

Report to: **Housing Review Board**

Date of Meeting: 20 June 2019

Public Document: Yes

Exemption: None

Review date for release None



Subject: **Regulator of Social Housing – Consumer Standards**

Purpose of report: The Regulator of Social Housing has recently written to all Registered Providers reminding them of their obligations under the Home Standard for ensuring that tenant's homes are safe.

This is one of our priorities as a landlord, but we must always remain vigilant and ensure that we are fully compliant with the various requirements for tenant's safety.

Since the Grenfell fire we have seen tenant safety under greater scrutiny

Recommendation: **To agree to a self-assessment audit against the Regulator of Social Housing's consumer standards applicable to local authority social landlords.**

Reason for recommendation: To ensure that we are paying appropriate attention to the standards published by the Regulator and are keeping our tenants safe in their homes.

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Financial implications: Financial implications are laid out in the body of the report with regards to the requirement for economic standards and financial viability.

Legal implications: The regulatory standards are set out in the body of the report and require no further comment.

Equalities impact: Medium Impact

We strive to ensure that we maintain high standards of service delivery for all tenants and have policies in place to protect vulnerable tenants, and provide tenants with a voice and various means of accessing the Housing Service.

Risk: Medium Risk

We have arrangements in place to ensure we are compliant with safety standards and that tenant safety is a priority within the Service and with our contractors.

Links to background information: • .

Link to Council Plan: Encouraging communities to be outstanding.

1. Regulation of Social Housing

- 1.1 The Regulator of Social Housing has recently issued a letter to local authority Registered Providers reminding them of their responsibilities to tenants under the Consumer Standards. This has been reproduced in **annex 1**. There is a strong tenant safety message contained in the letter and a timely reminder of our responsibilities to ensure that we have compliance 'house in order'.
- 1.2 The Regulator issues a series of standards that Registered Providers need to adhere to. Regulating the Standards is a publication which sets out the regulator's operational approach to assessing social housing registered providers' compliance with the economic and consumer standards. It describes the contact social housing providers can expect to have with the regulator and the way that they seek assurance to inform our regulatory judgements.
- 1.3 The document also outlines the information they require to regulate the sector effectively and proportionately, as well as explaining other aspects of the regulator's role such as the maintenance of the statutory register of providers.
- 1.4 Regulatory standards contain specific expectations and the outcomes that providers are expected to achieve. Providers' boards and local authority councillors who govern service delivery are responsible for meeting the relevant standards and determining how this is done. The standards are classified as either 'economic' or 'consumer'.

2. The regulator's role

- 2.1 The objectives of the Regulator of Social Housing are set out in the Housing and Regeneration Act 2008. In summary, the Regulator interprets their role as regulating registered providers of social housing in England to:
 - protect social housing assets
 - ensure providers are financially viable and properly governed
 - maintain confidence of lenders to invest into the sector
 - encourage and support supply of social housing
 - ensure tenants are protected and have opportunities to be involved in the management of their housing
 - ensure value for money in service delivery
- 2.2 The Regulator must perform our functions in a way that minimises interference and is proportionate, consistent, transparent and accountable. The Regulator must also operate within the provisions of the government's Regulators' Code.
- 2.3 The terms social housing and registered provider are defined in the 2008 Act. Social housing includes low-cost rental (such as affordable rent properties) and low-cost home ownership. Registered providers include local authority landlords and private registered providers (such as not-for-profit housing associations and for-profit organisations).

3. Regulatory framework

- 3.1 The Regulatory Framework for Social Housing in England from the 1st April 2015 is made up of:
 - regulatory framework requirements – what registered providers need to comply with
 - code of practice – a code of practice can amplify any economic standard to assist registered providers in understanding how compliance might be achieved

- regulatory guidance – this provides further explanatory information on the regulatory requirements and includes how the regulator will carry out its role of regulating the requirements

4. Regulatory standards

- 4.1 The regulatory standards for social housing in England are at the core of our regulatory framework requirements. Each standard sets out required outcomes and specific expectations of registered providers. Where relevant, they reflect the Secretary of State's directions on specific regulatory standards.
- 4.2 The Regulators role is to proactively regulate the three standards, which are classified as 'economic'. These are:
- the Governance and Financial Viability Standard
 - the Value for Money Standard
 - the Rent Standard
- 4.3 The Regulator can issue a code of practice which relates to any matter addressed by an economic standard and amplifies an economic standard. The Regulator has issued two codes of practice: one code to amplify the Governance and Financial Viability Standard and the code for the Value for Money Standard.
- 4.4 The remaining four standards are classified as 'consumer'. These are:
- the Tenant Involvement and Empowerment Standard
 - the Home Standard
 - the Tenancy Standard
 - the Neighbourhood and Community Standard
- 4.5 For consumer standards the Regulators role is reactive in response to referrals or other information received. The role is limited to intervening where failure to meet the standards has caused or could have caused serious harm to tenants.
- 4.6 Where the Regulator concludes this, they will publish a regulatory notice. An overview of our experience of regulating the consumer standards is provided in the annual consumer regulation review.

5. The approach to regulation

- 5.1 The Regulator takes a co-regulatory approach. This means boards and councillors who govern providers' service delivery are responsible for ensuring their organisation is meeting our standards, and for being open and accountable in how their organisation meets its objectives. Co-regulation also requires providers to support tenants in the shaping and scrutinising of service delivery and in holding boards and councillors to account.
- 5.2 The Regulator is risk-based in its regulatory approach. The Regulator uses a sector risk analysis and assessments of registered providers with 1,000 or more social housing units to identify those they judge to be more complex and who consequently have an increased level of risk exposures. Providers with fewer than 1,000 social housing units are subject to a lower level of regulatory engagement. The sector risk profile is published annually and it can help registered providers to manage risks effectively.
- 5.3 The Regulator must obtain sufficient assurance that the economic standards are being met by providers particularly the Governance and Financial Viability Standard. They maintain

regulatory judgements on performance against governance and financial viability. To ensure that the system of judgements is transparent a gradings under review system identifies providers who are in danger of having their regulatory judgement downgraded to a non-compliant grade.

5.4 Where the Regulator makes a particularly important decision in relation to their approach to regulation, they record it as a decision instrument. The views of registered providers in relation to the regulatory framework and approach are captured through our stakeholder survey and consultations.

6. Intervention and enforcement

6.1 The Regulator expects providers to identify problems and take effective action to resolve them. If a provider takes responsibility and the Regulator concludes that it is able to respond to the problems, they will work with the provider to help it deliver the necessary corrective actions.

6.2 However, there may be circumstances where a provider is unable or unwilling to respond positively. Under these circumstances the Regulator may use regulatory enforcement and general powers. Details of the powers and the Regulator's approach to intervention and enforcement can be found in Guidance on approach to intervention, enforcement and powers.