



Homes &
Communities
Agency

Consultation on an amendment to the Tenant Involvement and Empowerment Standard

Decision statement



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Consultation on an amendment to the Tenant Involvement and Empowerment Standard – Decision statement

Introduction

- 1.1 The deregulatory measures in the Housing and Planning Act 2016 amend the Housing and Regeneration Act 2008 by removing the requirement for private registered providers to seek the regulator’s consent to the disposal of social housing and to some constitutional changes.
- 1.2 Since 2012 the regulator has had a requirement within its Tenant Involvement and Empowerment (TIE) Standard that if a registered provider is considering changing the landlord for some (or all) of its tenants, or proposing a significant change in its management arrangements then it must consult with its tenants.
- 1.3 Until 5 April 2017, under the disposal and constitutional consents process undertaken by the regulator, we sought assurance through interaction with providers during the consent application that this requirement had been complied with. We took this into account when granting consent for the disposal of tenanted property outside of the sector and thus changing the landlord. This gave the regulator the assurance it needed that 2.2.3 of the TIE Standard was being met in relation to the disposal.
- 1.4 On the commencement of the relevant provisions of the Housing and Planning Act (HPA) 2016 on the 6 April 2017, the regulator’s disposal and constitutional consents framework was withdrawn. That opportunity to gain assurance on the quality and effectiveness of the consultation undertaken with tenants no longer exists.
- 1.5 As a result, the regulator came to the view that paragraph 2.2.3 of the TIE Standard needed to be made more explicit and strengthened to ensure that its requirements in this area were fully understood by both registered providers and tenants.
- 1.6 The regulator published a consultation on revised wording for paragraph 2.2.3 on 8 February 2017. The consultation closed on 22 March 2017. We received 156 completed responses. These responses have informed the final outcome set out in this document.
- 1.7 This document provides a summary of the key areas of feedback and sets out the regulator’s decision on the change to paragraph 2.2.3 of the TIE Standard. The change will come into effect on 14th July 2017. This document is not intended to be an exhaustive exploration of all responses received (all of which have been taken into account in reaching the conclusions set out in this decision statement), but a summary of the key issues and comments made. A list of respondents is provided in Annex 1.
- 1.8 The Business Engagement Assessment has also been reviewed following analysis of the responses received. The final version is provided in Annex 3.

2 Overview

2.1 The proposal consulted on was to change the wording of paragraph 2.2.3 of the TIE Standard from the following:

2.2.3 Registered providers shall consult with tenants setting out clearly the costs and benefits of relevant options if they are proposing to change their landlord or when proposing a significant change in their management arrangements.

to:

2.2.3 Where registered providers are proposing a change in landlord for one or more of their tenants or a significant change in their management arrangements they shall consult with affected tenants in a fair timely appropriate and effective manner. Registered providers shall set out the proposals clearly and in an appropriate amount of detail and shall set out any actual or potential advantages and disadvantages (including costs) to tenants over the short medium and long term. Registered providers must be able to demonstrate to affected tenants how they have taken the outcome of the consultation into account when reaching a decision.

2.2 We put forward a number of questions in the consultation, each asking for views on a different aspect of the revised wording above.

Consultation Question 1	Do you agree with the clarification which restricts the consultation only to 'affected tenants'?
Consultation Question 2	Do you agree with the inclusion of the requirement that the consultation should be 'fair, timely, appropriate and effective'?
Consultation Question 3	Do you agree with the replacement of 'proposing to change their landlord' with 'proposing a change in landlord for one or more of their tenants'?
Consultation Question 4	Do you agree with the inclusion within the Standard that providers should set out 'clearly and in an appropriate amount of detail and shall set out any actual or potential advantages and disadvantages (including costs) to tenants over the short, medium and long term'?
Consultation Question 5	Do you agree with the inclusion of a requirement that 'Registered providers must be able to demonstrate to affected tenants how they have taken the outcome of the consultation into account when reaching a decision'?
Consultation Question 6	Do you have any comments on our draft Business Engagement Assessment including in relation to equality and diversity?

3 Summary of responses

- 3.1 A total of 192 responses were received, 168 via Survey Monkey and 24 in writing, predominantly via email.
- 3.2 The use of Survey Monkey as the primary method of responding to this consultation generated a number of unusable responses. 36 of the 168 responses to Survey Monkey set up a response, but did not actually respond to any of the questions asked. As these responses failed to address any of the questions posed, there can be no meaningful interpretation of them. They have therefore been excluded from the analysis. The remaining 132 of the Survey Monkey responses were added to the total received in writing (24) and the analysis of responses was carried out on this total of 156 responses.

Table 1: Responses by respondent type

Respondent type	Survey Monkey	written	Total
Arm's length management organisation (ALMO)	4	1	5
Non-profit provider	52	12	64
Small provider (RASA)	13	0	13
Local authority	4	0	4
Tenant	31	2	33
Trade or representative body	2	9	11
Other (includes where not stated)	26	0	26
Total	132	24	156

Analysis of individual questions and our response¹

Question 1

3.3 All 156 respondents provided a response to this question.

Table 2: Overview of responses to Question 1

Question 1 - overview	Yes (number)	Yes %	No (number)	No %	Other (number)	Other %
Do you agree with the clarification which restricts the consultation only to 'affected tenants'?	115	73.7	30	19.2	11	7.1

Issues raised by the response to Question 1

- 3.4 The overall response to this question was positive at nearly three quarters of respondents agreeing overall.
- 3.5 From those responding 'no' or 'other', there were a variety of comments. The main theme of these was the difficulty of defining which tenants are affected by any proposals and many respondents wanted further guidance on this. Some respondents went as far as asking for a Code of Practice.
- 3.6 Several respondents made the point that a large stock disposal can significantly affect the efficiency, economies of scale, and nature of a landlord, and that this will in time affect all tenants regardless of whether their homes are to be part of the disposal. Some also considered that although detailed consultation with only affected tenants was reasonable, there should be a requirement on providers to notify all tenants. It was also widely suggested that tenants involved in existing governance and accountability structures should be amongst those considered affected by the proposals, not just those whose homes were part of the changes being considered.
- 3.7 A smaller number of respondents suggested that consultation should be extended to other groups such as leaseholders and prospective tenants i.e. those on waiting lists, as both these groups could be affected by any proposals for disposal or constitutional change.
- 3.8 Those in favour of the proposal generally said this was because it was more efficient, cost effective and targeted to consult only those affected, and welcomed the clarification in the Standard.

¹ Please note that percentages may not add up to 100 because of rounding. The percentages are of the number of respondents who answered the particular question (i.e. they did not leave it blank), rather than on the total number of respondents.

Our response

- 3.9 The regulator has introduced the change from ‘tenants’ to ‘affected tenants’ to allow providers to operate some discretion over consultation in order that its requirements in the Standard do not become disproportionately burdensome. For example, for a large provider with 10,000 units, to consult all tenants when they intend to change the landlord of ten would not be a proportionate regulatory requirement.
- 3.10 We do not believe that offering definitions or detailed guidance on how providers should interpret terms in the TIE Standard would be co-regulatory and see that it would be disproportionate to introduce a Code of Practice. However we would expect that providers would take a broad and proportionate view of which of their tenants are “affected” by any changes in landlord, taking into account such things as the size of the disposal compared to overall stock numbers and whether the proposed change is likely to have significant effects on the services received by remaining tenants.
- 3.11 It is recognised that disposals and changes of landlord may have effects on other groups beside tenants (such as leaseholders and housing applicants). However the regulator’s remit does not extend to 100% leaseholders and it would be inappropriate to tell providers how they should consult with this group. This group have other protections in law and under their lease which they are able to use should the need arise. It should be possible for providers to take into account the effects on future tenants through their consultation and liaison with the relevant local authority/ies, but again, it is important that providers have freedom to make their own decisions about the nature and extent of consulted groups, dependent on the individual circumstances in each case.
- 3.12 We are satisfied with the wording of this part of 2.2.3 in the TIE Standard and will not be making further changes as a result of this consultation.

Question 2

3.13 155 respondents responded to this question.

Table 3: Overview of responses to Question 2

Question 2 - overview	Yes (number)	Yes %	No (number)	No %	Other (number)	Other %
Do you agree with the inclusion of the requirement that the consultation should be 'fair, timely, appropriate and effective'?	141	91	1	0.6	13	8.4

Issues raised by the response to Question 2

3.14 Responses to question 2 were fairly uniform across all types of respondent, with around 75-90% agreeing, many respondents stating that they agreed because the proposals should encourage consultations to be meaningful and not just a tick box exercise. There were a number of comments concerning the timing of the consultation with respondents stressing that it must be at a time before decisions have been made and should remain open for a long enough period. The complex nature of the process in cases of significant disposals and mergers was also pointed out; providers will generally consult at different levels as the proposals become firmer and more detailed. Some respondents suggested that the terms 'fair, timely, appropriate and effective' are all open to a great deal of interpretation, and that in particular what constitutes an "effective" consultation is difficult to determine. There were suggestions that the regulator should provide further guidance, perhaps in a Code of Practice, on what it means by these terms.

Our response

3.15 The regulator recognises that the terms 'fair, timely, appropriate and effective' are all open to interpretation. However (see para 3.10 above) we do not believe that offering definitions or detailed guidance on how providers should interpret the terms would be co-regulatory and as such we believe it would be disproportionate to publish a Code of Practice. There are also public law principles that guide how these terms should be interpreted which must be taken into account by registered providers. There will be a broad variation of circumstances under which such consultations take place and providers are best placed to decide in each individual case how to consult in a way which meets these requirements.

3.16 We are satisfied with the wording of this part of 2.2.3 in the TIE Standard and will not be making further changes as a result of this consultation.

Question 3

3.17 All 156 respondents responded to this question.

Table 4: Overview of responses to Question 3

Question 3 - overview	Yes (number)	Yes %	No (number)	No %	Other (number)	Other %
Do you agree with the replacement of 'proposing to change their landlord' with 'proposing a change in landlord for one or more of their tenants'?	137	87.8	13	8.3	6	3.8

Issues raised by the response to Question 3

- 3.18 Responses to question 3 were positive across all groups, with the percentage of those agreeing ranging from 75.8% to 100% in favour. Seven tenant respondents responded 'no' to this question, constituting 24% of that group; and this was the highest proportion of respondents not agreeing to this question.
- 3.19 There were few comments which clarified why anybody responding 'no' to this question had done so. The vast majority of comments were positive ones welcoming the clarification that no matter how small the disposal or number of tenants affected, consultation must still occur.
- 3.20 A small number of responses suggested that leaseholders should be mentioned in the requirements to consult e.g. changing the wording in 2.2.3 to "one or more of their tenants or leaseholders".

Our response

- 3.21 As pointed out in 3.11 above, the regulator's remit does not extend to 100% leaseholders, so our requirements cannot cover provider's actions towards them (less than 100% leaseholders are still classed as tenants and as such are covered by the requirements).
- 3.22 We are satisfied with the wording of this part of 2.2.3 in the TIE Standard accurately reflects the regulators remit and as a result will not be making further changes as a result of this consultation.

Question 4

3.23 All 156 respondents responded to this question.

Table 5: Overview of responses to Question 4

Question 4 - overview	Yes (number)	Yes %	No (number)	No %	Other (number)	Other %
Do you agree with the inclusion within the Standard that providers should set out 'clearly and in an appropriate amount of detail and shall set out any actual or potential advantages and disadvantages (including costs) to tenants over the short, medium and long term'?	135	86.5	2	1.3	19	12.2

Issues raised by the response to Question 4

3.24 The responses to question 4 were uniformly positive across respondent types. The lowest percentage of respondents agreeing was amongst small providers (fewer than 1000 units). Even amongst this category, 61.5% of respondents did agree with the question.

3.25 A number of comments were received on this question, raising various issues which can be summarised as follows:

- There is considerable ambiguity in some of the terms used in the question, particularly what is 'appropriate', leaving providers in a difficult position of not knowing how much they have to do to meet regulatory requirements and wishing to cover themselves.
- What will happen in the medium and long term is hard to predict and generally relies on the actions of the receiving landlord in cases of disposal, and on a variety of factors such as government policy; they cannot be controlled or predicted with any confidence.
- Related to the above, it is not always possible for the disposing provider to guarantee what longer-term effects of the transfer will be. They can give projections and expectations but these may not be borne out in practice.
- Splitting costs, advantages and disadvantages into short, medium and long term is bringing in too much complexity; landlords could struggle to provide this information in a clear way, and there is a risk of overloading tenants with too much material leaving them struggling to make sense of it all.
- Requiring assessment of 'potential' costs, advantages and disadvantages sets the scope of any such consultation too wide and will lead to unnecessary cost and complexity; it should be restricted to 'likely' costs, advantages and disadvantages.

Our response

- 3.26 The regulator is always conscious of its co-regulatory approach and its statutory duty to minimise interference in providers' businesses. We will therefore take the approach that it is the provider who best understands what information needs to be provided to tenants in each individual case and that it will be inappropriate for the regulator to offer more prescriptive guidance on this, as on other aspects of the revised paragraph 2.2.3. There are also public law principles that guide how these terms should be interpreted which must be taken into account by registered providers.
- 3.27 Clearly we recognise that much of the information provided cannot be guaranteed in an uncertain policy and economic environment, and that some aspects depend on the conduct of the receiving provider, over which the disposing provider may have little long-term influence or contractual redress. The wording of this section of the proposed paragraph is intended to deal with this reality, whilst making clear the expectation on providers that they will do all that they can to make reasonable and appropriate assessments and projections taking into account the nature and terms of the transaction and communicating these to tenants. Providers are well used to working with the concepts of risk and uncertainty in their business planning and should be able to communicate degrees of likelihood or certainty to their tenants in an understandable way.
- 3.28 We recognise that the wording consulted on around timeframes can be seen as overly specific and that it may be difficult to be clear about what constitutes "short, medium and long term". The key aim is to ensure that information given to tenants does not just cover what is going to be the immediate effect and ignore future risks which may have reputational risks for the provider and wider sector. We propose, therefore, to amend that part of the sentence so that it reads "in the immediate and longer term".

Question 5

3.29 All 156 respondents responded to this question.

Table 6: Overview of responses to Question 5

Question 5 - overview	Yes (number)	Yes %	No (number)	No %	Other (number)	Other %
Do you agree with the inclusion of a requirement that 'Registered providers must be able to demonstrate to affected tenants how they have taken the outcome of the consultation into account when reaching a decision'?	142	91.0	3	1.9	11	7.1

Issues raised by the response to Question 5

- 3.30 Responses to question 5 were positive across all respondent groups with little variation, respondents stating that this is a valuable provision, ensuring that the consultation is genuine and not just a tick box exercise, and ensuring that providers behave in a transparent fashion.
- 3.31 A few comments were received along the lines that this must not be interpreted as requiring the provider to do exactly what the consultation response says.

Our response

- 3.32 The regulator does not intend, by using this wording, to suggest that consultation responses are binding on the provider only that they need to be considered. Consultation is not the same as asking permission, but an opportunity for those who may have expertise, unique insight or a different perspective to be able to raise issues for consideration. We consider that the wording as proposed strikes the right balance between ensuring that consultation is taken into account and that this is demonstrated, but leaving the final decision in the hands of the provider.
- 3.33 We are satisfied with the wording of this part of 2.2.3 in the TIE Standard and will not be making further changes as a result of this consultation.

Question 6

3.34 155 out of 156 respondents responded to this question

Table 7: Overview of responses to Question 6

Question 6 - overview	Yes (number)	Yes %	No (number)	No %
Do you have any comments on our business engagement assessment including in relation to equality and diversity?	38	24.4	117	75.6

Issues raised by the response to Question 6

3.35 There were few substantive comments on the business engagement assessment. A majority of respondents from all categories chose not to give any comments at all; those that did were almost entirely positive, stating that the assessment seemed to have taken all relevant factors into consideration and be proportionate to the size of the change being proposed.

Our response

3.36 The final business engagement assessment is unchanged aside from the date of commencement and updating of statistics on number of registered providers, and is published at Annex 3

Final position – changes to the TIE Standard

With effect from 14 July 2017, the TIE Standard will be as set out at Annex 2.

Annex 1: List of respondents to the statutory consultation on changes to the TIE Standard

The table below shows the respondents by name. Where the response was on behalf of an organisation and the respondent used a corporate email address, the organisation's name is given rather than the individual officer who completed the response. Where an organisation's name appears more than once, this is because more than one officer completed a Survey Monkey response on behalf of the organisation. Where individual tenants responded using personal email addresses, their responses were not classified as being from the provider but from that person as an individual. This includes individual tenant respondents who occupy a formal position with their landlord such as chair of tenants' panel.

Respondent	Respondent
Ann Hughes	Livin
Accent Group	Local authorities Hinckley and Bosworth, Nuneaton and Bedworth, Brighton and Hove, Nottingham Community Housing Association, and Walsall Housing Group
Alan Anderson	Magenta Living
Aldwyck Housing Group	Margaret Temme
Alliance Homes Group	Mary Insley
AmicusHorizon	MHA
Andrew Clarke	Michael Harrison
Angelina Ufeli	Midland Heart
Ann Gray	Mike Parnell
Anthea Gardner	Miss Angela Hamilton
Arches Housing	Moat
Barnet Homes	Moyra
Barnsley Federation of Tenants and Residents	NHHT
Becky Haydock	Nottingham City Homes
Black Country Housing Group	Nottingham Community Housing Association
bpha	One Manchester

Respondent	Respondent
Bracknell Forest Homes	Orbit
Brian Jebbett	Orwell Housing Association Ltd
Broadacres	Pat Smith
Bromford	Peabody
Bushbury Hill EMB	Pembroke Estate Management Board Ltd
Candice McQueen	Penge Churches HA
Cedric Carter	Penny Rodmell
CESSA HA Ltd	Peter Robinson
Cheryl Ballan	Phoenix Community Housing
Chris Moseley	Places for People
CHS Group	Polly Niemiec
Cirencester Housing Ltd	Progress Housing Group Ltd
Clarion Housing Group	Radcliffe Housing Society
Cobalt Housing	Radian
Corby BC	Ralph Middlemore
Cornwall Housing Tenants Forum	Richard Collins
County Durham Housing Group	Riverside
Crawley BC	Roger Price
Curo	Rooftop Housing Group
David Yates	Sally Trueman
Denise Woodward	Sanctuary Group (by email)
Des Mahon	Savills PLC
Diane Thompson	Scrutiny and Empowerment Partners Ltd

Respondent	Respondent
Dreena Hartup	Scrutiny Panel members from the following housing providers: <ul style="list-style-type: none"> • Yorkshire Coast Homes • Joseph Rowntree Housing Trust • Together Housing • Harrogate Borough Council • Broadacres
EMH Group	Shropshire Rural Housing Association
Estuary Housing Association Ltd	Soha Housing
Flagship Group	South Western Housing Society Ltd
ForViva	Sovereign
Fred Bottom	Sovereign Housing Association
Freebridge Community Housing	Sovereign Housing Association
Gentoo	St Leger Homes of Doncaster
Gerard	Stephen Pruner
Gloucester City Homes	Steve Cramphorn
Graham Inns	Stockport Homes
Great Places Housing Group	Symphony Housing Group
Halton Housing Trust	Tara Wilson
Harry Mortimer	Taroe Trust
Hastoe Group	Tenants at a consultation event in Trafford Hall from the following providers: <ul style="list-style-type: none"> • the ALMOs in Barnsley and Sedgemoor • Hinckley and Bosworth Local Authority • Nuneaton and Bedworth Local Authority • Brighton and Hove Local Authority • Nottingham Community Housing Association • Walsall Housing Group
Home Group	Thames Valley Housing Association

Respondent	Respondent
Homes in Sedgemoor	The ExtraCare Charitable Trust
Housing Plus Group Ltd	The Hyde Group
Hyde Group	The Hyde Group
Inclusion Housing	Thirteen Group
Indyvolcom	Tim Roberts
IndyVolCom	Together Housing
Initiate	TPAS
Jennie Morrison-Cowan	Trowers and Hamblins LLP
Jim Clapperton	Two Rivers Housing
John Harrison	Vale of Aylesbury Housing Trust
John Kehoe	Valerie Edwards
John Ross	Walsall Housing Group
Joseph Hood	Wandle Housing
Kenton Bar Tenants and Residents Association	Waterloo Housing Group
Kevin McCain	Watford Community Housing Trust
Kim Pauline Eames	WDH
Langley House Trust	Weaver Vale Housing Trust
Larry Shelbourne	Wellingborough Homes
LB Sutton	West Court Tenants Association
Leeds and Yorkshire Housing Association	Why Not Consultancy Services Ltd
Lesley Beyleveld	William Christopher Gilliland
Linda Damerell	Wythenshawe Community Housing Group
Linda Levin Partnership Ltd	Yarlington Housing Group
Linda Price	

Annex 2

TIE Standard

(to take effect 14 July 2017)

[Changes to the version proposed in the consultation, as a result of the feedback received, are shown track changed for clarity.]

1 Required outcomes

1.1 Customer service, choice and complaints

1.1.1 Registered providers shall:

- a. provide choices, information and communication that is appropriate to the diverse needs of their tenants in the delivery of all standards
- b. have an approach to complaints that is clear, simple and accessible that ensures that complaints are resolved promptly, politely and fairly.

1.2 Involvement and empowerment

1.2.1 Registered providers shall ensure that tenants are given a wide range of opportunities to influence and be involved in:

- a. the formulation of their landlord's housing-related policies and strategic priorities
- b. the making of decisions about how housing-related services are delivered, including the setting of service standards
- c. the scrutiny of their landlord's performance and the making of recommendations to their landlord about how performance might be improved
- d. the management of their homes, where applicable
- e. the management of repair and maintenance services, such as commissioning and undertaking a range of repair tasks, as agreed with landlords, and the sharing in savings made, and
- f. agreeing local offers for service delivery.

1.3 Understanding and responding to the diverse needs of tenants

1.3.1 Registered providers shall:

- a. treat all tenants with fairness and respect
- b. demonstrate that they understand the different needs of their tenants, including in relation to the equality strands and tenants with additional support needs.

2 Specific expectations

2.1 Customer service, choice and complaints

2.1.1 Registered providers shall provide tenants with accessible, relevant and timely information about:

- a. how tenants can access services
- b. the standards of housing services their tenants can expect
- c. how they are performing against those standards
- d. the service choices available to tenants, including any additional costs that are relevant to specific choices
- e. progress of any repairs work
- f. how tenants can communicate with them and provide feedback
- g. the responsibilities of the tenant and provider
- h. arrangements for tenant involvement and scrutiny.

2.1.2 Providers shall offer a range of ways for tenants to express a complaint and set out clear service standards for responding to complaints, including complaints about performance against the standards, and details of what to do if they are unhappy with the outcome of a complaint. Providers shall inform tenants how they use complaints to improve their services. Registered providers shall publish information about complaints each year, including their number and nature, and the outcome of the complaints. Providers shall accept complaints made by advocates authorised to act on a tenant's/tenants' behalf.

2.2 Involvement and empowerment

- 2.2.1 Registered providers shall support their tenants to develop and implement opportunities for involvement and empowerment, including by:
- a. supporting their tenants to exercise their Right to Manage or otherwise exercise housing management functions, where appropriate
 - b. supporting the formation and activities of tenant panels or equivalent groups and responding in a constructive and timely manner to them
 - c. the provision of timely and relevant performance information to support effective scrutiny by tenants of their landlord's performance in a form which registered providers seek to agree with their tenants. Such provision must include the publication of an annual report which should include information on repair and maintenance budgets
 - d. providing support to tenants to build their capacity to be more effectively involved.
- 2.2.2 Registered providers shall consult with tenants on the scope of local offers for service delivery. This shall include how performance will be monitored, reported to and scrutinised by tenants and arrangements for reviewing these on a periodic basis.
- 2.2.3 Where registered providers are proposing a change in landlord for one or more of their tenants or a significant change in their management arrangements, they shall consult with affected tenants in a fair, timely, appropriate and effective manner. Registered providers shall set out the proposals clearly and in an appropriate amount of detail and shall set out any actual or potential advantages and disadvantages (including costs) to tenants ~~over the short, medium and long term~~ **in the immediate and longer term**. Registered providers must be able to demonstrate to affected tenants how they have taken the outcome of the consultation into account when reaching a decision.
- 2.2.4 Registered providers shall consult tenants at least once every three years on the best way of involving tenants in the governance and scrutiny of the organisation's housing management service.

2.3 Understanding and responding to diverse needs

- 2.3.1 Registered providers shall demonstrate how they respond to tenants' needs in the way they provide services and communicate with tenants.

Annex 3: Final Business Engagement Assessment

Business Engagement Assessment	
Title of proposal	Changes to the TIE Standard
Lead regulator	<i>Homes and Communities Agency – the social housing regulator</i>
Contact for enquiries	<i>Referrals and Regulatory Enquiries team 0300 1234 500 (option 2) consultation@hca.gsi.gov.uk</i>

Date of assessment	<i>May 2017</i>	Stage of assessment	<i>Final</i>
Net cost to business (EANCB)		Commencement date	<i>14 July 2017</i>
Which area of the UK will be affected by the change(s)?	<i>England</i>	Price and present value base years	
Does this include implementation of Red Tape Challenge commitments?	<i>No</i>	Is this directly applicable EU or other international legislation?	<i>No</i>

Brief outline of proposed change

The regulator is making a small change to the TIE Standard to clarify and strengthen its expectations around the quality of registered providers' consultation when they are proposing to change the landlord of any of their tenants. These changes are in response to the deregulatory measures contained in the HPA 2016, specifically the removal of the regulator's power to require providers to obtain its consent before proceeding with disposals or some constitutional changes. There is no impact on the regulatory burden because the change is to an existing expectation in this area and is being made in the context of much wider statutory deregulation which significantly reduces the overall regulatory burden.

Why is the change proposed? Evidence of the current problem?

Up to 5 April 2017, the quality of consultation which providers carry out when they are proposing to change the landlord of any of their tenants was something that providers had to provide assurance about during the application process for consent to dispose of stock or to make some constitutional changes. From 6 April 2017, as the de-regulatory measures in the HPA came into effect, this application process has no longer taken place. The regulator believes it will therefore help providers to have its expectations set out more fully in the TIE Standard itself.

In addition to the above, the change will ensure that the regulator can continue to meet its consumer regulation objective and specifically:

- to ensure that actual or potential tenants of social housing have an appropriate degree of choice and protection, and
- to ensure that tenants of social housing have the opportunity to be involved in its management and to hold their landlords to account.

Which types of businesses will be affected? How many are affected?

As at July 2017, there were 1,558 private registered providers (registered with the social housing regulator). Of those, approximately 1,200 were non-profit making registered providers with less than 1,000 units and 36 were profit making registered providers. There are also 198 local authority registered providers.

All existing registered providers and local authority registered providers are within the scope of being affected by the clarification in the TIE Standard. In practice, however, there will be no, or negligible effect. For those registered providers who do not undertake disposal of stock or constitutional changes which result in any tenants changing their landlord, there will be no impact at all. Local authority registered providers, in particular, are unlikely to be able to carry out any such disposals or constitutional changes because of their different legal powers and obligations.

For those providers that do dispose of stock or make constitutional changes, there will also be negligible impact as there has always been a requirement to consult tenants in the TIE Standard. The change is only that the regulator is now making explicit within the Standard the required quality of consultation that has always been required by the regulator.

How will the change impact these businesses?

See above, there will be no impact on these businesses from the change.

Impact on small businesses

The majority of private registered providers are small, around 1,200 out of a total of around 1,500. As set out above, the impact on any of the providers, including small providers, covered by this change is nil to negligible.

Equality and diversity

The regulator is mindful of its statutory equality duties under section 149 of the Equality Act 2010. The regulator has recently published its revised equalities equality objectives that we will be working to deliver in future. As with our previous equality objectives, the revised objectives include work to ensure that we pay due regard to equality when undertaking our regulatory functions.

The regulator takes a proportionate approach to its equality obligations and, as the effects on providers of the changes covered by this consultation are nil to negligible, considers that there are no specific equalities implications for this consultation and has not carried out a full equalities impact assessment.

It is the case that amongst the tenants of registered providers of social housing, there are higher proportions of individuals with some protected characteristics than is found in the general population, particularly with regard to race and disability. For further details see the [English Housing Survey](#)². The clarificatory change the regulator is making in being more explicit about its consultation expectations may help to discourage any decline in quality of consultation following the removal of the requirement for providers to seek the regulator's consent where tenants' landlord is changed. Therefore, any impact from this change on those with protected characteristics compared with the general population should be a positive one.

² <https://www.gov.uk/government/statistics/english-housing-survey-2014-to-2015-headline-report>