



THE SOCIAL
HOUSING
REGULATOR

19 December 2011

6th Floor
Maple House
149 Tottenham Court Road
London W1T 7BN

Tel: 020 7393 2280

Fax: 020 7393 2284

Email address:

claer.lloyd-jones@tsa.gsi.gov.uk

Dear Chief Executive

This will be the last letter of 2011. I will be writing again in the New Year to continue updating you on the changes to regulation, for which we are now making our final preparations, ahead of transferring responsibility for regulation functions to the Regulation Committee of the HCA.

Localism Act and the HCA Regulation Committee

Since my last letter, the Localism Bill has completed its passage through the legislative process. It received Royal Assent on 15 November 2011. This means that the statutory measures required to establish the Regulation Committee of the HCA and to transfer the TSA's regulation functions to that Committee are now in place. This will enable us, with the HCA, to put the necessary measures in place for the Committee to replace the TSA as the Social Housing Regulator from April 2012.

The deadline for applications for posts on the Regulation Committee was 5 December 2011. I expect to pass on to you the outcome of this recruitment process in my next letter in the New Year.

Statutory consultation on changes to the regulatory framework

The TSA received Directions from the Secretary of State on 21 November 2011. These are published on the DCLG website at:

<http://www.communities.gov.uk/documents/housing/pdf/2017529.pdf>

The document sets out the statutory status of these directions. The Localism Act provides for the regulator to consult on directions issued under that legislation even though the legislation has not been formally commenced. Therefore, we published our consultation document on changes to the regulatory framework on 21 November 2011.

The consultation is open for 12 weeks – the final date for responses is Friday 10 February 2012.



The consultation sets out our proposals for changes to the regulatory framework including not only changes to the standards which flow from Directions, but also other changes. The regulator will have a stronger economic regulation role, and the proposals include a new value for money standard for private registered providers. In respect of consumer regulation, the regulator may intervene only in cases of serious detriment, and the consultation proposals indicate the regulator's intended approach in this area.

The consultation proposals are available on our website at:
<http://www.tenantservicesauthority.org/server/show/nav.15065>
www.tenantservicesauthority.org/consultation

Homes and Communities Agency – Equalities duties

We have been working jointly with HCA ahead of transfer of regulation functions to the Regulation Committee on a common approach to our respective equalities duties.

On 5 December 2012 the Homes and Communities Agency (HCA) and the Tenant Services Authority (TSA) published a joint consultation on the future equality objectives from April 2012 for the Homes and Community Agency. You can find details of the consultation proposals and how to respond at:

<http://www.homesandcommunities.co.uk/equality-and-diversity>

Accounting Direction – consultation

Since the publication of the original regulatory framework we have not changed the 2006 Accounting Determination. This does not fully reflect the impact of the Housing and Regeneration Act 2008 and requires updating. Among other things, it requires an update to reflect general changes in accounting affected since 2006. It will also need to specify how for profit private registered providers must account for their social housing activities.

The draft direction sets out:

- A proposed reduction in detailed segmental reporting overall but with specific requirements where social housing is carried out by a private registered provider or where providers undertake non-regulated activity or are controlled by a non-regulated entity
- A requirement for enhanced remuneration disclosures which reflect the practice already adopted by many private registered providers and which provide for greater openness and transparency in executive remuneration
- Reporting requirements that align with the proposed value for money standard in our statutory consultation on changes to the regulatory framework

The consultation will run for 12 weeks to 6 March 2012, and details can be found at:
<http://www.tenantservicesauthority.org/server/show/ConWebDoc.21659>



THE SOCIAL
HOUSING
REGULATOR

Quarterly Survey

We have published our quarterly survey for the period ending September 2011. This is available from our website at:

<http://www.tenantservicesauthority.org/server/show/ConWebDoc.21666>

General findings from the Quarter 2 Survey, which covers larger private registered providers, suggest the sector has reduced its risk appetite. This position is an understandable response to the current uncertain environment. The sector is potentially exposed to external shocks which are beyond its control including emerging domestic policy and the national, European and global economy. All these present risks will require careful management.

Director of Regulation

I am pleased to be able to tell you that Matthew Bailes will transfer to the HCA as Director of Regulation from April 2012. His secondment from DCLG has been extended until the end of 2012 in order to ensure continuity and the effective delivery of regulation by the HCA, working with the new Regulation Committee.

There will continue to be a number of important developments to our arrangements including decisions on changes to the regulatory framework and I will be writing to you again during the New Year ahead of the closure of the TSA at the end of March 2012.

I wish you and your staff an enjoyable and restful Christmas break and look forward to writing to you again in 2012.

Yours sincerely

Claer Lloyd-Jones
Chief Executive