



Regulator of  
Social Housing

# Consultation on changes to our fees regime

September 2023



OFFICIAL

## Contents

1.	Foreword	2
2.	Scope of the consultation	3
3.	How to respond to this consultation	5
4.	Executive summary	7
5.	Introduction	11
6.	Initial registration application fees	17
7.	Annual fees	19
8.	Accountability and transparency	25
9.	Impact assessments	26
10.	Consultation questions	28
11.	About this consultation	29

## Foreword

I am pleased to introduce this consultation on fees for the Regulator of Social Housing.

Fees are already an important element of the regulator's funding model, enabling it to carry out its functions. It is common for regulated bodies to pay fees for their regulation and, in the case of social housing, reflects the benefits to registered providers of being in a regulated sector. Legislative changes which alter our fee charging powers mean that we need to look again at how we set our fees and who is asked to pay them. This consultation outlines our proposals for changes to our fees regime to ensure that the regulator has adequate resources, skills and capacity to meet its objectives.

The effective regulation of social housing is crucial to maintaining public trust and confidence in the sector. This consultation provides an opportunity for the regulator to engage with registered providers and other stakeholders in respect of its future fee regime. Sufficient resources are essential to enable the regulator to deliver its new, holistic, economic and consumer role ensuring that tenants have access to safe, secure and decent homes within a thriving community and that the social housing sector remains sustainable and resilient in the face of increasing regulatory demands.

I encourage all stakeholders, including registered providers, tenant representatives, sector groups, lenders and other interested parties, to actively participate in this consultation.

Thank you for your participation.

Bernadette Conroy  
Chair

## 1. Scope of the consultation

<p>Topic of this consultation</p>	<p>The Regulator of Social Housing’s (the regulator’s) fee charging powers are set out in Section 117 of the Housing and Regeneration Act 2008. Fees must be set in accordance with principles which are subject to statutory consultation and approval by the Secretary of State. Fees are currently charged to private registered providers for initial entry to the register and for proactive economic regulation.</p> <p>We are in the process of revising our fees principles and reviewing the level of fees that registered providers are charged. This is to ensure that our fees principles align with our new powers in the Social Housing (Regulation) Act 2023 and that we have adequate resources to deliver our expanded remit of proactive consumer regulation.</p> <p>Providing the statutory powers take effect as envisaged, and subject to consultation with stakeholders and approval by the Secretary of State, the revised fees principles and new fee levels will apply from 1 July 2024.</p>
<p>Scope of this consultation</p>	<p>This consultation relates to proposed changes to the regulator’s fees principles and the level of the fees we charge registered providers. It represents an opportunity for interested persons, bodies and organisations to influence these proposals.</p> <p>The regulator is undertaking this consultation in line with the requirement in section 117(8) of the Housing and Regeneration Act 2008 that in preparing (or revising) the principles the regulator shall consult persons appearing to the regulator to represent the interests of fee payers.</p> <p>Following the conclusion of this consultation, we intend to publish a business engagement assessment alongside the revised fees principles and fees guidance. We are sharing drafts of this assessment as part of this consultation, and we also welcome comments on this.</p>

## Consultation on changes to our fees regime

Geographical scope	These proposals relate to England only.
Impact assessments	We have carried out a business engagement assessment in relation to our proposals. This is set out in Annex 1. We have also considered the public sector equality duty. Further details are included in section 9.

Basic information	
To	Statutory consultees representing the interests of fee payers, private registered providers (PRPs) and local authority registered providers (LARPs), tenants of registered providers, prospective registered providers, lenders and any other stakeholders who have an interest in social housing in England.
Body responsible for the consultation	Regulator of Social Housing
Duration	This consultation will last for 8 weeks from 5 September 2023. The closing date is 31 October 2023.
Enquiries	For any enquiries about the consultation please contact our Referrals and Regulatory Enquiries team on 0300 124 5225 or <a href="mailto:enquiries@rsh.gov.uk">enquiries@rsh.gov.uk</a> who will be pleased to help.

## 2. How to respond to this consultation

**Please send your response by 31 October 2023.**

**If you respond after this date, your response may not be considered.**

Respondents are encouraged to answer as many questions as possible, but you do not have to respond to every question.

### Online

Where possible, please respond to the questions in this consultation online at:

**<https://online1.snapsurveys.com/fees>**

### Email or post

If you are unable to complete an online response, you can email your response to: [consultation@rsh.gov.uk](mailto:consultation@rsh.gov.uk). Please include “**Revised fees regime**” as your subject heading.

Alternatively, you can send a written response to:

Regulator of Social Housing  
Referrals and Regulatory Enquiries team  
Level 2  
7-8 Wellington Place  
Leeds LS1 4AP

Please mark the envelope “**Revised fees regime**”.

If you are responding by email or post, please make it clear which questions in this consultation you are responding to. The questions are set out in section 10.

Please respond using only one means – if you respond online, you do not need to email or post your response to us.

## Consultation on changes to our fees regime

After the closing date of this consultation, we intend to publish a list of all respondents to the consultation who have told us that they are happy for their name to be published. If you would like your name to be included in this list, please confirm this in your submission.

To help us to understand who responds to this consultation and the context of their answers, please include:

- your name
- whether you are responding as an individual or on behalf of an organisation
- whether you are a (please select one):
  - social housing tenant in rental accommodation
  - shared owner in social housing
  - private registered provider
  - local authority registered provider
  - stakeholder organisation
  - other (please specify)
- the name of the organisation (if applicable), and
- a contact email address (if possible).

If you are responding on behalf of a representative group, please give a summary of the people and organisations your group represents, and where relevant who else they have consulted in writing their response.

Please do not share any information in your response which you would not be happy for us to make publicly available. Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with access to information regimes. Please see Chapter 11 for further details and see our privacy notice for information about how the regulator processes and protects personal data.

After the closing date of this consultation, we intend to publish an analysis of the responses we receive including anonymised responses (responses where we will remove any information that could identify the respondent). We will also publish a list of all respondents to the consultation who have told us that they are happy for their name and/or the name of their organisation to be published on that list. Individual responses will not be acknowledged.

**If you need this consultation document in an alternative format, you may make a request using any of the contact details above.**

## 3. Executive summary

### What we want to achieve

- 3.1 We aim to promote a viable, efficient and well-governed social housing sector. This requires an independent, strong and credible social housing regulator which maintains the confidence of tenants, lenders, those we regulate, and other stakeholders. It is common among regulated sectors for regulated bodies to pay for the cost of regulation. Charging providers fees helps ensure the regulator has adequate resources, the right skills and capacity to meet its objectives.
- 3.2 Since 2017 the regulator has been funded through a combination of fees and government grant. Fee income is currently generated from a mixture of initial registration fees and annual fees from private registered providers (PRPs) which funds our proactive economic regulation<sup>1</sup>. Grant supports our remaining costs. Decisions on grants are a matter for government and not subject to consultation.
- 3.3 When section 4 of the Social Housing (Regulation) Act 2023 commences, our fee charging powers will expand. As a result, the government has said that it expects registered providers to pay for the full cost of regulation from July 2024. This means that the costs we incur that are currently funded by government grant, such as for consumer regulation, investigation and enforcement, and processing unsuccessful applications for registration, will be met through fees. As part of these changes the government expects that local authorities will pay fees for the cost of regulating that part of the social housing sector.
- 3.4 We are consulting on changes to our fees principles and fees regime that aim to:
- secure sufficient fee income to enable the regulator to carry out its role effectively while charging providers in a fair and transparent way
  - ensure our fees are predictable, simple to calculate, and recognise the benefit that registered providers receive from being part of a regulated sector
  - ensure that local authorities aren't paying for the regulation of private registered providers, or the reverse
  - deliver an approach that is in line with legislative and government requirements.

---

<sup>1</sup> In this document we have used the term 'proactive regulation' to refer to planned regulatory engagement through which we seek assurance and assess a provider's compliance with our standards. We use the term 'reactive regulation' to describe activity undertaken where there is a breach, or potential breach, of these standards.



## Proposed fee principles

- 3.5 Our fees must be set in accordance with principles that are subject to statutory consultation and approval by the Secretary of State. We are consulting on revisions which will only take effect if, and when, the relevant provisions in the Social Housing (Regulation) Act 2023 come into force.
- 3.6 Our proposed fee principles, with changes from the current principles marked in bold, are:
- 1) A fixed fee applies to all **successful** applications for initial registration
  - 2) The annual fee payable by a registered provider is set by reference to the number of social housing units<sup>2</sup> owned by that provider
  - 3) A fixed fee should apply to all providers owning fewer than 1,000 units
  - 4) For groups owning 1,000 social housing units or more where the parent is a **private** registered **provider**, the annual fee should be set at group level rather than for each individual entity on the register
  - 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
  - 6) The regulator will publish information annually on its costs and fees.**

## Proposed changes to our fees

- 3.7 We propose:
- a) To charge those seeking to join the register at the point of application, rather than only in the event of a successful registration, so that unsuccessful applicants meet a share of the cost of considering their application for registration.
  - b) To continue to charge a fixed fee to small private registered providers (those with fewer than 1,000 social housing units) which contributes to the cost of their regulation, including maintaining the register.

---

<sup>2</sup> Our preference is to avoid the use of the term 'unit' where possible recognising that we are referring to peoples' homes. However, in this publication we have used the term 'unit' where necessary for accuracy. The definition of a social housing unit is that used in the Statistical Data Return (SDR) and Local Authority Data Return (LADR). See Registered provider social housing stock and rents in England 2020 to 2021 - GOV.UK ([www.gov.uk](http://www.gov.uk))

- c) To continue to charge large private registered providers (those with more than 1,000 social housing units) an annual fee based on the number of social housing units they have. This will recoup the remaining share of our costs attributable to private registered providers once registration fees and small private registered provider annual fees are taken into account.
- d) To charge large local authority registered providers (those with more than 1,000 social housing units) an annual fee to recoup the share of our costs attributable to local authorities. This will also be calculated on the basis of the number of social housing units they have.
- e) To set the annual fee for small local authority registered providers (those with fewer than 1,000 social housing units) at zero at this time as they are not subject to the proactive consumer engagement focused on larger providers or the economic regulation which applies to small private registered providers. This means that there is limited routine work associated with reviewing regulatory returns from this group of local authority providers and the administration of any fee would add to the costs to be recovered.
- f) To set the annual fee for groups with more than 1,000 social housing units that are headed by a private registered provider at group level. Other groups, such as those with fewer than 1,000 units or those headed by a local authority registered provider, will be charged annual fees for each individual entity on the register.
- g) To publish information on fees for the upcoming year in the regulator's annual fee guidance and stop producing a separate fee statement given duplication with other corporate documents.
- h) To expand the Fees and Resources Advisory Panel to include local authority representatives.

3.8 Providing our new statutory powers take effect as envisaged, the new fees regime will commence on 1 July 2024 with the current fee regime and principles applying from 1 April to 30 June 2024. We have provided estimates of our proposed annual fees which are based on the costs we expect to incur in performing our revised functions once fully staffed and operational. Once the consultation has concluded, and with the approval of the Secretary of State, we will write to providers to confirm their fees for 2024-25.

**Table 1: Summary of our proposed estimated fee levels, once fully staffed, for different types of provider**

	<b>Current</b>	<b>Proposed</b>
Registration application fee (PRPs only)	£2,500 (initial registration fee)	£3,000 total
Small PRP/group annual fee (below 1,000 units)	£300 flat fee per entity	£600-700 flat fee per entity
Large PRP/group annual fee (above 1,000 units)	£5.40 per social housing unit	£9-10 per social housing unit
Large LARP annual fee (above 1,000 units)	N/A	£7-8 per social housing unit
Small LARP annual fee (below 1,000 units)	N/A	£0 flat fee per entity

3.9 We have undertaken a business engagement assessment of the proposals in this consultation (Annex 1) which aims to assess and quantify the impact of our proposals. Comments on the draft assessment are welcomed.

## 4. Introduction

### About the Regulator of Social Housing

- 4.1 We regulate registered providers of social housing in England to promote a viable, efficient and well-governed social housing sector able to deliver and maintain homes of appropriate quality that meet a range of needs.
- 4.2 We register and de-register providers of social housing subject to them meeting our eligibility requirements and registration criteria. Registered providers include non-profit organisations such as housing associations and co-operatives, profit-making registered providers, and local authorities.
- 4.3 We undertake economic regulation, focusing on governance, financial viability and value for money for private registered providers, and set rent and consumer standards for all registered providers. In certain circumstances we may take action, including using our legal powers, where providers do not meet our standards.
- 4.4 The objectives of the regulator are set out in legislation. We have two statutory fundamental objectives: an economic regulation objective and a consumer regulation objective. These are set out in section 92K of the Housing and Regeneration Act 2008. We have also set these out below.
- 4.5 The economic regulation objective is:
- to ensure that registered providers are financially viable and properly managed, and perform their functions efficiently and economically
  - to support the provision of social housing sufficient to meet reasonable demands (including by encouraging and promoting private investment in social housing)
  - to ensure that value for money is obtained from public investment in social housing
  - to ensure that an unreasonable burden is not imposed (directly or indirectly) on public funds
  - to guard against the misuse of public funds.

4.6 The consumer regulation objective<sup>3</sup> is:

- to support the provision of social housing that is well-managed and of appropriate quality
- to ensure that actual or potential tenants of social housing have an appropriate degree of choice and protection
- to ensure that tenants of social housing have the opportunity to be involved in its management and to hold their landlords to account
- to encourage registered providers to contribute to the environmental, social and economic well-being of the areas in which the housing is situated.

4.7 We regulate the economic standards proactively undertaking planned activities to assess private registered providers' compliance with our standards and responding reactively to new issues of potential concern as they emerge. We currently regulate the consumer standards reactively acting when a breach, or potential breach, of our standards is brought to our attention. We will begin proactive regulation for consumer matters when relevant provisions within the Social Housing (Regulation) Act 2023 are implemented.

4.8 We have a statutory duty to exercise our functions in a way that minimises interference, and (so far as is possible) is proportionate, consistent, transparent and accountable. We therefore take a co-regulatory, risk-based approach.

4.9 Further information about the regulator can be found on our website, including our publication 'Regulating the Standards', in which we set out the broad principles which underpin our regulatory approach.

## Background to the regulator's fees regime

4.10 The Regulator of Social Housing introduced fees from October 2017 following a statutory consultation in 2016.

4.11 Currently, fee income is generated from a mixture of initial registration fees and annual fees charged to private registered providers to cover the cost of proactively regulating their compliance with our economic standards. Grant from our sponsor department, the Department for Levelling Up, Housing and Communities, covers all other costs, including any relating to investigations and enforcement activity and consumer regulation.

---

<sup>3</sup> Once in force, section 1 of the Social Housing (Regulation) Act 2023 will amend the consumer regulation objective.

- 4.12 The regulator publishes information on its budget each year including the split between grant and fee revenue. Local authority registered providers do not currently pay fees for social housing regulation as this is covered by government grant. However, as set out below, legislative changes will expand the regulator's fee charging powers. As a consequence, government expects the regulator to cover all its costs from fees from 1 July 2024.
- 4.13 The regulator's fees must be set in accordance with principles which are subject to statutory consultation and approval by the Secretary of State. The current fee principles are:
- 1) A fixed fee applies to all successful applications for initial registration.
  - 2) The annual fee payable by a registered provider is set by reference to the number of social housing units owned by that provider.
  - 3) A fixed fee should apply to all providers owning fewer than 1,000 units.
  - 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.
  - 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.
- 4.14 This consultation considers changes to principles (1) and (4) and the inclusion of an additional principle. It also considers changes to our annual fee arrangements in the light of the move to full fee funding.
- 4.15 To support accountability on fees, the regulator has set up a Fees and Resources Advisory Panel to engage with stakeholders in relation to the fees we charge and the way fees are used.
- 4.16 Further information on the use of the regulator's fee income can be found in our latest Annual report and accounts and annual Fees statement.

## Statutory fee charging powers

- 4.17 The regulator's fee charging powers are set out in Section 117 of the Housing and Regeneration Act 2008. This will be amended by section 4 of the Social Housing (Regulation) Act 2023 once it comes into force. The revisions to our powers will allow the regulator to charge fees for dealing with an application for initial registration, rather than charging at the point of initial registration as before. The regulator continues to have the power to charge an annual fee for continued registration.
- 4.18 We are consulting in preparation for the fee provisions within the Social Housing (Regulation) Act 2023 coming into force. Once in force, it will mean that:
- a) The amount of a fee payable may be calculated by reference to costs incurred, or likely to be incurred, by the regulator in the performance of any of its functions.
  - b) Fees have to be set in accordance with principles which must be approved by the Secretary of State.
  - c) The principles have to be designed, so far as is reasonably practicable, to ensure that:
    - fee income matches the costs incurred in the performance of the regulator's functions
    - actual or potential providers can see the relationship between the amount of a fee and the costs incurred, or likely to be incurred, in the performance of the regulator's functions.
  - d) In preparing (or subsequently revising) the principles, the regulator has to consult persons who appear to represent the interests of fee payers.
- 4.19 The regulator must also consider its fundamental objectives and duty to minimise interference, as set out in the section above 'About the Regulator of Social Housing'.

## Drivers behind changes to the regulator's fees regime

- 4.20 The government's 'The Charter for Social Housing Residents: Social Housing White Paper', published in November 2020, 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.

- 4.21 The Social Housing (Regulation) Act 2023 provides the legal basis for many of the measures set out in the white paper. Once the relevant provisions come into force they will grant the regulator new powers to charge fees for dealing with an application for initial registration and to recover costs that are incurred, or likely to be incurred, by the regulator in the performance of any of its functions. This includes recovering costs not directly connected with the fee payer.
- 4.22 As the regulator's consumer regulation remit expands we need to ensure we have the right skills and capacity to enable effective regulation to continue. This includes resourcing proactive regulation with local authorities for the first time. It is therefore an appropriate review point for the regulator's fee regime and the various fees we charge.
- 4.23 It is government policy that where public bodies charge fees these are set to recover full costs and the regulator currently does this within the bounds of its existing powers. Using the new powers granted to it within the Social Housing (Regulation) Act 2023 the regulator intends to charge fees to recover the cost of all of its functions including processing applications for initial registration and all aspects of our regulatory engagement with private and local authority registered providers. This includes using fees to fund the cost of our investigations and enforcement activity and our new consumer regulation regime.
- 4.24 Providing our new statutory powers take effect as envisaged we propose that the new fees regime will commence on 1 July 2024. The current fee regime and principles will apply from 1 April to 30 June 2024. In this consultation we have provided estimates of our proposed annual fees which are based on the costs we expect to incur in performing our revised functions once fully staffed and operational. We anticipate that we will be in a position to confirm our fee levels for 2024-25 to registered providers in spring 2024.

## Objectives of our revised fees regime

- 4.25 In revising our fee regime we are seeking to balance the following requirements:
- to secure sufficient income to enable the regulator to carry out its role effectively
  - to secure full cost recovery for the regulator's activities
  - to charge providers on a fair and transparent basis
  - to deliver an approach that is in line with legislative and government requirements<sup>4</sup>.

---

<sup>4</sup> See the publication *Managing Public Money* for details of government expectations on public bodies when charging fees



4.26 Our proposals are designed to ensure that as far as is reasonably practicable:

- the level of the fee should be predictable, reliable and stable enabling registered providers to budget effectively
- the level of the fee should be simple to calculate and charge, to support transparency and keep the costs of operating the scheme at a reasonable level
- the information required for setting fees is easily verified to minimise the likelihood of dispute
- the level of the fee takes into account the likely impact on registered providers and potential providers, especially relating to any potential impact on viability or ability to join/remain on the register
- the level of the fee takes into account the level of benefit that registered providers receive from being part of a regulated sector
- private registered providers do not pay for the regulation of local authority registered providers, or the reverse
- fee income matches the costs incurred, or likely to be incurred, in the performance of the regulator's functions, and
- the relationship between the level of the fee and the costs incurred to the regulator is visible to fee payers.

## 5. Initial registration application fees

### Proposed principle 1: A fixed fee applies to all applications for initial registration

- 5.1 We currently charge a £2,500 fee on initial entry to the register with all remaining costs of registration met by government grant.
- 5.2 We are mindful of the risk that higher registration fees have the potential to act as a barrier to entry and want to balance income generation with not dissuading good quality applications. It is important that a well-regulated social housing sector is able to deliver homes that meet a range of needs and if an application fee is set too high this may result in a sector that provides for a limited range of needs. In particular, there is a risk that a higher fee might discourage good quality applications from community-based organisations.
- 5.3 Our current arrangements mean that only successful applicants are charged a registration fee. To ensure that unsuccessful applicants also bear a proportion of the costs of considering their applications, and in the light of our new statutory powers, we propose to apply fees for all applications. Charging at the point of application, rather than on registration, recognises that there is a cost to the regulator to consider an application regardless of whether it is successful or not. It will also help focus applicants on the importance of preparedness and deter speculative and ill prepared applications, particularly at preliminary stage.
- 5.4 We propose to charge an application fee of £3,000 which, in accordance with the regulator's two stage registration process, would be payable in two parts – a preliminary application fee of £500 and a detailed application fee of £2,500 for those who progress to this stage.
- 5.5 The application fee would be payable by those seeking initial registration by the regulator as a provider or intending provider of social housing. It will not be payable by local authorities that are subject to compulsory registration.
- 5.6 Where a preliminary application for registration is submitted before 1 July 2024, we intend that the existing registration fee regime will apply, i.e. only a charge payable on registration of £2,500.
- 5.7 The amount of the registration fee will be reviewed periodically.

**Consultation question 1: Do you agree with our proposed approach to setting initial registration application fees?**

Please state if you agree or disagree. Please provide comments if you wish to explain your response.

## 6. Annual fees

### **Proposed 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**

- 6.1 The regulator’s annual fees are intended to recoup the costs incurred by the regulator in performing its functions. From 1 July 2024 we anticipate that this will include the cost of activity currently funded by government grant, such as reactive regulation. This follows the expansion of our ability to recover costs through fees in response to the legislative changes outlined elsewhere in this document.
- 6.2 We believe that size remains the most appropriate driver in calculating annual fees for large providers. This is because the cost of carrying out regulation broadly increases with size as large organisations tend to be more complex and undertake a more diverse range of activities. This is the approach we have adopted since fee charging was introduced in 2017.

#### **Large private registered providers**

- 6.3 We do not propose to make any changes to our arrangements for calculating fees for large private registered providers (those with 1,000 social housing units or more). Their fees will continue to be linked to the number of units they own, as recorded in the [Statistical Data Return](#), and will be calculated annually.
- 6.4 Subject to consultation, fees for large private registered providers will increase to reflect the additional cost of consumer regulation and the move to full fee funding. We estimate that the annual fee for large private registered providers once fully staffed will be £9-10 per social housing unit (up from £5.40 in 2023-24). This reflects our estimate of the proportion of our overall costs attributable to private registered providers, minus any income from small private registered provider fees and initial registration application fees.

#### **Consultation question 2: Do you agree with our proposed approach to setting annual fees for large private registered providers?**

Please state if you agree or disagree. Please provide comments if you wish to explain your response.

## Large local authority registered providers

- 6.5 To date the regulator's role in relation to local authorities has been limited to reactive regulation of the consumer standards and proactive regulation of the Rent Standard. This was funded by government grant which meant that local authority registered providers were not charged fees by the regulator. However, given the regulator's expanded consumer regulation role and the move to full fee funding this will need to change.
- 6.6 We propose that all large authority registered providers with 1,000 social housing units or more will pay the regulator an annual fee. This will be calculated by reference to the number of social housing units owned as recorded in the Local Authority Data Return.
- 6.7 We estimate that the annual fee for large local authority registered providers once fully staffed will be £7-8 per social housing unit. This reflects our estimate of the proportion of our overall costs attributable to local authority registered providers. However, the regulator will be building up staffing incrementally and costs may not meet this level in the first year of charging. Any unspent fees will be rebated.
- 6.8 The relevant per unit fee rates for large local authority registered providers will be calculated annually.

### **Consultation question 3: Do you agree with our proposed approach to setting annual fees for large local authority registered providers?**

Please state if you agree or disagree. Please provide comments if you wish to explain your response.

## Proposed principle 3: A fixed fee should apply to all providers owning fewer than 1,000 units

### Small private registered providers

- 6.9 Small providers with under 1,000 social housing units are subject to a different level of regulatory engagement, reflecting our risk-based proportionate approach, than large providers. For example, we do not undertake In Depth Assessments, Stability Checks or Quarterly Surveys with small providers. Small private registered providers do, however, send us data returns and we conduct a variety of financial health checks on a proactive basis. Where required, we also undertake reactive regulatory engagement with small providers, including activity to maintain the register<sup>5</sup>.
- 6.10 We propose to apply a fixed annual fee of £600-700 to small private registered providers (up from £300 currently). This is the first increase in this fee since 2017 and contributes to the cost of our economic and consumer regulation of these providers. Previously the fixed fee for small private registered providers did not include a contribution towards the cost of their consumer regulation. This has now been factored in as has the cost of maintaining the register of providers of social housing, the health checks performed on small private registered providers' financial statements and associated overheads.
- 6.11 The proposed fixed fee does not factor in the full cost of all the different elements of our engagement with small private registered providers. For example, it does not include the cost of any investigation and enforcement activity which can be significant, relative to the current small provider fee, and can be difficult to predict year to year. If we were to include all of the costs that might potentially be attributed to small private registered providers in their fee there is a risk it could be unaffordable to some of the smallest providers. We therefore propose that any residual costs of regulating small private registered providers are met from the annual fees paid by large private registered providers.
- 6.12 The fixed fee rate for small private registered providers will be reviewed annually.

### Consultation question 4: Do you agree with our proposed approach to setting annual fees for small private registered providers?

Please state if you agree or disagree. Please provide comments if you wish to explain your response.

---

<sup>5</sup> See Regulating the Standards - GOV.UK ([www.gov.uk](http://www.gov.uk)) for more details on our approach to regulation

## Small local authority registered providers

- 6.13 Reflecting our risk-based proportionate approach to regulation, our engagement with small local authority registered providers (those with fewer than 1,000 social housing units) will be minimal. They are not subject to the proactive consumer engagement focused on larger providers or the elements of proactive economic regulation which apply to small private registered providers. Our engagement with them will be very limited for the foreseeable future and it is therefore likely that administering a small fee to these providers would be uneconomical.
- 6.14 We therefore propose to set the fee for small local authority registered providers at zero at this time. Should the level of our regulatory engagement with this type of provider change in the future then the level of this fixed fee will be reviewed.
- 6.15 There are 55 small local authority registered providers who collectively own 2,100 social housing units<sup>6</sup>. The cost of their regulation will be small, however should there be any residual costs of their regulation this will be met from the annual fees paid by large local authority registered providers.

### **Consultation question 5: Do you agree with our proposed approach to setting annual fees for small local authority registered providers?**

Please state if you agree or disagree. Please provide comments if you wish to explain your response.

---

<sup>6</sup> Local authority registered provider social housing stock and rents in England 2021 to 2022 - GOV.UK ([www.gov.uk](http://www.gov.uk))

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

- 6.16 Within our current arrangements providers in a group structure that own more than 1,000 social housing units are charged a single fee at the group parent level. Where providers are in a group structure with fewer than 1,000 social housing units, we currently calculate the fees for each entity on the register separately as we, as a minimum, carry out a standard review of accounts for each individual entity.
- 6.17 There are a small number of cases where a local authority is parent to a group that includes one or more private registered providers. In these instances the private registered provider is subject to our economic standards but the group parent (the local authority) is not. Currently, we charge fees for the individual entities on the register in these cases which ensures that the private registered providers in the group contribute to the cost of their economic regulation. We believe it is appropriate for us to continue to take this approach. We therefore propose that this principle be amended to clarify that the group level approach to fee charging only refers to groups headed by a private registered provider.

**Consultation question 6: Do you agree with our proposed approach to setting annual fees for groups where the parent is a private registered provider?**

Please state if you agree or disagree. Please provide comments if you wish to explain your response.



**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**

- 6.18 We currently expect providers to pay the full cost of the annual fee for the year in which they register or de-register. We believe this to be a simple and pragmatic approach. Almost all de-registrations are due to restructurings and mergers with the stock remaining in the sector. Where this is the case, we do not make another annual fee charge for the newly registered or restructured entity. We believe it is reasonable that the small minority who just de-register without a new registration pay for the full year regardless of the timing of de-registration. This is because we may have incurred costs related to their regulation in the part of the year for which they are registered.
- 6.19 We are not proposing any changes to this principle or its operation and it is not subject to consultation.

## 7. Accountability and transparency

### **Proposed principle 6: The regulator will publish information annually on its costs and fees**

- 7.1 The revised legislation, once in force, requires that our fee principles are designed to enable actual or potential providers to see the relationship between the amount of a fee and the costs incurred, or likely to be incurred, in the performance of the regulator's functions.
- 7.2 We currently publish an annual fees statement setting out the regulator's budget and fee levels. Since the regulator became a standalone body there is duplication between the fees statement and other corporate documents such as the regulator's Annual Report and Accounts, and our corporate and business plans.
- 7.3 We propose to stop publishing a separate fees statement. We will instead publish information on our fees for the upcoming year in our annual fees guidance, which also provides practical guidance to providers on the operation of the scheme.

### **Consultation question 7: Do you agree with our proposals for publishing information annually on our costs and fees?**

Please state if you agree or disagree. Please provide comments if you wish to explain your response.

- 7.4 We have a Fees and Resources Advisory Panel that meets annually with a focus on our fees. It is an advisory body with no decision-making powers. We propose to continue with the Panel adding local authority representatives to its membership. This would sit alongside other formal and informal stakeholder engagement by the regulator, including the new statutory advisory panel.

### **Consultation question 8: Do you agree with our proposed approach to continuing the Fees and Resources Advisory Panel?**

Please state if you agree or disagree. Please provide comments if you wish to explain your response.

## 8. Impact assessments

### Impact on equality and diversity

- 8.1 Section 149 of the Equality Act 2010 sets out the public sector equality duty (also known as the general equality duty) which, in summary, places a duty on public bodies to have due regard in exercising their functions to the need to:
- eliminate unlawful discrimination
  - advance equality of opportunity between people who share a protected characteristic and those who don't
  - foster or encourage good relations between people who share a protected characteristic and those who don't.
- 8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage and civil partnership<sup>7</sup>.
- 8.3 As a regulator, we are mindful of our public sector equality duty. In developing our proposals we have considered the aims of the general equality duty.
- 8.4 The proposed reforms to the fee charging regime are aimed at registered providers rather than tenants. We have not identified any direct or indirect equality impacts arising from the proposals. We consider that the proposals will enable us to continue to regulate registered providers to deliver our fundamental objectives.
- 8.5 We recognise that the Public sector equality duty is a continuing duty and will review the evidence and our assessment in accordance with the duty. We want to use the consultation process to explore whether there might be any impacts to groups with protected characteristics which we haven't thought about.

---

<sup>7</sup> The definition of 'relevant protected characteristic' for the purposes of section 149 of the Equality Act 2010 does not include marriage and civil partnership, however, this is a protected characteristic for the duty to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010

## Impact on businesses

- 8.6 In developing our proposals we have considered the impact on current and potential future registered providers and applicants for registration. We have sought to avoid the risk that fees create a barrier to entry to the sector, or a reason for exit, recognising the value of a regulated sector that is able to meet a range of needs. In particular, we have given due consideration to avoiding situations where the fees charged to small providers may have unintended consequences on viability for those providers.
- 8.7 We are consulting on the draft business engagement assessment that we have undertaken (Annex 1). This aims to assess and quantify the potential impact of our proposals on business. We want to ensure our decision-making is transparent and accountable and so we will publish the final business engagement assessment on the fee regime changes in due course.

**Consultation question 9: Do you have any comments on our business engagement assessment or the impact of our proposals on equality and diversity?**

## 9. Consultation questions

1. Do you agree with our proposed approach to setting initial registration application fees?
2. Do you agree with our proposed approach to setting annual fees for large private registered providers?
3. Do you agree with our proposed approach to setting annual fees for large local authority registered providers?
4. Do you agree with our proposed approach to setting annual fees for small private registered providers?
5. Do you agree with our proposed approach to setting annual fees for small local authority registered providers?
6. Do you agree with our proposed approach to setting annual fees for groups where the parent is a private registered provider?
7. Do you agree with our proposals for publishing information annually on our costs and fees?
8. Do you agree with our proposed approach to continuing the Fees and Resources Advisory Panel?
9. Do you have any comments on our business engagement assessment or the impact of our proposals on equality and diversity?

## 10. About this consultation

- 10.1 This consultation document and consultation process have been developed to adhere to the Consultation principles issued by the Cabinet Office.
- 10.2 Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 2018 (DPA), UK GDPR and the Environmental Information Regulations 2004).
- 10.3 The information you provide will be used for the purposes of this consultation and is collected on the basis of our public task to regulate the provision of social housing.
- 10.4 For more information about how we process and protect personal data see our privacy notice.
- 10.5 If you believe that the information that you are submitting is sensitive, please say so when submitting your consultation response and explain why you believe that the information should not be disclosed in response to an information request. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that the information will not be disclosed. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the regulator.
- 10.6 Thank you for taking the time to read this document and respond. Your opinions are valuable to us.



© RSH copyright 2023

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3)

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at: [www.gov.uk/rsh](http://www.gov.uk/rsh)

Any enquiries regarding this publication should be sent to us via [enquiries@rsh.gov.uk](mailto:enquiries@rsh.gov.uk) or call 0300 124 5225.

or write to:

Regulator of Social Housing

Level 2

7-8 Wellington Place

Leeds LS1 4AP

**The Regulator of Social Housing regulates registered providers of social housing to promote a viable, efficient and well-governed social housing sector able to deliver and maintain homes of appropriate quality that meet a range of needs.**