



Regulator of
Social Housing

Fees for social housing regulation

Guidance for registered providers

Updated May 2021



OFFICIAL

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Background

1. This publication sets out the principles of the Regulator of Social Housing's (RSH's) fee-charging scheme and practical guidance about its operation. RSH's fee-charging powers are set out in Section 117 of the Housing and Regeneration Act 2008. Fees fund those costs related to regulating all providers. Non-routine regulation, including consumer regulation and the majority of initial registration costs are funded by grant-in-aid.

Initial registration fees

Initial registration fee approach

Principle 1: A fixed fee applies to all successful applications for initial registration.

2. The initial registration fee is payable by those who are successfully registered by RSH as a provider or intending provider of social housing. It is not payable by local authorities that are subject to compulsory registration.
3. No fee is currently payable on registrations resulting from:
 - a. statutory amalgamations, or transfers of engagement made using the powers in the Co-operative and Community Benefit Societies Act 2014
 - b. registered providers changing their legal form (e.g. from a company to a registered society or from an unincorporated charity to a charitable incorporated organisation).

Initial registration fee level

4. There is a one-off fixed registration fee of £2,500 payable upon registration with the Regulator of Social Housing. The remainder of the costs of the registration function is covered through grant-in-aid.
5. The level of the initial registration fee is subject to periodic review with any material changes subject to consultation.

Annual fees

Annual fees approach

Principle 2: The annual fee payable by a registered provider is set by reference to the number of social housing units owned by that provider.

6. The annual fee payable by registered providers is based upon the number of social housing units owned by that provider. For the 2021/22 financial year, this is based on the number of social housing units owned¹ on 31 March 2020 initially as recorded in the Statistical Data Return² (SDR). In determining fees charges we have also taken account of any group or structural changes we have been statutorily notified of and any associated registration decisions that have occurred since 31 March 2020.
7. On this basis, **the per-unit fee, which applies to those providers owning 1,000 units or more, is £5.36 per social housing unit for 2021/22.** Where it is established that a provider's SDR return was incorrect, a further invoice or credit may be issued.

Units definition

8. For the purposes of fee calculation, units are defined as social housing where the private registered provider is the owner. The term social housing is defined in the Housing and Regeneration Act 2008 (sections 68-77) and further information on the relevant SDR definitions can be found on the NROSH+ website³. RSH annually collects data on the number of social housing units each private registered provider owns as at 31 March via the SDR return. Registered providers should always check the information to be submitted in the SDR carefully.

Smaller providers

Principle 3: A fixed fee should apply to all providers owning fewer than 1,000 units.

9. A fixed fee of £300 applies for all small providers (those owning fewer than 1,000 social housing units). It is subject to periodic review after this with any material changes subject to consultation.

¹ Owned properties can include those where the provider has a leasehold interest. Further guidance on the definition of ownership for the purposes of SDR reporting is published on NROSH+

² Statistical Data Return statistical releases - GOV.UK (www.gov.uk)

³ NROSH+ (regulatorofsocialhousing.org.uk)

10. Providers that are not within a group and have no social housing units will still be liable for the £300 per annum fee. This includes providers that have notified RSH that they have disposed of their social housing units but have not applied for voluntary de-registration.

Approach to groups

Principle 4: For groups owning 1,000 social housing units or more where the parent is registered, the annual fee should be set at group level rather than for each individual entity on the register.

11. Where providers are in group structures with a registered parent, a single fee at the group parent level is charged. Group structures owning 1,000 units or more in aggregate are charged on a per-unit basis. As such, the numbers of units of each registered entity in the group are aggregated to determine a single fee.
12. In many groups some of the entities, either the parent or subsidiaries, may have fewer than 1,000 units. In such cases, see the fee calculation examples below for clarity on how the principle should be applied.
13. Where the group parent is unregistered, the fee is collected from each individual entity in the group. This is because we do not gain assurance at group level. In addition, group structures with a registered parent, owning fewer than 1,000 units as a group, are charged the single fixed-rate fee for small providers for each registered entity. This is because we will carry out the small provider checks for each entity.
14. Some charitable providers have been linked by a direction (formerly called a 'uniting direction') from the Charity Commission. Such providers must nevertheless each pay a separate fee to RSH for as long as they remain separate entities on our register (and subject to our rules about group structures). We do not consider that Charity Commission linking directions create a group structure or effect a merger.
15. Where one registered provider acts as the corporate trustee for another registered provider, a separate fee will still be due from each of the providers (subject to our rules about group structures).

Fee calculation examples

Example A – A group has 3,000 units comprised of a registered parent with 2,000 units and two subsidiaries with 500 units each. This means the fee will be £16,080 (3,000 x £5.36).

Example B – A small group has a registered parent with 500 units and subsidiary of 200 units. The group would pay a fee of £600 (£300 for each registered entity).

Example C – A registered group parent with zero units has two registered subsidiaries of 10,000 units each. The group would pay £107,200 in regulation fees (20,000 units x £5.36).

Note: The calculation examples given above are based on charging at 2021/22 fee levels. The per unit fee may change from year to year – please refer to paragraphs 25 and 26 under 'Fee increases' for further information.

Registration / de-registration

Principle 5: Providers must pay the full cost of the annual fee for the year that they are on the register when they register or de-register.

16. Providers must pay the full cost of the annual fee for the year in which they either register or de-register (see paragraphs 2-5 for further details in relation to initial registration). A significant proportion of de-registrations are due to restructurings and mergers. Where this is the case, we would not make another annual fee charge for the newly registered or restructured entity. Those who de-register without a consequential new registration will pay for the full year regardless of the timing of de-registration.
17. De-registration is possible, subject to the provider meeting the de-registration requirements⁴ published on our website. It should be noted that a provider that no longer has any social housing assets, but it is still on the register, will still be charged fees until they have completed the de-registration process. In the case of restructures, RSH will determine the appropriate bodies which will pay the annual fee to avoid double charging.

⁴ Register and de-register as a provider of social housing - GOV.UK (www.gov.uk)

Practical arrangements

Invoicing and collection

18. In relation to the annual fee, we will initially calculate the fee charged based on the number of social housing units owned as submitted by providers through the SDR. An invoice based on this will be sent out in March each year. For 2021/22 fees will be based on the number of social housing units owned as at 31 March 2020 (updated to reflect any group/structural changes and associated registration decisions) and invoices will be sent in March 2021. Where it is established that a provider's SDR return is materially incorrect, a further invoice or credit will be issued.
19. Providers were required to state a specific contact for the purposes of fees when submitting their SDR which is editable on NROSH+. This contact will be used for invoicing purposes. **It is the responsibility of providers to keep their contact details in NROSH+ up to date and accurate.** It is essential that all providers do this. Failure to do so may result in fees invoices and other information being sent to incorrect recipients.
20. For 2021/22 the invoices issued in March 2021 will be based on the entities that exist, according to RSH records, as at 31 January 2021 (the 'cut off' date). Invoices will be sent to the fees contacts, as recorded in the NROSH+ system. Where email addresses are recorded in NROSH+ these will normally be used. In cases where we have not been able to contact providers using the email address provided an alternative contact will be used such as the Financial Director or Chief Executive Officer. Where no email address has been provided on NROSH+ invoices will be sent to the relevant postal address.
21. Annual fees must be paid in a single payment annually within 30 days of issue of invoice. However, smaller providers with cash flow considerations in relation to fees may request to pay their annual fees in quarterly instalments. Any request to pay in instalments should include the reasons why an alternative payment arrangement is necessary and will be considered on a case by case basis.
22. Initial registration fees will be invoiced in full following successful registration and will also come due for payment within 30 days of issue of invoice. Newly registered providers will be invoiced for the annual fee at the same time as invoicing for initial registration.
23. Bank transfer is the preferred method of payment, but cheques will be accepted. It is important that providers follow the instructions for making payment given on the invoice. In particular, **it is essential that the customer account number is used when providers make a payment.** Otherwise it may not be possible to match the payment made to the provider's account. In such cases registered providers will be treated as having fees outstanding until such point as they can prove they have paid the fee.

Annual fees statement

24. We publish an annual fees statement⁵ which includes the following:

- Business planning priorities – This will set out the headline regulatory priorities for the year ahead including information on how we are prioritising our work and how we are working to ensure our regulatory approach is as effective as possible.
- Regulatory budget – This will include a breakdown of budgeted costs and the amount to be funded by grant-in-aid. It will also include information on the costs of key functions and apportionment of corporate services costs.
- Fee level – The annual statement will include the indicative fee level per unit for the year ahead based on RSH's budget.

25. The 2021/22 annual fees statement will be published once RSH's budget has been confirmed by the Ministry of Housing, Communities and Local Government.

Fee increases

26. For 2021/22 the overall level of fee income will be £14.743 million, the same level as for 2020/21. The budget for RSH includes grant-in-aid on top of this for those functions that are not covered by fees.

27. Fees levels will be reviewed annually to ensure fees align with the costs of providing the service. The per unit fee will fluctuate between years depending on the number of overall units in the sector as recorded in the SDR.

Variation in costs

28. As there may be some variation in costs from year to year (e.g. due to staff vacancies) it is possible that excess fees might be collected from charges in any one year. Where this occurs the excess fees will be rebated to large private registered providers. Small providers paying the fixed fee of £300 will not receive a rebate as all such providers cost at least £300 to regulate and maintain on the register.

29. We currently anticipate that a fee rebate will be made in relation to the 2020/21 annual fee, although the level of the rebate cannot be confirmed until our financial statements have been audited and laid before Parliament. Historically, rebates have been processed as a funds transfer, however this has created administrative issues for a small number of providers. During 2021 we will review the approach to rebates to minimise the administrative burden on providers and RSH.

30. We will write to all large providers at group parent level to advise that a rebate will be issued using the fees contact details provided on NROSH+. Where two large providers have merged we will rebate the newly merged provider at group parent level.

⁵ Fees statements - GOV.UK (www.gov.uk)

Fees and resources advisory panel

31. RSH introduced a Fees and Resources Advisory Panel (FRAP) in 2017 alongside our existing stakeholder engagement arrangements to enable a specific focus on fees with a range of stakeholders. The panel's terms of reference⁶ are published on our website. The FRAP is an advisory body to RSH and has no decision-making powers.

Non-payment and queries

32. In cases of non-payment of invoices, our usual approach is to send written reminders and to chase up outstanding invoices by telephone. In cases of persistent non-payment, a warning letter would be sent before any other action is instigated. Registered providers are legally required to pay fees for social housing regulation. We may take enforcement action in cases where there is non-payment of fees.

33. Any invoicing errors brought to our attention will be resolved by Homes England's Finance Department.

Finance contact details

34. Fees are collected by Homes England on behalf of the Regulator of Social Housing. The relevant contact details are provided below:

Finance team
The Lumen
St James Boulevard
Newcastle Helix
Newcastle upon Tyne
NE4 5BZ

Email: ARBilling@homesengland.gov.uk
Tel: 0191 497 7592

⁶ Fees and Resources Advisory Panel - GOV.UK (www.gov.uk)



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Any enquiries regarding this publication should be sent to us via enquiries@rsh.gov.uk or call 0300 124 5225.

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RSH regulates private registered providers of social housing to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs.