

SCHEDULES

SCHEDULE 1

Amendment of Part 2 of the Act

Chapter 7 (enforcement)

74. After section 269 insert—

“Censure of local authority employees

269A Local authorities: censure during or following inquiry

- (1) The regulator may give a censure notice to a local authority if—
 - (a) an inquiry under section 206 is in progress in respect of the authority, and
 - (b) either of the following cases applies.
- (2) Case 1 applies if the regulator has reasonable grounds for believing—
 - (a) that the affairs of the authority have been mismanaged, and
 - (b) that the interests of tenants of the authority, or its assets, require protection.
- (3) Case 2 applies if as a result of an inquirer’s interim report under section 207 the regulator is satisfied that the affairs of the authority have been mismanaged.
- (4) The regulator may also give a censure notice to a local authority if, as a result of an inquiry under section 206, the regulator is satisfied that the affairs of the authority have been mismanaged.
- (5) A censure notice is a notice identifying an employee or agent of the authority who the regulator thinks has contributed to the failure or mismanagement.
- (6) The notice must include the regulator’s reasons.
- (7) The regulator shall send a copy of the notice to the employee or agent concerned.
- (8) No more than one employee or agent may be identified in a censure notice (but this does not prevent several notices being given in respect of the same failure or mismanagement).
- (9) Members of local authorities may not be identified in censure notices.

269B Response to censure notice

- (1) A local authority to whom a censure notice is given under section 269A must respond to the regulator in writing within 28 days of receipt of the notice.
- (2) The response must—
 - (a) explain what action (if any) the authority has taken or proposes to take in relation to the employee or agent,
 - (b) explain why the authority does not think the employee or agent has contributed to the failure or mismanagement, or

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(c) explain why the authority does not think its affairs have been mismanaged.”