/05/16 **Regulation 2016:** A number of high priority projects have already been covered. Work on small providers is being given further consideration and is progressing well. Initial proposals for the review of the Consumer Standards have been reviewed and the programme board will be considering timing and scope. Special Admin project continues with work on shaping the secondary legislation and updating the MFF plan and statutory guidance.

16/05/16 **Business Plan and Internal Audit:** Business plan targets are all flagged green. Members NOTED the four internal audits identified for 2016/17.

17/05/16 **Media & Stakeholders:** Noted.

7 Major Financial Failures Annual Update

18/05/16 The ADI&E gave members an overview of the purpose of the paper, which was part of the overall regulation assurance framework. It advised them of the implementation measures taken to implement the MFF project. There had been no major financial failures in 2015-16. Our approach is to seek to identify and resolve major failures before they occur.

19/05/16 Members were sighted on the work done in respect of the new Housing Administration regime and the legislation on scheme rules.

20/05/16 Members asked that the level of engagement is kept under constant review. **JL**

21/05/16 Members discussed the moratorium and the impact on operations when Housing Administration comes in. ADI&E confirmed that the moratorium would remain an available option under the Housing and Planning Act legislation.

8 Review of Registrations 2015/16

22/05/16 Members NOTED there had been a fall in the number of registrations during the year. There had been a good number of applications, but the flow through from initial to final registration has slowed down, potentially as a result of the rent cuts announced in the July 2015 budget and a number of applications are therefore in abeyance.

23/05/16 Five registrations were approved, three designated as non-profit and two as for-profit. There were two registrations which arose from mergers of RP's and three registrations were refused. Applications have been received from a wide variety of applicants.

9 Statutory Consultation on revised registration criteria and guidance on use of the regulator's powers

24/05/16 Members were asked to NOTE the revised statutory consultation document, following feedback from Committee at the April meeting. The registration criteria have been amended to incorporate the changes suggested and the document now also incorporates changes to the guidance on use of the regulator's enforcement powers. Changes to the guidance have been kept to a minimum and reflect the requirements introduced by the Welfare Reform and Work Act 2016 and Housing and Planning Acts 2016.

25/05/16 Having agreed the approach taken in respect of the registration criteria at the last meeting, Members AGREED the approach set out in the proposed consultation document including concerning the changes to the guidance notes on the use of powers. They AGREED the form of the proposed consultation document subject to a few minor amendments. Members also AGREED the delegation of final sign-off of the consultation document to the Chairman and either DoR or DDS&P.

10 Operations Update

26/05/16 There had been seven regulatory judgements of which two were governance downgrades. Three new narrative judgements had been published and a revised narrative RJ.

27/05/16 Twenty five providers had been considered at stocktake panels following the completion of IDA's with four taking place since the last committee report.

28/05/16 The recent merger activity was NOTED.

11 Investigations and Enforcement Update

29/05/16 The Committee were sighted on cases which were of concern and NOTED the issues in each case.

30/05/16 Consumer regulation cases were also NOTED.

12 Any Other Business

31/05/16 There were no items for discussion.

Date of Next Meeting: Monday 20 June 2016.

Chairman's Signature:

Date: