

Regulation Committee Meeting 15

Minutes

Sept 8th, 2016.



Date	8 th September, 2016
Venue	Housing Agency, Mount Street Upper
Time	11.00am
Chaired by	Jennie Donald (J.D.)
Committee Members Present	Ronan Heavey (R.H.), Donal McManus (D.M.C), Mary Lee Rhodes (M.L.R), Eddie Lewis (E.L.), Oonagh Breen (O.B.), Margaret Geraghty (M.G.), Michael Cameron (M.C.), Gerry Hunt (G.H.)
In attendance	Pat Fitzpatrick (P.F.) (Head of Regulation, Regulation Office, Housing Agency) Jenny Murphy (J.M) (Secretary to the Committee, Regulation Office, Housing Agency) Susanna Lyons (S.L.) (Regulation Office, Housing Agency)

Agenda Items

1. Apologies

- No apologies were received

2. Declaration of Interest

- No declarations were made.

3. Matters Arising

- The Chair welcomed Margaret Geraghty (M.G.) who was attending the meeting for the first time since taking up membership of the Committee
- The Head of Regulation tabled the organisational chart outlining the various work areas of the Regulation Office as requested at the previous iRC meeting.

Part 1 – Consent Agenda Items

4. a. **Minutes** – removed from consent agenda in order to discuss an amendment to the text in Item No. 8.

b. Report on Sign Ups to the Code

c. Details of Engagement Matters

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| <ul style="list-style-type: none">1. Consent Agenda items agreed by Committee.2. Minutes of June meeting agreed by Committee with amendment. |
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Part 2 – Items for Discussion

Performance and Operations

5. Report from Chair

- The Chair advised that, where necessary and appropriate, she would report formally to the Committee.
- The Chair led a discussion on the Financial Standard Pilot for Tier 3 organisations. She recommended, following discussion with the Head of Regulation, that the Tier 2 Pilot should be delayed pending evaluation of the Tier 3 pilot.
- It was suggested that the Tier 2 Pilot could occur in early 2017, with Tier 2 organisations continuing to undergo assessment during the current cycle with the Pilot to proceed separately.

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- It was proposed that the new Financial Regulation Manager provide an overview of the lessons learned from the Tier 3 Pilot at the iRC Meeting in November.
- The Chair also discussed various meetings that have taken place between the Regulation Team and the Department with regards to legislation, providing feedback from the iRC. These meetings have been very useful and the Regulation Team will continue to liaise with the Department in this regard.

Action

3. Defer Tier 2 Financial Pilot pending evaluation of the Tier 3 Pilot.
4. Financial Regulation Manager to present paper on the Tier 3 Pilot at the next meeting.

6. Report from Head of Regulation

P.F. gave an overview of his report to the Committee. The following points were discussed:

- **Assessment Programme** – the Regulation Office has now issued all 203 Regulatory Assessment Reports to AHBs. The Annual Regulatory Return for 2015 was issued to all Tier 1 organisations on the 1st September with a submission date of the 31st October. The Annual Regulatory Return for Tier 2 and Tier 3 organisations will be issued shortly, with the same submission date.
- **Annual Review Meetings** – The Regulation Office has held an Annual Review Meeting with eight Tier 3 organisations to date. The remaining meetings are scheduled over the next six weeks.
- **Engagement Programme** – The Regulation Office has held one engagement meeting with a Tier 2 organisation to date. The organisation is deemed to require ongoing engagement and has been asked to submit a plan to address the issues identified. An additional seven meetings are scheduled in the coming weeks with Tier 2 organisations that were deemed to require engagement. A number of Tier 2 and Tier 1 organisations were asked to provide written clarification based on the Regulatory Assessment Report and the Regulation Office will follow up with these organisations.
- **Legislation** – There have been ongoing discussions with the Department on the Regulation Bill. A paper on Legislation has been prepared and will be discussed in greater detail under a later agenda item.
- **Resources** – Brian Nevin has taken up the post of Financial Regulation Manager. A resource plan is being prepared by the Housing Agency for the additional work envisaged under the Rebuilding Ireland Action Plan for Housing and Homelessness, including the additional post for the Regulation Office.
- **Financial Standard Pilot Group** – The key findings from the Financial Standard Pilot for Tier 3 AHBs will be presented to the committee at the November meeting.
- **Governance Standard** – The development of the Governance Standard is planned to commence in October 2016 with a view to completion by March 2017.

- **Communications and Meetings**

- The Head of Regulation met with the National Oversight & Audit Committee (NOAC) and also met a media representative who was interested in the role and powers of the Regulation Office.
- The Head of Regulation also attended a Benefacts Project Advisory Group meeting and the Governance and Assessment Manager has agreed to participate in a working group to be setup, arising from this meeting.
- The Governance and Assessment Manager also attended the launch of the Code of Practice for the Governance of State Bodies which will provide a useful reference for the development of the Governance Standard.
- The Finance Regulation Manager attended the Northern Ireland Federation of Housing Associations 2016 Finance Conference.
- The Regulation Office team attended the Housing Practitioners' Conference in Newbridge and has also met with the ICSH to discuss the feedback from their members regarding the Assessment Reports.
- **Research** – The research on AHBs not yet signed up to the Code has been completed and a paper circulated to the iRC.
- **Annual Report** – The Annual Report is currently being prepared. The data analysis and validation has been completed and the report is currently being drafted. The planned launch date is during the first week of October.

7. Emerging Issues and Key Risks to AHB Sector

S.L. provided the Committee with an overview of the emerging issues and the key risks faced by the AHB sector based on the findings of the Assessment Programme.

- Based upon the assessment of Annual Returns, the AHB sector does not currently face substantial risk which could cause major sector impact. The risks to the sector are varied across the three Tier levels.
- For larger organisations, longer term risk relates to how organisations will meet government's growth targets, coupled with the shift from public to private financing for development.
- The Committee discussed the various challenges facing the sector, particularly in relation to those organisations where housing is not the primary objective and where the majority of funding is received from other state bodies such as the HSE. The Committee agreed that further consideration of the Regulation Office's involvement with those organisations was needed.
- It was agreed that the Regulation Office would prepare a paper outlining the number and scale of these organisations and make recommendations for future regulatory practice.

Action

5. Prepare a paper outlining the number and scale of these organisations and make recommendations for future regulatory practice.

Strategic Development

8. Research Update

P.F. provided an overview on the results of the research carried out regarding the reasons AHBs that have not yet signed up to the Voluntary Regulation Code.

- Twenty-nine organisations were contacted
- The reasons indicated for not signing up to Regulation were varied, some were small organisations run entirely by volunteers. Others felt that the time required to satisfy all regulatory requirements was overwhelming.
- The Committee discussed what the next steps in this process should be and it was suggested that the Regulation Office provide recommendations to the Department in relation to removing inactive organisations from the list.

Actions

8. Regulation Office to develop recommendations to Department regarding identifying and removing inactive organisations from the list.

Legislation

9. Legislation

The Chair presented the Committee with a paper on areas of interest that have emerged from discussions on the legislation with the Department.

- Discussion focused on definitions of terms within the legislation.
- The Committee also further discussed the idea of disposal of assets and what could be defined as a social housing asset for this purpose.
- It was agreed that further information should be provided to the Department regarding the approach to consent of disposal of assets and the registration of organisations.

Actions

9. Provide further information to the Department regarding the approach to consent of disposal of assets and the registration of organisations.

11. AOB

- No other business.

The next meeting is scheduled for THURSDAY 17th November at 11am.