

Changes to the Regulatory framework for all Social Housing landlords in England

Background

On 1 April 2010 the Tenant Services Authority (TSA) became responsible for the regulation of the quality of all social housing landlords in England. The TSA was established in 2008 as part of an independent review of social housing, and its principal regulatory tool is outcome-focused standards which landlords are obliged to meet. These standards were developed locally in conjunction with tenants, residents and stakeholders.

A subsequent review of social housing regulation in 2010, undertaken by the Department for Communities and Local Government, has resulted in a number of significant reforms that have been incorporated within the Localism Act.

The review's new outcomes for the regulatory system are:

- The provision of social housing of appropriate quality
- Social housing tenants having an appropriate degree of choice and protection
- Social housing tenants having opportunities to be involved in the management of their homes and to hold landlords to account
- Social housing provision making a contribution to the social and economic well being of the areas in which it takes place

The review concluded that these outcomes could be delivered through a more enhanced co-regulation role between the landlord and their tenants.

Changes to Regulatory framework

As a result of these reforms and the introduction of the Localism Act, changes need to be made to the current regulatory framework. The government has launched a consultation exercise requesting feedback by 10 February 2012 with an announcement expected in March 2012. The agreed proposals will then be implemented from 1 April 2012. This consultation is focussing on the regulatory system and the national standards to bring them in line with the Localism Act.

In summary, these changes come in two parts:

- Institutional change - the Tenant Services Authority has been abolished and regulation responsibility will be transferred to a 'Regulation Committee' within the Homes and Community Agency. This has already been agreed and will be in place from 1 April 2012.
- New Consultation on 'Reforms to the regulatory system' – revising the regulatory framework and the national standards

National standards are split into economic and consumer (national standards are the quality markers used to monitor and show how well social housing providers are performing and delivering their services in these key areas):

Economic Standards	Made up of the following areas:	Changes in brief
Governance and	<ul style="list-style-type: none"> • Governance 	These standards to not apply to

financial viability	• Financial viability	local authorities
Value for Money	• Value for Money	
Rent	• Rent	
Consumer Standards	Made up of the following areas:	Changes in brief
Tenant involvement and empowerment	<ul style="list-style-type: none"> • Customer service, choice and complaints • Involvement and empowerment • Understand and respond to diversity needs 	Significantly revised to strengthen tenants involvement, scrutiny and resolving problems role. New proposal regarding repairs. No substantive changes.
Home	<ul style="list-style-type: none"> • Quality of accommodation • Repairs and maintenance 	Compliance with Decent Homes is now an ongoing requirement. No substantive changes.
Tenancy	<ul style="list-style-type: none"> • Allocations and mutual exchange • Tenure 	Proposal for internet based mutual exchanges. Significant changes to this section.
Neighbourhood and community	<ul style="list-style-type: none"> • Neighbourhood management • Local area co-operation • Anti-social behaviour 	No substantial changes to these sections.

- National Consumer standards – summary of the changes:
 - Tenant involvement and empowerment standard:
 - No change to sections on customer service, choice, complaints and understanding diverse needs of tenants.
 - Strengthened section on involvement and empowerment including:
 - supporting the formation and ongoing activities of tenant scrutiny panels.
 - provision of information to support effective scrutiny.
 - support for tenants to build capacity.
 - Proposing the introduction of a new right to repair allowing tenants to commission and undertake repair tasks and share in the savings. This is given as an example not as a requirement within the actual standard. It is difficult to see how this could be enforced.
 - Home standard:
 - Minor changes on the quality and accommodation section including compliance with the Decent Homes standard is now an ongoing requirement.
 - No substantive changes to the repairs and maintenance standard but a need to refer to proposals under the tenant involvement and empowerment standard regarding the proposal for tenants to be able to commission and undertake repairs (see above).
 - Tenancy standard:
 - Rent standard has been moved to the economic standard and does not apply to local authorities.
 - No substantive changes to the allocations section.
 - Inclusion of more detailed requirements relating to Mutual Exchange including the requirement to use an internet based Mutual exchange system.
 - Significant changes have been made to the tenure section reflecting:
 - Introduction of flexible tenancies.
 - Protection for existing tenants.
 - Requirements for tenancy policies.
 - Mutual exchanges.
 - Fixed term tenancies should be for at least five years apart from in exceptional cases when they can be as short as two years.
 - Neighbourhood and community standard:
 - No substantive changes.

- Regulation framework – summary of changes:
 - All landlords must continue to meet all the regulatory standards relating to them.
 - National consumer standards - the regulator will have no role in monitoring landlords' performance or compliance with the consumer standards. Boards and councillors that govern landlords' services are responsible for ensuring that their organisation meets the consumer standards. What does this mean:
 - The regulator will have a minimal role in regulating these standards and will intervene only where there is serious detriment or harm to a number of tenants. The October 2010 Review envisaged that the vast majority of individual service failures could be resolved through the social housing complaints process without any need for intervention by the regulator. Through the Localism Act, the government is taking forward reforms to improve the capacity of the complaints process including strengthening the role of the Housing Ombudsman, the possibility of tenant's complaints panels and the role of local representatives – MPs, councillors and tenants panels – in the complaints process.
 - Co regulation – as stated above, the consultation makes it clear that the regulator will take a back stop role in regulating the consumer standard, and has shifted and enhanced the focus of co-regulation being between landlords, who should be more open and accountable and helping and encouraging tenants to be more involved, with a strengthening of focus on the tenants scrutiny of the performance of their landlords services and resolving of issues which can be carried out either through a tenants scrutiny or a tenants panel. There will also be third party regulation, such as the Housing Ombudsman or elected officials.
 - Regulator Intervention - a new serious detriment or harm criteria has been set up and the regulator will only intervene in the consumer standards, where there is evidence of serious detriment or harm to a number of tenants, such as:
 - Loss of home
 - Unlawful discrimination
 - Loss of legal rights
 - Financial loss.
- Local standards – landlords are still required to consult with tenants and monitor their performance against a set of local standards which should compliment the National Standards. The change for local authorities is that we are not required to include Value for Money or Rent amongst our local standards.
- Performance reporting and the Annual report – there is still a requirement that landlords provide timely and relevant performance information to support effective scrutiny by tenants and this must include the publication of an annual report, agreed with the tenants, showing how they are performing against both the national and local standards, future plans, performance against complaints and information on repairs and maintenance budgets.

This consultation is open to all tenants of providers. Below is the link to the Department of Local Government and Communities page where you can view the full consultation document which also tells you how you can feedback (pages 5-6)

<http://www.communities.gov.uk/publications/housing/socialhousingregulatorresponse>

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