



Regulator of
Social Housing

Reshaping consumer regulation

Our principles and approach

November 2021



Introduction

A year ago Government published the social housing white paper – [The Charter for Social Housing Residents](#).

The white paper proposed changes to the consumer regulation of social housing to strengthen the accountability of landlords for providing safe homes, quality services and treating residents with respect. It also proposed some specific changes to the economic regulation of social housing.

Many of these changes will be implemented by us as the Regulator of Social Housing and we welcome the expanded remit we have been given. However, most of these changes can only be made when Parliament has passed legislation to change our objectives and legal powers. The Government has said that it will introduce the legislation needed to implement the white paper as soon as practicable. While this means new consumer standards cannot be implemented yet, boards and councillors responsible for social housing should not wait for new consumer regulation to look at how they can improve their services and engagement with tenants. The response to the expectations set by the white paper for service improvements will need to be taken forward alongside the focus on stock investment to deliver building safety and energy efficiency improvements, as well as continuing to deliver new affordable homes to meet housing needs.

Some of the white paper proposals will also need to be taken forward by the Housing Ombudsman and the new Building Safety Regulator. We are working closely with both of these bodies.

In the meantime, we are taking steps to prepare for our new consumer regulation role initially focusing on four key areas:

- Principles and outcomes
- Standards
- Our consumer regulation approach
- Tenant satisfaction measures

This document sets out our preliminary ideas in these areas. These will be further developed over the coming months and in response to feedback from stakeholders, including tenants and landlords. How we implement consumer regulation will also depend on the details of the legislation once it has been passed by Parliament. We will also be carrying out formal consultation processes, for example on the standards and the tenant satisfaction measures. The responses we receive to the consultations will also inform how we take forward these measures.

Principles and outcomes

Based on the objectives set by Parliament and the new expectations in the white paper, we are seeking to develop consumer regulation to promote safe homes and quality landlord services.

Our vision is that landlords maintain tenants' homes so that they are safe and of a decent standard and that landlords provide a quality service. Where things go wrong, complaints are handled effectively, and things are put right. The relationship between tenants and landlords is underpinned by shared expectations of fairness and respect and a shared understanding of their respective rights and responsibilities.

Landlords demonstrate that they understand the diverse needs of the communities that they serve, and their services reflect that. Tenants understand, use, and have confidence in the recourse that they have to get problems resolved. Stakeholders have confidence that landlords' commitment to their tenants is underpinned by effective consumer regulation, whether that landlord is a housing association, council, or for-profit provider.

Our principles for regulation

The white paper confirmed that the regulator should continue to regulate using principles we already apply in our economic regulation, and that our remit should remain focused on organisational issues, with individual complaints resolved by the Housing Ombudsman:

Co-regulatory – landlords are responsible for meeting the regulatory standards, with landlords supporting their tenants to shape and scrutinise service delivery, to hold them to account and for understanding their performance, telling us as the regulator if they are not meeting a standard.

Proportionate – when assessing whether landlords meet the standards and if regulatory action may be needed, we take into account the impact of the issue and whether it is systemic in that landlord as a whole.

Risk based – our regulatory engagement and actions are targeted according to the risk of standards not being met and the impact that this has on the tenants of that landlord.

Assurance based – we seek assurance from landlords about whether they meet the standards. In other words, the responsibility is on landlords to demonstrate their compliance to us. Where landlords do not provide that assurance, this will be reflected in the judgements that we reach.

Outcome focused – our standards set out the outcomes we expect landlords to achieve, but it is up to landlords to decide how those outcomes are achieved.

Outcomes

In reshaping consumer regulation, we are working on the basis that our consumer regulation should aim to deliver the following outcomes. These are based on our fundamental objectives and the expectations in the white paper that can be delivered through regulation.

1. Social housing is well managed
2. Tenants' complaints are dealt with efficiently and effectively.
3. Tenants are treated with fairness and respect and their diverse needs are taken into account.
4. Social housing stock meets the decent homes standard.
5. Landlords ensure social housing meets health and safety requirements and consider safety in the management of housing.
6. Landlords comply with tenancy law and regulations and avoid unnecessary evictions.
7. Tenants have access to information to hold their landlords to account.
8. Tenants have opportunities to influence the decisions and priorities of their landlords with respect to their housing.
9. Landlords take account of the views of tenants in the management of their homes.
10. Landlords work with other agencies to contribute to the safety and well-being of the areas in which the homes they are responsible for are situated.

We welcome feedback on these principles and outcomes, which we will refine and develop as we reshape consumer regulation. We are sharing these now in the interests of transparency and so stakeholders can see the scope and direction that is guiding our work.

New consumer standards

To implement new consumer regulation, we will be reviewing and updating the consumer standards. We will formally consult on the new consumer standards once the Government has legislated and issued a direction to us.

We will build on the best aspects of the existing standards as well as incorporating the new expectations set out in the white paper and matters on which we are directed. Our development of the new standards will be guided by our principles, fundamental objectives and the outcomes we have set out.

We have already identified a number of themes that we think our standards should cover. We will use these to structure our work to develop new consumer standards that make a meaningful difference to tenants, are deliverable by landlords and can be regulated effectively.

Landlords' approach to achieving the outcomes under these themes will reflect the culture of that organisation. Each theme is an opportunity for landlords to build a relationship with their tenants based on transparency, fairness and respect.

On some issues we are directed by Government as to what our standards should cover. We will need to take any revised directions into account as we develop new consumer standards.

The figure below sets out the themes that we think our standards should cover so that they set out the right outcomes for landlords to deliver for tenants. Consultation on the detail of the requirements will follow later.

Consumer standards themes

Safety

Landlords' safety responsibilities, including safety within the home and in communal areas.

Quality

Quality of the home, communal spaces and services to tenants.

Neighbourhood

Landlords' role, working with other agencies, to contribute to the wellbeing of neighbourhoods in which tenants live.

Transparency

Landlords' role in making information accessible to tenants including roles and responsibilities within landlords, so tenants know who is responsible for matters relating to consumer standards.

Engagement and accountability

Engagement between landlords and tenants, including how complaints are handled. Landlords' accountability to tenants and treating tenants with fairness and respect.

Tenancy

Requirements on landlords in respect of tenancies, including allocations policies and opportunities for tenants to move.

Our consumer regulation approach

We are beginning to design the way in which we will gather assurance about whether landlords are meeting the new consumer standards.

As set out in the white paper, we are looking at how we might use the following tools:

- **Consumer inspections** – either as part of a planned programme of gathering assurance, or where we are responding to information that standards are not being met
- **Reactive engagement** – responsive follow up on information that indicates a potential breach of the standards (similar to how we currently operate consumer regulation)
- **Desk-top reviews** – reviewing information about landlords' performance from the tenant satisfaction measures and a range of other sources
- **Data returns** – we already collect a wide range of information from landlords as part of our economic regulation, and we are considering the data that we might need for our consumer regulation in future to focus our engagement

This work is at an early stage and can only be completed once we have concluded the consultation on the new standards. That consultation can only take place once the necessary legislation has been passed by Parliament. We need to confirm the new consumer standards before we can finalise how we can best gain assurance that landlords are meeting those standards.

In the meantime, there are a range of questions that we have started to consider and will discuss with our stakeholders as we develop our proposals. At this stage it is too early to have definitive answers to these questions, but we want to engage with our stakeholders in the process of reaching those answers:

- How will we get assurance about compliance with the new consumer standards from different types of social landlords?
- How should new consumer regulation fit with our economic regulation role for housing associations, especially in terms of governance?
- What role should tenants play in informing our assurance about whether landlords are meeting the standards?
- In our current regulation we communicate the outcome of our regulation through regulatory judgements and notices. How should we communicate our conclusions in relation to compliance under new consumer regulation?
- How best do we bring together evidence about landlords' compliance with our standards from different sources?

We will answer these questions as we further develop our approach to new consumer regulation, and this will take time (see next steps). Once further developed, we will seek feedback on the effectiveness and practicality of our proposed approach, which may include a small-scale pilot.

Tenant satisfaction measures

The white paper committed us to introducing a set of tenant satisfaction measures which are intended to provide tenants with information that can be used to hold their landlords to account and to inform our regulation of landlords. It also set an expectation that the measures are about things that matter to tenants. The white paper set out a suggested list of measures, informed by the Government's engagement with tenants and discussions with landlord and tenant representative bodies.

Since the white paper was published, we have spoken to many landlords and tenants about the proposed measures. This has included workshops with tenants and meetings with groups of landlords. The discussions have been about the overall approach to the measures and the specifics of each one. We have explored whether the measures reflect what is most important to tenants and the details of how the measures are defined so that they can be accurately and consistently collected and reported by landlords. We have also established a [Sounding Board](#) of tenants' representatives and the different types of social landlords with whom we meet to discuss our work in developing the measures. These discussions have helped us to develop a detailed set of proposed measures for consultation.

We have adopted some principles to inform our development of the tenant satisfaction measures.

Remit – we can only require landlords to provide information that relates to our statutory objectives.

Relevant – they need to support the aims set out in the white paper – providing information to tenants that can be used to hold their landlords to account and informing our regulation of landlords

Accurate – they need to be well defined so that they are objective, can be used to make comparisons between landlords and so that they can be checked to make sure that they are not being manipulated to make a landlord's performance look better than it really is.

Responsive – they need to relate closely to the quality of the landlord's service and provide an up-to-date picture of that performance. They should not encourage landlords to do things that run counter to the objectives of the white paper (for example, they should not encourage landlords to make it harder for tenants to make complaints).

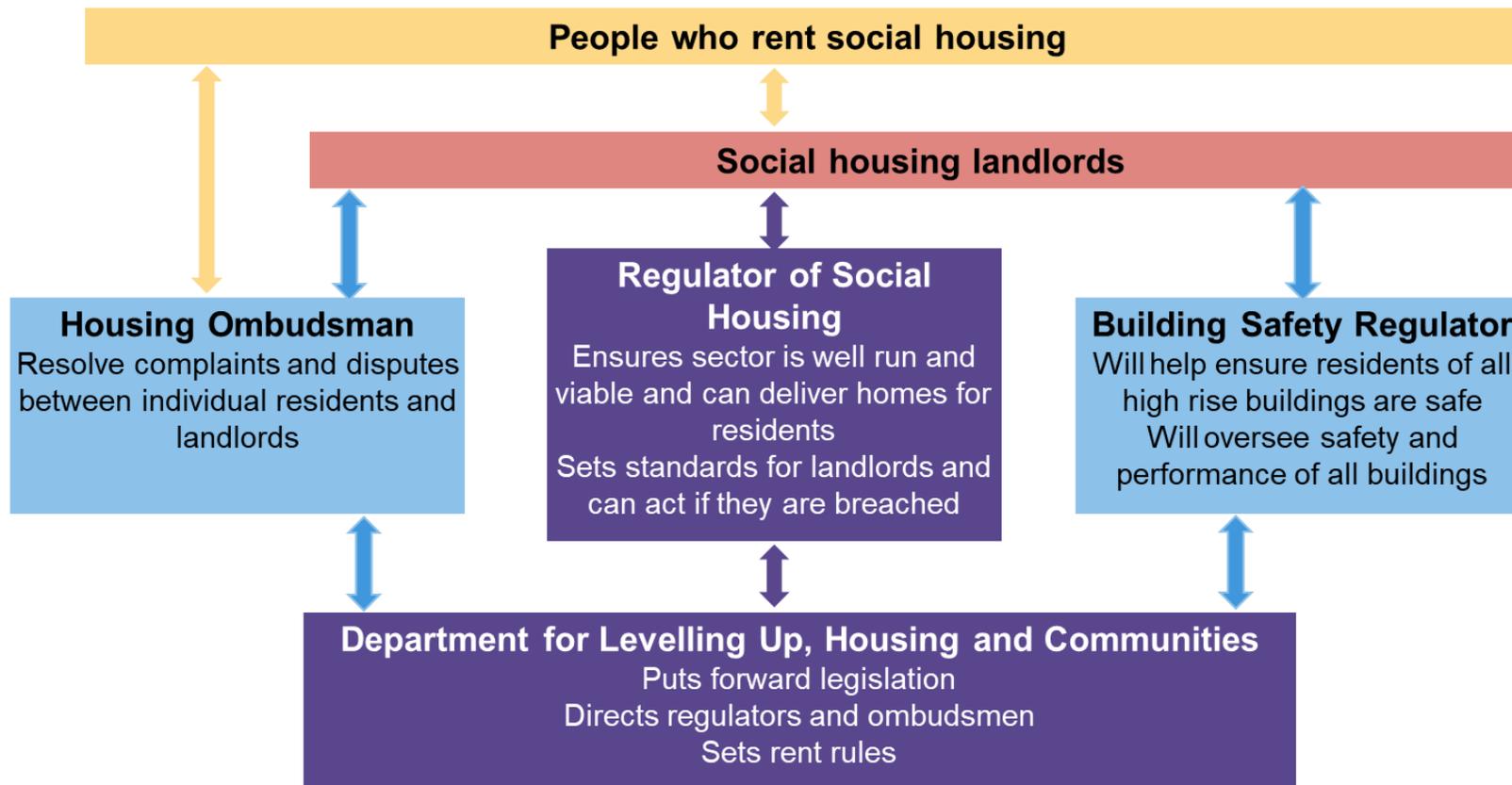
Deliverable – we need to make sure that landlords are able to collect and report the measures and that doing so does not cost more than the benefit that having the measures provides.

We will be issuing a formal consultation document which will set out the details of the proposed tenant satisfaction measures, including guidance on how they are defined, collected and reported to us. Alongside the consultation we will carry out further engagement with tenants and landlords. The consultation will be launched in early December 2021.

Bringing it all together

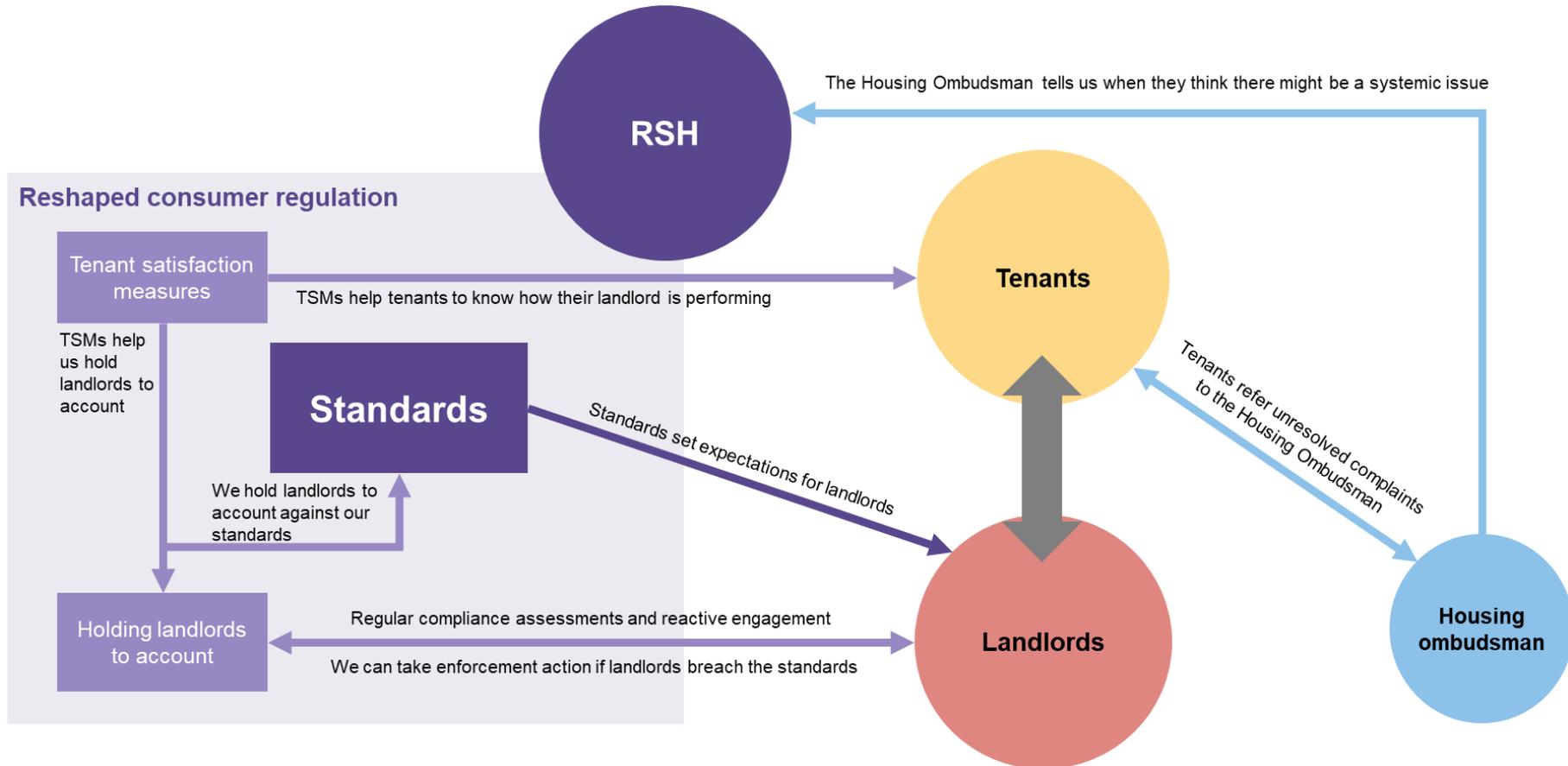
To implement the white paper changes we will work with the Government, the Housing Ombudsman and Building Safety Regulator.

Relationships between key bodies



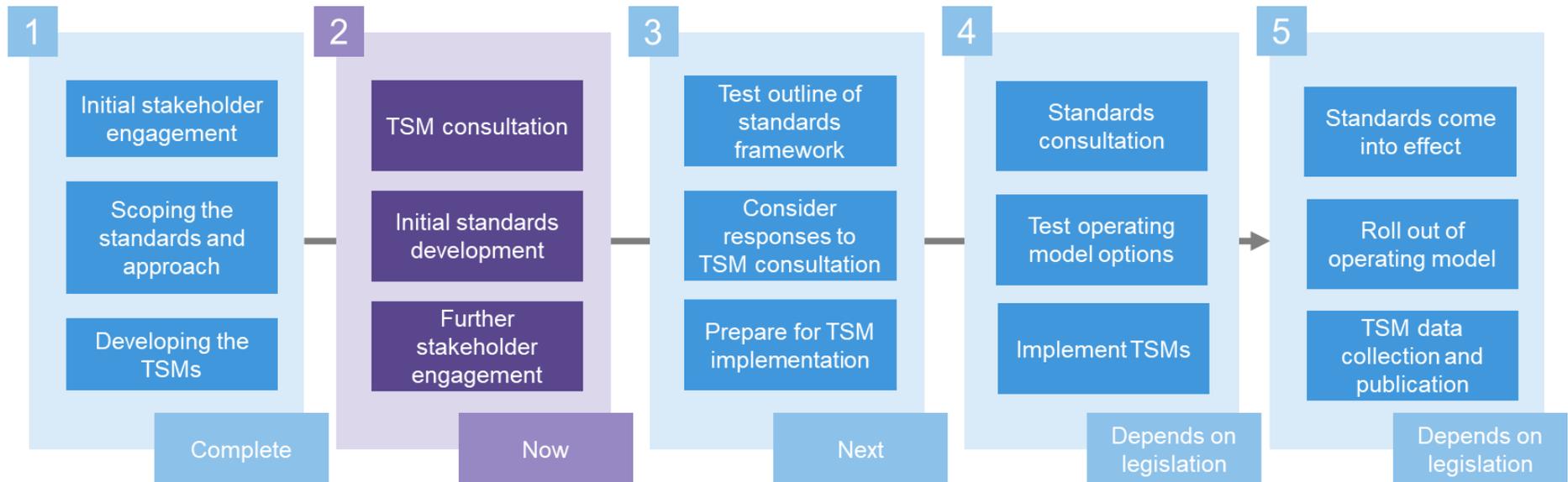
How it will fit together

The standards, our approach to engagement with landlords, the tenant satisfaction measures and the way that we work with the Housing Ombudsman will all contribute to new consumer regulation. The diagram below summarises how they will fit together.



Next steps

Until the legislation that we need to implement new consumer regulation has been passed we cannot give a specific timetable for its introduction. Implementation will happen in a number of stages and these are set out below.



We are still at an early stage of this process but have set out our initial thinking here and would welcome your feedback.

Please email us at enquiries@rsh.gov.uk with your feedback or to be added to our mailing list for engagement events that we will be holding.



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