



Regulator of
Social Housing

Reshaping consumer regulation

Our new approach

29 February 2024



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Foreword

Welcome to the Regulator of Social Housing's reshaped consumer regulation which will begin from 1 April 2024.

Home is the most important place in the world, and people living in social housing should expect their landlord to ensure their homes are safe and of a decent standard, and that they have the opportunity to shape the services they receive. As the sector regulator, we drive improvement in social housing landlords to enable more and better social homes.

We have developed our new integrated approach to social housing regulation by listening to the views of tenants, landlords and other stakeholders, building on the strengths of what we do currently, and by extensively testing and piloting our new tools. I am grateful for the contributions made across the social housing sector which have helped us develop our thinking and refine our approach.

Our new consumer standards sit alongside our existing economic standards in setting the outcomes that landlords must deliver for tenants. Our integrated regulatory approach puts the regulation of our consumer standards on the same footing as our economic regulation. It allows us to drive improvements in the quality of housing and services in all landlords while continuing to scrutinise the financial viability and governance of housing associations and other private registered providers.

Much social housing is of decent quality, and many landlords provide good services to their tenants, but even the best landlords will have room for improvement. Good landlords will have already started identifying any changes they need to make, ahead of the introduction of our new consumer standards. As our new regulation begins, landlords must step up to the challenge and deliver the homes and services tenants need.

I am pleased to set out our new approach and how we will deliver it.

Bernadette Conroy
Chair, Regulator of Social Housing

Context

Our role

More than 4 million households in England live in social housing, and tens of thousands are waiting for a social housing home. We regulate so that social landlords deliver more and better homes.

We drive improvements in social landlords by setting standards that they must deliver against, assessing how well they do this, and when necessary, taking action so that where there are problems, landlords put them right. We share our analysis of current risks and challenges in social housing to help landlords and others to make better decisions, encourage investment in new social housing and to inform our regulation.

Our specific remit and responsibilities are given to us by Parliament, including our [fundamental objectives](#). We work closely with a range of organisations and individuals including landlords, tenants, investors, and government bodies.

From 1 April 2024 our regulation of social housing will change, following changes introduced by the Social Housing (Regulation) Act 2023. The aim of these changes is to strengthen the accountability of social landlords for providing safe homes and quality services, and treating residents with respect. We will now be able to carry out integrated and active regulation across all our standards, and for all types of landlords, including (where relevant) local authorities. We will continue to use the same overarching regulatory principles, as set out on page 9.

Background to the changes

Following the tragic Grenfell Tower fire in 2017, the Government committed to 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 carried out extensive consultation across the social housing sector, including with tenants, and set out its proposals in Green and White Papers, which were followed by the new legislation. Tenants, landlords and other stakeholders have welcomed the introduction of measures intended to raise standards, increase transparency and accountability, and engage tenants.

Social Housing (Regulation) Act 2023

The Social Housing (Regulation) Act 2023 makes important changes to our objectives, powers, including standards setting powers, and our work with other bodies. These changes have allowed us to put in place stronger and more active regulation of our consumer standards from 1 April 2024.

Objectives	<p>Our remit is set out in law in a series of economic and consumer objectives. The Act has added the following to our consumer objectives:</p> <ul style="list-style-type: none"> - Safety - Transparency - Energy Efficiency
Powers	<p>The Act has altered how we can apply some of our existing enforcement powers and gives us some new powers. This will mean we have appropriate tools to use if needed when things go wrong.</p> <p>Importantly, it has removed the ‘serious detriment’ test, which currently places a high threshold on our ability to use our powers when we find a breach of the consumer standards. Removing the test will mean we will be able to investigate and take action where there is evidence about potential landlord failures in the consumer standards in the same way that we currently do for our other standards</p>
Standards	<p>We already have the power to set consumer standards, but the Act extended our standard setting powers to ensure they are aligned with our revised fundamental objectives and reflect the work government has asked us to do. The ability to set standards that landlords must meet is fundamental to our regulation.</p>
Working with other bodies	<p>Our work with other regulators and bodies, such as the Housing Ombudsman and the Building Safety Regulator, will continue to be an important element of our enhanced consumer regulation role. The Act puts the Memorandum of Understanding we have with the Ombudsman, which sets out our respective roles and how we will work together, on a statutory footing.</p>

Economic regulation

The changes to social housing regulation we are making now mainly affect our consumer standards and how we regulate against them. However, our role in regulating our existing economic standards continues to be hugely important in protecting tenants and ensuring that social homes remain within the sector.

For housing associations and other private registered providers, we will continue to carry out the same level of scrutiny of governance, value for money and financial viability through our new integrated regulation. We will also continue to scrutinise all landlords’ delivery of the outcomes in the Rent Standard.

More detailed information

Alongside this overview, we have published more detailed information about:

- our new consumer standards and our decisions following consultation
- how we will regulate against all our standards from 1 April ('Regulating the Standards')
- our inspection plan, as required by legislation
- our guidance on our enforcement and other powers, and our decisions following consultation

Landlords in particular should consider all the information we have published as they prepare for our new integrated regulation.

How we developed our approach

We have said previously that for our new approach to be successful it must fulfil three tests.

1. It must make a meaningful difference to tenants.
2. Landlords must be able to deliver its expectations.
3. We must be able to regulate against it.

Being a social landlord goes beyond owning buildings and other assets. It means taking on the responsibility for people's homes. To understand what matters to tenants and so that our regulation can make a meaningful difference, we have listened to the views of thousands of social housing tenants. This includes attending large-scale events, participating in small scale workshops and meetings with tenants, drawing on the expertise of organisations that represent tenants, and carefully considering the hundreds of responses tenants have submitted to our consultations on tenant satisfaction measures (TSMs) and new consumer standards. This extensive engagement has shaped our overall approach and in particular the areas that we will focus on first.

Similarly, we have also engaged extensively with landlords. This work has deepened our understanding of the sector, the current quality of homes and services, and the challenges landlords face, including the challenges that are specific to local authorities. It has also allowed landlords the opportunity to understand our expectations, and for them to think about how they can show that they are improving outcomes for tenants, ahead of 1 April 2024

In developing our new approach, we have built on our experience of regulating landlords in relation to our economic standards, particularly our in-depth assessment (IDA) process. Our new approach replaces IDAs by extending the same scrutiny and focus we will continue to apply to our economic regulation, across our range of standards. We have also built on our experience of responding when things have gone wrong in relation to the safety and quality of tenants' homes and the services they receive, where our interventions have led to landlords taking action to protect thousands of tenants.

To test our approach, we have carried out a number of pilot inspections with volunteer landlords, including both housing associations and local authorities. This has allowed us to:

- establish the right range of tools to use in inspections so that we can see whether tenants are able to effectively scrutinise their landlord's performance
- understand which evidence landlords should be providing so that we are able to assess their delivery of the outcomes of the relevant standards
- calibrate our judgements and gradings across a range of different types of landlords

Regulatory standards

Role that the standards play

One of the ways in which we drive improvement in individual social landlords is by developing and setting appropriate regulatory standards. Our standards are central to the way in which we regulate social housing.

Our standards define the outcomes that landlords must deliver for tenants. They include any Directions the Secretary of State has given us. It is crucial that landlords understand the standards that apply to them. They need to make considered decisions about the best way of delivering the outcomes in the standards for their organisation and their tenants. This includes making strategic and effective choices so that they manage competing priorities effectively and address the specific risks and challenges they face.

We assess how well landlords deliver the outcomes set in our standards, and take action if needed. This means that landlords must be able to show us, with evidence, how they are delivering those outcomes. Landlords also need to be transparent with their tenants and other stakeholders about their performance.

Our regulatory standards from 1 April 2024

From 1 April 2024, the following standards will apply to relevant landlords.

Existing standards

- **Governance and Financial Viability Standard** – outcomes about how landlords are run and their finances
- **Value for Money Standard** – outcomes about landlords making the best use of their resources to deliver their purpose
- **Rent Standard** – outcomes about rents, as set out in government policy

Revised consumer standards

- **Safety and Quality Standard** – outcomes about the safety and quality of tenants' homes
- **Transparency, Influence and Accountability Standard** – outcomes about how landlords provide information, listen to tenants, and act on their views
- **Neighbourhood and Community Standard** – outcomes about how landlords work with other organisations to help ensure tenants live in safe neighbourhoods
- **Tenancy Standard** – outcomes about how landlords allocate and let homes and manage tenancies

Find out more about all our regulatory standards and how they apply to different types of landlords on our website.

Developing stronger consumer standards

We have engaged extensively with landlords, tenants and other stakeholders in developing and finalising our new consumer standards. This has given landlords, in particular, the opportunity to understand what will be expected of them well in advance of 1 April 2024.

We received over a thousand responses to our July 2023 consultation, more than half from tenants and tenant groups. We had overwhelming support for our approach. More information about how we have considered the consultation responses, and the reasons for our decisions, is set out in our consumer standards consultation decision statement.

Our revised and strengthened consumer standards set out what better quality social housing and services, and a stronger relationship between landlords and tenants, should look like in practice. Landlords that deliver the outcomes in our four consumer standards will:

- maintain tenants' homes so that they are safe and of a decent standard and provide a quality service
- handle complaints effectively where things go wrong
- listen to tenants and support them to influence decisions
- have a relationship with their tenants that is underpinned by shared expectations of fairness and respect and a shared understanding of their respective rights and responsibilities
- demonstrate that they understand the diverse needs of the communities that they serve, and that their services reflect those diverse needs.

All landlords, no matter their size or organisational structure, will need to deliver the outcomes in these standards from 1 April.

Code of practice for consumer standards

To help landlords deliver the outcomes in our revised consumer standards we have published a code of practice. This provides more information about what we are looking for in relation to our consumer standards by illustrating specific areas and themes within the standards.

Landlords should have regard to the code when they assess their own performance against our standards, but it does not replace the standards. Landlords can choose the right approach for them and their tenants as long as they can show, with evidence, that they are delivering the outcomes in the standards themselves.

How we will regulate

Overall approach to regulation

While our remit and many of our regulatory tools are changing from 1 April 2024, our approach to regulation will be underpinned by the same overarching principles we already use.

We regulate at the landlord level.	We look at how well the landlord is delivering the outcomes of our standards overall. We aim to drive improvements across the sector and within landlords so that tenants receive good quality homes and services.
We are co-regulatory.	Landlords are responsible for ensuring their organisations are managed effectively and that they meet the outcomes of our standards. Landlords must support their tenants to shape and scrutinise service delivery and tell us about any material issues that might result in their failure to deliver the outcomes of our standards.
We are risk based	We look at both how likely it is that a poor outcome will happen and what impact it would have if it does happen. The higher we think the level of risk is, the greater our level of scrutiny and the stronger our actions are likely to be.
We are assurance based	Landlords are responsible for showing us, with evidence, that they are delivering the outcomes of our standards.
We focus on the delivery of outcomes	We expect all landlords to deliver the outcomes of our standards that apply to them. Landlords must decide for themselves the best ways to deliver the outcomes for their organisation and their tenants.

These principles allow us to focus our regulatory efforts in ways that will make the biggest difference to tenants and build resilience in the sector. They help ensure that our regulation is effective and provides good value for money.

We explain more about each of these principles in our role and approach.

Regular inspections and reviews

We will carry out a programme of inspecting large social landlords, as set out in our inspection plan. These replace our previous IDA programme. For all landlords, including local authorities, our programmed inspections will look at service outcomes for tenants, and the landlord's transparency with, and accountability to tenants. For housing associations and other private registered providers, we will look in detail at areas relating to their governance and finances, but all landlords will want to have in place appropriate arrangements so that they can take informed, sensible decisions in the interests of their tenants. We will take into account a range of factors when

deciding which landlords to inspect at any given time, this includes considering the risks we are concerned about.

We will continue to collect and review information about landlords alongside the inspection programme. This includes data about tenant satisfaction, condition and quality of homes, and rents; and financial information from housing associations and other private registered providers. We will use this information to help us understand whether individual landlords may be at high risk of failing to deliver the outcomes of our standards, as well as gaining insight about the sector as a whole. Our TSM data in particular will give us a new source of insight into tenants' experiences. We will use it to help us prioritise our engagement to understand how landlords are delivering against the outcomes in our new consumer standards.

Find out more about inspections and regular reviews on our website.

Judgements and gradings

From 1 April 2024, we will set out our views about how an individual landlord is delivering the outcomes of any relevant standard in a regulatory judgement. Our judgements for a particular landlord will set out:

- our view of the landlord in relation to one or more standards, in full or in part
- the reasons we have reached our decisions

Our regulatory judgements enable us to be transparent about our decisions affecting individual landlords, allow tenants and other stakeholders to understand how each landlord is delivering, and provide a source of insight for landlords across the sector. We expect landlords to be transparent with their tenants about any actions they are taking as the result of an inspection or other engagement with us.

Large landlords will receive a new regulatory judgement following their first programmed inspection. Some landlords (large or small) may receive an earlier regulatory judgement following our responsive engagement with them.

We will also expand our existing system of grades to include new consumer grades alongside our current governance and viability grades. All large landlords will receive a consumer grade following a programmed inspection. Large housing associations and other private registered providers will continue to receive governance and viability grades.

The table below sets out the governance, viability, and consumer grades we will be using from 1 April. Housing associations and other private registered providers should be continuing to aim for the highest governance grade. All landlords should be aiming for the highest consumer grade.

Find out more about judgements and gradings on our website

Governance		Viability		Consumer	
Grade	Description	Grade	Description	Grade	Description
G1	Our judgement is that the provider meets our governance requirements.	V1	Our judgement is that the provider meets our viability requirements and has the financial capacity to deal with a wide range of adverse scenarios.	C1	Our judgement is that overall, the landlord is delivering the consumer standards outcomes. The landlord has shown that it identifies when issues occur and puts plans in place to remedy them and help prevent them happening again.
G2	Our judgement is that the provider meets our governance requirements but needs to improve some aspects of its governance arrangements to support continued compliance.	V2	Our judgement is that the provider meets our viability requirements. It has the financial capacity to deal with a reasonable range of adverse scenarios but needs to manage material risks to ensure continued compliance.	C2	Our judgement is that there are some weaknesses in how the provider is delivering against the consumer standards outcomes and improvement is needed
G3	Our judgement is that the provider does not meet our governance requirements. There are issues of serious regulatory concern and in agreement with us the provider is working to improve its position.	V3	Our judgement is that the provider does not meet our viability requirements. There are issues of serious regulatory concern and in agreement with us the provider is working to improve its position.	C3	Our judgement is that there are serious failings in how the provider is delivering against the consumer standards outcomes and significant improvement is needed.
G4	Our judgement is that the provider does not meet our governance requirements. There are issues of serious regulatory concern, and the provider is subject to regulatory intervention or enforcement action.	V4	Our judgement is that the provider does not meet our viability requirements. There are issues of serious regulatory concern, and the provider is subject to regulatory intervention or enforcement action	C4	Our judgement is that there are very serious failings in how the provider is delivering against the consumer standards outcomes. The provider must make fundamental changes so that improved outcomes are delivered.

Identifying and addressing issues

The Social Housing (Regulation) Act has removed the 'serious detriment' test from consumer standards regulation. This means that from 1 April we will be able to investigate and take action where there is evidence about potential landlord failures in the consumer standards in the same way that we currently do for our other standards. The Housing Ombudsman Service will continue to be the appropriate route for providing redress for individual tenant complaints.

Information about a potential issue with a landlord in relation to any of our standards can come to us in many ways. We expect that most of the time it will happen through:

- an inspection
- one of our regular reviews of information and data
- self-referrals from landlords
- referrals made by a stakeholder (including tenants)
- information shared with us by the Housing Ombudsman or another regulator

To ensure that we maximise our efforts and drive improvement in landlords, we will usually assess potential issues using the common set of factors set out in factors for assessing regulatory issues. We will use these factors flexibly, depending on the circumstances of each case.

In cases where we follow up with an individual landlord, we will usually ask them for further information and may decide to look into the matter further. If we find a weakness or significant failure which results in a change to our view of how the landlord is delivering the outcomes of the regulatory standards, we will reflect this in a new regulatory judgement.

In many cases the issue raised will not change our published judgement or need further regulatory action. However, where we need to take further regulatory action in relation to any of our standards, our goal is always to ensure that tenants are protected, and the landlord puts things right. This includes fixing problems in underlying systems and processes. We have a range of tools that we can use, including enforcement powers if necessary.

Find out more about how we identify and address serious issues and about our enforcement powers on our website.

Self-referrals

It is important that landlords take responsibility for identifying and fixing problems themselves. Where a problem is material, we expect them to tell us about it by making a self-referral.

We may take into account a failure to self-refer when deciding on any appropriate regulatory action.

Switchover to our new approach

Our new consumer standards will apply immediately, and in full, from 1 April 2024.

Throughout our regulation, we look at how well a landlord is delivering based on the standards that apply at the time that we make our judgement. From 1 April, this means we will be assessing delivery of the outcomes in our new consumer standards alongside our other standards, as set out above. We intend our new consumer grades to be consistent from the outset.

We will aim to complete our last IDAs by the end of March 2024 and publish the outcomes of those as quickly as practicable. We will begin our new programme of regulatory inspections in April. This will include inspections of large local authority landlords. We will notify individual landlords before April if we are including them in our first inspections.

A small number of landlords have regulatory notices in place because they have failed to deliver the outcomes in our current standards. These will continue to apply until we withdraw them. From 1 April, and where a regulatory notice relates to a consumer standard, we will assess how well the landlord is delivering against the relevant outcomes in our new consumer standards when deciding whether to withdraw the notice. We will withdraw any existing regulatory notices in relation to our other standards in line with our existing approach. We will no longer publish regulatory notices for new decisions, we will instead use regulatory judgements as set out on page 10.

Improving social housing

The evidence we have so far is that all landlords have scope for improving their services to tenants. The aim of our regulation is to drive that improvement by identifying significant issues, challenging landlords where we find gaps, and taking regulatory action if needed.

We will continue to highlight areas where we consider landlords need to improve through our publications and communications about the social housing sector in general and through our regulatory judgments about individual landlords. We strongly encourage landlords across the sector to use all the information we provide to help them identify their own areas of weaknesses and make continuous improvements.

Keeping tenants safe in their homes

Tenants rely on landlords to help keep their homes safe. Most social housing landlords have a good record of carrying out important gas and electrical safety checks. Following the coroner's report into the death of Awaab Ishak, we also asked landlords to look at how they were tackling damp and mould, and we have started collecting data about progress with fire safety remediation. Landlords also have wider legal obligations in relation to health and safety.

Our existing reactive consumer regulation has emphasised health and safety, our interventions have led to landlords taking action to protect thousands of tenants. We will continue to expect landlords to keep tenants safe in their homes. Landlords must get the basics right, including being able to show us that they are regularly carrying out the right health and safety checks, and taking action where needed.

Collecting and using data effectively

Our experience of pilot inspections, IDAs and other regulatory tools continues to highlight the fundamental importance of data. We use data from landlords routinely to help us identify risks within individual landlords and across the social sector. However, the most important purpose for any data a landlord collects is for its own continuous improvement. Landlords need to have the

Understanding homes and buildings

We have consistently highlighted that landlords must understand the state of the buildings they already own and manage, so that they can keep their tenants safe, and make appropriate decisions about investing in existing homes or building new homes. This means that the quality of homes will continue to be an area of focus in our integrated regulation.

We expect landlords to have a good understanding of the condition of each and every building that they own or manage. They should then be using this property-level understanding to support their decision making.

right data at the right level of detail, so that they can get real insight into their performance and identify where they need to improve.

A focus on insight and improvement is central to the way in which good landlords work across all their functions. Throughout our regulation, landlords can expect us to ask them about their data, how they know whether it reflects the situation on the ground, what it tells them and how they have used it.

Hearing and acting on tenants' views

One of the government's aims for the changes to social housing regulation is to strengthen the landlord-tenant relationship. Landlords should reflect on whether the culture of their organisation allows them to really hear what tenants are telling them, both directly and indirectly, and to act on what they hear. This means not only providing effective routes for tenants to get involved, but also creating a culture of fairness, courtesy and respect. It also means landlords need to have good understanding of the different tenants that they serve and their diverse needs, and provide the right support and access to services to deliver fair and equitable outcomes for tenants. Tenants' views and experiences provide one of the richest sources of insight and intelligence available to landlords. Boards and councillors need to genuinely consider those views and experiences when they make decisions, which will mean making sure they get the right evidence and information from their executive teams.

Landlords also need to open themselves up to effective and meaningful tenant scrutiny so that tenants can hold them to account. There are a range of different models for tenant scrutiny and landlords should use a model that is right for them and their tenants. Our TSMs will, over time, help enable scrutiny by providing a consistent and comparable source of information about the performance of each landlord on the areas that matter most to tenants.

Doing all this effectively will help ensure that tenants are able to trust their landlord and feel that what they say can make a difference, and so it will form an important area of our regulation.

Delivering social housing regulation

Increasing our skills and capacity

As well as new powers, standards, and a new regulatory approach, delivering on the vision for social housing requires new skills and additional regulatory capacity. Over the past year we have reorganised and expanded both the front-line regulation teams that will carry out our inspections and regular reviews of information, and our supporting and enabling functions. This has included recruiting staff with previous experience in local authority housing, as well as ensuring we have the skills we need to continue strong regulation of financial viability and our other economic standards. We have also carried out an extensive programme of training for new and existing staff, and will continue to develop and train our staff. This means that we have the right skills and capacity in place to start delivering integrated social housing regulation from 1 April. We will continue to review our staffing needs as integrated regulation becomes embedded.

Fees

Delivering new consumer regulation will mean that the costs of regulation will increase. The Social Housing Regulation Act also changes the legislation relating to fees so that all of our activities can be funded by the fees charged to registered providers (including local authorities).

In September 2023 we published a consultation on both the principles we will use to set fees and the level of fees charged from 1 July 2024. We expect to publish the outcome of this consultation very shortly.

Decisions about how public bodies are funded are a matter for government. We are committed to ensuring that our regulation is efficient as well as effective and represents good value for money.

Engagement and accountability

We have engaged extensively with tenants, landlords and other stakeholders throughout the process of developing our new regulatory approach. We will continue to engage with the sector through our new statutory advisory panel, and through a programme of meetings, roundtables, and events organised by us and by others. This will continue to include engaging with tenants and tenants' groups.

We look to continuously improve our own performance.

- At the end of inspections, we will ask participants for feedback on the process.

- We carry out a regular survey of stakeholders' views about our regulation, and we will include specific questions about our new approach to regulation in future surveys.
- We have processes in place to review complaints about our services.

We will take what we learn from these into account when planning and delivering future regulation and keep our opportunities for feedback about social housing regulation under review.

Next steps

The table below sets out the next steps for our new approach to regulation.

To 31 March 2024	Landlords continue collecting first-year TSM data
1 April 2024	Our new consumer standards come into force and the existing 'serious detriment' test is removed.
From April 2024	Our new regulatory approach begins, including the first regulatory inspections of large social landlords
31 May 2024	Deadline for housing associations and other private registered providers to submit their statistical data returns (SDR)
30 June 2024	Deadline for large social landlords to submit their first year of TSM data Deadline for large housing associations and other private registered providers to submit their financial forecast returns (FFR).
Mid-July 2024	Deadline for local authorities to submit the local authority data return (LADR).
Summer 2024	Publish first regulatory judgements based on findings from inspections
Autumn 2024	Publish analysis of first year of TSM data
Autumn/winter 2024	Carry out annual stability checks and update relevant regulatory judgements.



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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.