

This quarter's Board meeting was hosted by Taff Housing Association in their conference facility in Cowbridge Road, Cardiff. We really enjoyed hearing about Taff's work with communities and tenants and we are very grateful to Taff for their kind hospitality.

The Board regularly focuses on current complex cases. However, at this meeting we focused in more detail on the key risks and themes emerging from the range of regulatory activity over recent months. We looked in detail at three key themes – not embracing co-regulation, poor quality Board information and high risk non core diversification.

It's important that each Board takes the time to pause and ask the question – “could this be our Board/ our organisation?” Any effective organisation can make a bad decision if it does not have sound governance and an appropriate assurance framework around it. I am sure you are aware of the value that HA funders place on the Welsh regulatory framework and the continued robust scrutiny of governance quality is a key contributor to that confidence.

The Board heard about a range of examples of lack of co-regulation such as failure to notify of significant events, including covenant breaches, and not providing required returns such as Schedule 1 returns. In a co regulatory environment, the Regulatory Board is clear that housing associations must be proactive in providing significant information and maintaining a trusting, open and respectful relationship with the regulator, and that action has to be taken where the principles of co regulation aren't being adhered to.

We considered examples of poor quality information being presented to Boards – both too much and too little information. Boards must have a coherent picture in order to make robust decisions and need to ask themselves – are we getting the information we need to exercise control and get a clear picture of performance? Do we know about all significant performance issues? How robust is our scrutiny and challenge of our Annual Compliance Statement? The Regulatory Board concluded that there may be a need for some guidance to Boards on assurance frameworks.

The Board was concerned to hear about examples of diversification by HAs which have not been based on sound business reasons and/ or clearly linked on organisational objectives and Business Plans. Diversification and innovation is crucial to the development of our sector but must be founded on appropriate organisational and Board skills, and good governance.

The Board's Governance Review has just commenced and these three themes will form part of that work. This review will involve all housing associations and key stakeholders. A number of surveys have been issued to build an information base for the review. I hope that all of you took the time to give us your views. These surveys, some workshops we are planning for the Autumn, and the sector involvement in the Review steering group provide opportunities for you to contribute to an important piece of work. The work will support the development of excellent governance within the sector. . Please take part.

Hearing the tenants' voice remains of key importance to the Board so we were pleased to see TPAS Cymru's first report on their work to get the views of tenants. We've asked TPAS for more information in future so that the scale and scope of tenants' concerns are clearer and also to provide assurance to the Board that we are hearing views from a more diverse range of tenants. The Board

will be using the information from this project to build a picture of tenants' concerns and to help form a view on whether regulation is working. We will not be undertaking any role in following through specific concerns – that remains the job of the housing association concerned. We've asked TPAS to make that clear to tenants to avoid any unrealistic expectations.

Our VFM review continues into its second year. The VFM measures provided by HAs through the global accounts have provided useful information as the basis for focused discussions on VFM between association staff and Boards and their regulation manager that we hope will raise the profile of and focus on VFM across the sector. We know the sector has been clear that the tenants' perspective and social value are essential to get a rounded view of VFM and we're looking forward to the findings from the work that TPAS Cymru and CHC are doing on these areas which will feed through to the Board in due course from the VFM steering group.

Our meeting took place the day after the awful tragedy at Grenfell Tower. Although it was too early to look at the implications in detail we noted the potential huge implications for the sector. Boards need to have confidence in health and safety compliance and we noted that, as routine, regulation managers ask for assurance that key health and safety information has been provided and on current compliance levels.

The Regulatory Board also met with the Minister in June to present our Annual Report.

<http://gov.wales/docs/desh/publications/170731-regulatory-board-annual-report-2016-17-en.pdf>

We discussed a number of issues including how the new framework was being implemented across the sector, how we are embedding our new approach to keeping tenants at the heart of regulation and payment of association Board members.



Helen White (Chair)  
Regulatory Board for Wales