

Deregulation - 6 April 2017

As part of a package of deregulatory measures and the changing role of the HCA (which will shortly split out its investment and regulatory arms, later to be renamed Homes England), a number of substantial changes were made to the Social Housing sector which has seen the previous consent regimes replaced by a HCA notification requirement:

Disposals

- Applies to disposals of social housing dwellings:
 - **Landlord Disposals** (e.g. leases, freehold sales, disposals of 5% or more stock, sale of last social housing dwelling).
 - **Finance Disposals** (e.g. legal charges and other means of disposing of social housing dwellings to raise finance).
 - **Guarantee Disposals** (e.g. any means of granting a security interest in a social housing dwelling to guarantee the performance, obligation or debt of an associated company).
- The majority of disposals need to be notified within 3 weeks of the end of each quarter although there are some categories which require 'priority notification' within 3 weeks of completion of the disposal.
- Distinction on requirements depending on whether RP has more than 1,000 social housing units.

Restructurings

- Different notification requirements apply for (1) restructure, (2) a constitutional change or (3) company arrangements, reconstructions and registered society dissolutions.
- **Restructure**
 - Each RP involved needs to notify the HCA within 10 working days of the resolution giving effect to the restructure and **prior** to the registration of the resolution with the relevant registrar.
 - Examples:
 - any kind of corporate restructure such as transfer of engagements or amalgamation;
 - any other significant business change.
- **Constitutional change**
 - Notify the HCA within 10 working days of the certificate of incorporation/notice of change of address being issued by the relevant registrar.
- **Company arrangements, reconstructions and registered society dissolutions**
 - Notify the HCA on the next working day after the court order/ agreement of the voluntary order/ approval of the instrument of dissolution.

Although the HCA no longer has the power to void disposals, RPs should still be wary. Failure to comply with the notification requirements for disposals and restructuring may be reflected in the HCA's judgement of a RP's compliance with regulatory standards and could result in downgrading by the HCA and/or a breach of existing loan covenants or charities law.

UPCOMING SEMINARS

We have our **Deregulation seminar** taking place in our offices near London Bridge on 17 May 2017. For more information and to register to attend please visit www.wslaw.co.uk/events



IN 2016 WE ACTED ON
TRANSACTIONS WORTH
OVER

£1.5 billion

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Acting for L&Q in relation to a £175m loan, out of Venn's £265m bond issuance

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