

# Governance Support Project Stakeholder Engagement

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14 January 2020

# Purpose of this session

- Provide some context
- Update you on progress
- Test out some possible principles for a new governance assessment model – and listen to your views

Some abbreviations:

RSL – Registered Social Landlord

RAP – Regulatory Assurance Plan

RJ – Regulatory Judgement

# Context

**We've been asked to: provide expert governance support services to the Welsh Government social housing regulation team.**

This will involve working collaboratively with Welsh Government to:

- Further develop the regulatory approach to assessing governance
- Enhance the skills and knowledge of the regulation team
- Maximise the chances of identifying problematic governance issues sooner and responding effectively

## What this means in practical terms...

- Developing a new governance assessment model by talking to key stakeholders, developing ideas, and testing them out
- Providing some development opportunities for the regulation team (training on governance trends and good practice)

# Progress to date

- Desk-top research
- Interviews
  - Regulatory Board for Wales (RBS)
  - CHC Chair, Chief Exec and Deputy Chief Exec
  - Strategic Development Group (SDG) Chairs
  - UK Finance
- Workshops with Regulatory Advisory Group (RAG) and Regulation Team
- Concept development

## What we've learnt so far

- The current regulatory model relies on self-assessment alongside triangulation by the regulation team.
- RSLs welcome this approach but have told us that they:
  - Are keen that the regulator properly understands their organisations;
  - Don't always trust that the regulator knows what good should look like; and
  - (Some) would welcome more guidance about what is expected.
- The regulator is developing capability in more expert observation of meetings and dedicated interviews with key people.
- More or less the same process is followed by the regulation team for each RSL, each year, in order to assess the quality of governance – but the extent of follow-up work varies.

# Draft principles to inform a new governance assessment model

1. Regulated self-assurance is here to stay;
2. A single, streamlined self-assessment will underpin an RJ... and will be subject, periodically, to more detailed validation than occurs at present;
3. The regulator will make a high-level assessment of risk to decide how often and/or in how much depth detailed validation should take place for each RSL;
4. Validation will be considerably 'lighter' in intervening years;
5. The requirement for RAPs will remain, but in relation to governance the level of detail required and the extent of follow-up will be based on an assessment of risk;
6. There will still be regular, routine 'check-ins' by the regulatory team with each RSL as part of ongoing relationship maintenance.

# Questions

1. How much should the format and content of a self-assessment be prescribed by Welsh Government?
2. What should 'detailed validation' involve?
3. Is there a role for external validation (i.e. requiring RSLs to have their self-assessment externally validated)?
4. What should Welsh Government consider when categorising RSLs according to risk in order to decide the frequency or depth of 'detailed validation'?
5. What would you welcome / not welcome in ongoing regulatory oversight?



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# Thank You

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