



9 March 2018

Dear Chief Executive

In my first letter since becoming Interim Chair of the Regulation Committee, Fiona MacGregor and I thought it would be helpful for me to update you on a couple of important issues.

Legislation for a standalone regulator

Firstly, we are pleased to report that the [Legislative Reform Order](#) that will establish the Regulator of Social Housing as a standalone body was laid in Parliament on 28 February 2018. Subject to the order being approved by Parliament we anticipate that we will be established as an independent organisation on 1 October 2018. This is a very welcome start for me as the new Chair.

As you know from Fiona's earlier letter following the launch of Homes England in January, we have already adopted the operating name Regulator of Social Housing (RSH). It's worth emphasising that until legislation is enacted, Homes England and RSH both legally remain as functions of the Homes and Communities Agency (HCA) but will operate with separate corporate identities. The Regulation Committee will continue to be a statutory committee of the HCA until the legislation takes effect; but in the meantime, as far as possible, when we refer to the HCA regulation function we will use the term Regulator of Social Housing.

More information about RSH can be found at: www.gov.uk/social-housing-regulation-england.

Value for Money Standard and separate Technical Note on Metrics

Today we are publishing our response to the Value for Money (VfM) consultation that closed in December 2017. The new VfM Standard comes into effect from 1st April 2018 and will apply to all private registered providers from that date.

Both the previous and new Standard set the expectation that VfM should be a key strategic objective for providers, and as before, we will continue to seek assurance through In Depth Assessments that this is the case.

We had an excellent response from the sector to the VfM consultation and some valuable feedback on our proposed approach. The [Decision Statement](#), published on our website, summarises the changes made following the consultation and also includes the final VfM Standard and Code of Practice.

In addition, we are also publishing the outcome of our discussion with the sector on the [Metrics Technical Note](#). The requirements of the new VfM Standard include reporting on the set of metrics defined by the regulator alongside any additional VfM performance targets identified by the organisation itself. Chief Executives and boards will want to assure themselves that their 2017/18 accounts include reporting on these new metrics and no doubt you will want to review your own strategic objectives and targets in the light of the revised requirements.

The regulator recognises that providers' approach to reporting under the new Standard will evolve over time, and in particular we accept that it may not be possible for providers to benchmark themselves against their peers on the basis of the new metrics immediately. We will take this into account when seeking assurance on your reporting of the new Standard in the first year. As before and where appropriate, we will reflect our overall level of assurance against the new Standard in our published governance judgements.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Simon Dow', written over a faint circular stamp or watermark.

Simon Dow
Interim Chair, Regulation Committee

The regulation of social housing is the responsibility of the Regulation Committee, a statutory committee of the Homes and Communities Agency (HCA). The organisation refers to itself as the Regulator of Social Housing in undertaking the functions of the Regulation Committee. References in any enactment or instrument to the Regulator of Social Housing are references to the HCA acting through the Regulation Committee. Homes England is the trading name of the HCA's non-regulation functions.

The address for service of any legal documents on the HCA is: Arpley House, 110 Birchwood Boulevard, Birchwood, Warrington WA3 7QH. VAT no: 941 6200 50.