



THE SOCIAL
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REGULATOR

The Revised National Standards and their Implications for Councils

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- The future for social housing providers and tenants
- Overview of the changes
- Consumer regulation – a backstop regulator
- Setting standards – economic regulation and consumer regulation
- Economic regulation – a proactive regulator



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Overview of changes

- Transfer of regulation functions to independent Regulation Committee within HCA
- Regulator sets standards
- Co-regulation remains fundamental to social housing regulation
- Proactive role in relation to economic regulation
- No proactive monitoring of compliance in relation to consumer regulation
- Consultation from November 2011
- Implementation from April 2012



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Co-regulation

Co-regulation central to the operation of the regulatory system

1. Boards and councillors who govern providers are responsible and accountable for delivering their organisation's social housing objectives
2. Providers must meet the regulatory standards
3. Transparency and accountability is central to co-regulation



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Co-regulation

4. Tenants should have opportunities to shape service delivery and to hold the responsible boards and councillors to account
5. Providers should understand the particular needs of their tenants
6. Value for money goes to the heart of how providers ensure current and future delivery of their objectives



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Backstop consumer regulation

What the Regulator is responsible for

- sets standards
- will not undertake proactive monitoring of compliance with standards
- intervenes only in cases of serious detriment
- duty to minimise interference
- has no role in relation to individual complaints
- does not have a role in relation to developing or disseminating guidance or good practice



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Backstop consumer regulation

Responsibility of providers and others

- Standards apply to all registered providers
- Primary responsibility of Boards and those in LAs responsible for provision of housing services
- Co-regulation/'localist' arrangements
 - regulating consumer standards will be the responsibility of providers working with tenants through tenant panels, and with councillors and MPs



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Setting Standards

What we plan to consult on in relation to standards...

<p><u>Standards relating to economic matters</u></p> <ul style="list-style-type: none">• Governance and financial viability• Value for money• Rents	<p>Private registered providers only</p> <ul style="list-style-type: none">• Substantially unchanged• Currently a consumer standard• Direction from Govt*/incorporates Affordable Rent provisions
<p><u>Standards relating to consumer matters</u></p> <ul style="list-style-type: none">• Tenant involvement and empowerment• Home• Tenancy• Neighbourhood and community	<p>All registered providers</p> <ul style="list-style-type: none">• Direction from Govt* (tenant panels, etc.)• Direction from Govt* (DHS)• Direction from Govt* (tenure, mobility)• Substantially unchanged

*DCLG consultation on direction to regulator closed. Direction not yet finalised.



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Proactive economic regulation - context

- Instability in financial markets
- Weak housing market
- Benefit reform
- Challenge of delivering new social housing
- Local government



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Proactive economic regulation

- Private registered providers only
- Primary responsibility of Boards
- Regulator
 - purpose to ensure sector remains well run, and uses resources effectively
 - continued focus on governance and financial viability
 - clearer expression of what is expected of Boards on value for money
 - alive to sector and provider risks and engaging accordingly
 - duty to minimise interference



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Proactive economic regulation

Regulating financial viability, governance and value for money

- Risk based approach to obtaining assurance that providers meet economic regulation standards
- Build overall assessment of compliance from available information
- Annual engagement with larger providers to achieve minimum level of assurance
- Value for money focus will be on the assurance boards receive in relation to defining optimum approach to achieving their organisational objectives
- Further engagement where risk assessment indicates – e.g. new information emerging, findings of 'serious detriment'
- Published assessments of providers' performance



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Contact

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