



Regulator of
Social Housing

Consultation on changes to our fees regime

Decision Statement

May 2024



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1. Introduction

- 1.1 On 5 September 2023 the Regulator of Social Housing (RSH) launched a consultation on proposed changes to the way it charges fees to social landlords. The consultation closed on 31 October 2023.
- 1.2 In total we received 170 responses. This decision statement provides a summary of the key areas of feedback and sets out our decisions on our fee principles and the operation of our fees regime. All consultation responses have been carefully considered in reaching our decisions.
- 1.3 Subject to Secretary of State approval and assuming relevant legislative changes come into force as expected the new fee principles and fees regime will apply from 1 July 2024. The current fee regime and principles will apply from 1 April to 30 June 2024.

2. Overview of our proposals

- 2.1 The RSH currently charges private registered providers for initial entry to its register and for proactive economic regulation. Its fee charging powers are set out in Section 117 of the Housing and Regeneration Act 2008. The remainder of RSH's costs are covered by grant-in-aid.
- 2.2 The consultation followed an announcement by the government that, from July 2024, social landlords will need to pay for the full costs of their regulation, in line with many other regulated sectors. Decisions on grant-in-aid are a matter for government and were not the subject of the consultation.
- 2.3 When the amendments to section 117 of the Housing and Regeneration Act 2008 take effect (through the commencement of section 4 of the Social Housing (Regulation) Act 2023), RSH will gain new fee-charging powers to ensure it has the resources, skills and capacity to deliver on its objectives.
- 2.4 The consultation focused on revisions to RSH's fees principles which set out the way RSH charges its fees. Changes to the fees principles require a statutory consultation and approval from the Secretary of State. The consultation also provided estimates of our proposed annual fees which were based on the costs we expected to incur in performing our revised functions once we are fully staffed and operational in 2025-26.
- 2.5 Our proposals are intended to:
- ensure that our fees principles align with our amended powers once section 4 of the Social Housing (Regulation) Act 2023 comes into force
 - secure sufficient fee income to recover the full cost of regulation therefore enabling the regulator to carry out its role effectively
 - charge providers in a fair and transparent way with fees that 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
 - adhere to legislative and government requirements¹.
- 2.6 The proposals set out in the consultation were to:

¹ See the publication *Managing Public Money* for details of government expectations on public bodies when charging fees

- a) Charge organisations when they apply to become registered social landlords instead of the current approach where landlords pay fees after they have successfully registered.
- b) Continue to charge a flat annual fee to smaller private registered providers (those with fewer than 1,000 social housing units) which contributes to the cost of their regulation and to review this rate annually.
- c) Continue to charge large private registered providers (those with 1,000 or more social housing units) a fee for each social housing unit they have. This would be calculated annually to 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) Start charging fees to local authority registered providers owning 1,000 or more social housing units in response to the government's requirements on funding and because local authority registered providers will be included in RSH's proposed new programme of regulatory inspections. The fee would be calculated annually on a per social housing unit basis to recoup the share of our costs attributable to local authority registered providers.
- e) Set the fee for small local authority registered providers (those with fewer than 1,000 social housing units) at zero at this time given the very limited routine work expected with this group of landlords. Any residual costs would be met by large local authority registered provider fees. This would be reviewed should the level of our regulatory engagement with this group change.
- f) Set the annual fee for groups with 1,000 or more social housing units that are headed by a private registered landlord at group level. Other groups would be charged for each individual entity on the register.
- g) Publish information on fees for the upcoming year in RSH's annual fee guidance and stop producing a separate fee statement given the duplication with other corporate documents.
- h) Expand RSH's Fees and Resources Advisory Panel to include local authority representatives.

3. Summary of responses received

3.1 We received 170 responses to the consultation; 150 via the online survey and 20 via email. The following table breaks down the 170 responses received to the consultation by respondent type:

	Count	%
Large private registered provider	54	32
Small private registered provider	32	19
Large local authority registered provider	40	24
Small Local authority registered provider	7	4
Stakeholder organisation	13	8
Social housing tenant in rental accommodation	13	8
Other individual	4	2
Other organisation	7	4

3.2 This Decision Statement includes the overall numerical response to each consultation question. A summary of the numerical analysis is provided at Annex 1. Percentages have been rounded to the nearest whole number and refer to the percentage of those who answered each question (rather than the total number of respondents to the consultation). Some responses were in narrative form and not all responses answered the specific questions asked, therefore the numerical analysis only includes those where the response can be attributed to a question asked.

3.3 For each consultation question, respondents were given the option to provide comments to explain their response. This Decision Statement is not intended to summarise all comments received but does provide a summary of the areas of feedback respondents gave. It addresses the key themes that emerged and amendments we have subsequently made to our fees regime having carefully considered all responses to the consultation.

3.4 Respondents to the consultation that gave their permission to be named are listed at Annex 2.

4. Analysis of individual questions and our response

Initial registration application fees

- 4.1 We proposed charging fees to those seeking to join the social housing 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.
- 4.2 We proposed 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.

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.

Overview of response

	Responses		Agree		Disagree	
	Count		Count	%	Count	%
Question 1	149		122	82	27	18

- 4.3 Of the 149 respondents who provided a response to this question, 82% (149 respondents) agreed with our proposed approach to setting initial registration applications fees.

Issues raised by the responses to consultation question 1 and RSH’s response

- 4.4 There were many positive comments received in relation to this proposal. Respondents agreed that there needs to be some form of financial contribution from applicants looking to join the register and that a two-stage approach is sensible. They also felt the

proposed £500 was an acceptable amount for the preliminary stage and was unlikely to dissuade prospective applicants. Others commented that by maintaining a low barrier to entry, RSH has struck the right balance between generating income in support of effective regulation and not disincentivising smaller or less well-resourced new entrants to the sector.

- 4.5 Some respondents suggested that the registration fee should be linked to the prospective applicant's finances. However, determining and verifying financial information for each applicant would likely be time-consuming and resource-intensive, potentially leading to delays in processing applications. Varying the fee based on the circumstances of the applicant also lacks the simplicity and transparency of the proposed flat fee approach.
- 4.6 We also received a suggestion that the full cost of registration should be paid by the applicant and not be subsidised by providers on the register. Passing on the full cost of registration to prospective applicants would likely act as a barrier to entry and risks dissuading applications, particularly from small and community based organisations.
- 4.7 Some respondents questioned the balance of the split in registration fees between the first and second stage and suggested that it should reflect actual costs incurred by RSH for each stage. The balance of the split between the first and second stage has been set to reflect the different proportion of the work involved at each stage of the application process. However, for the reasons outlined above, we do not want to vary our fees by organisation or charge fees that might dissuade good quality applications.
- 4.8 Having taken into account the consultation responses, we have decided to charge an application fee of £3,000 charged in two parts – a preliminary application fee of £500 and a detailed application fee of £2,500 for those who progress to this stage.

Annual fees for large private registered providers

- 4.9 We proposed continuing to charge large private registered providers (those owning 1,000 or more social housing units) an annual fee based on the number of social housing units they have. This would 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.

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.

Overview of response

	Responses	Agree		Disagree	
	Count	Count	%	Count	%
Question 2	133	91	68	42	32

133 respondents provided a response to this question, with over two-thirds (68%) of the respondents agreeing with our proposed approach to setting annual fees for large private registered providers.

Issues raised by the responses to consultation question 2 and RSH’s response

- 4.10 Respondents who agreed with this proposal said it is fair to set annual fees based on the number of social housing units a large registered provider owns and that any other approach would be unworkable. Some alternative suggestions included that the large provider fee should start from 2,000 social housing units. However, the proposals for annual fees between ‘small’ and ‘large’ registered providers in this consultation have been determined based on the way RSH regulates the two groups. Starting the large provider fee from 2,000 social housing does not align with our regulatory model and distribution of costs.
- 4.11 Some respondents suggested that we apply a smaller fee to ‘medium’ sized providers of around 1,000 to 5,000 social housing units on the grounds that this would be more risk-based and proportionate. Conversely, other respondents suggested that we apply a logarithmic or other mechanism to reduce fee levels for the very largest providers. Large registered providers generally have more complex operations necessitating increased regulatory oversight. Charging fees based on the number of units broadly aligns with the amount of regulatory resource required. It is also an approach we have successfully used with large private registered providers to date. We are therefore not minded to change this approach recognising that any funding reduced for one subset of providers would see the fee increased for another.
- 4.12 We also received a suggestion that private registered providers with large cash balances should be charged more in annual fees. This approach would not ensure fair and consistent treatment of providers. Providers with large cash balances may perceive

that they are being penalised for being financially stable. This would also make fee levels unpredictable for providers. Determining and verifying the cash balances of registered providers within the fee setting process would increase the administrative complexity and resource requirements of the fees regime.

- 4.13 We have decided to proceed with our proposal to continue to charge large private registered providers a fee per unit based on the number of social housing units owned.

Annual fees for large local authority registered providers

- 4.14 We proposed to charge large local authority registered providers (those owning 1,000 or more social housing units) an annual fee to recoup the share of our costs attributable to them. This would be calculated on the basis of the number of social housing units they own.

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.

Overview of response

	Responses		Agree		Disagree	
	Count		Count	%	Count	%
Question 3	147		83	56	64	44

- 4.15 147 respondents provided a response to this question. The majority of respondents (56%) agreed with our proposed approach to setting annual fees for large local authority registered providers.

Issues raised by the responses to consultation question 3 and RSH's response

- 4.16 Some of the respondents who agreed with the proposal and provided additional comments described the approach as fair, reasonable and equitable. Others thought it was sensible that an annual fee is payable by local authority registered providers to recoup the share of costs attributable to their regulation.

- 4.17 Those who disagreed with the proposal made a number of observations, including that paying fees will impact on the provision of local services. However, the estimated fee levels for large providers set out in the consultation document represent just 0.2% of the average annual social net rents per unit². Our assessment is therefore that our fees will remain affordable to these providers and should not significantly impact on services to tenants.
- 4.18 Some respondents suggested that the cost of local authority fees should continue to be met by central government, at least for a transitional period. This is not within the scope of our consultation as the use of government grant-in-aid in lieu of fees is a matter for government.
- 4.19 Some respondents argued that some types of housing should be exempt, for example specialist stock. However, supported housing owned by registered providers is subject to the same level of oversight and regulation as other forms of social housing. Therefore we believe it should be treated in the same way within our fee arrangements.
- 4.20 The consultation included details of estimated fee levels and some respondents said that the local authority fee was higher than they might have expected compared to private registered providers. However, fees are based on our costs. The figures included in the consultation document reflect our estimate of the proportion of overall costs attributable to local authority registered providers³. RSH will be building up staffing incrementally and costs may not meet this level in the first year of charging. We have designed our fees regime to avoid cross-subsidy between private registered providers and local authority registered providers. We commit to rebating any unspent fees and, as part of ensuring no cross-subsidy, will calculate any rebates separately for the local authority and private registered provider sectors.
- 4.21 We also heard arguments that fees should be adjusted to take account of regional rent variations with respondents noting the proportionately larger economic burden falling on housing providers in the North given their lower per unit rent levels. However changing our approach to align with rents would make the fees model more complex to administer, less transparent and would result in providers with large volumes of stock in high rent areas paying higher levels of fee even if the regulatory costs in those areas may not necessarily be higher.
- 4.22 Many respondents made additional points outside of the specific consultation questions commenting on the value for money, transparency and accountability of the RSH in relation to the costs of fees and regulation. These ranged from providing clarity about the methodology and process of setting fees, provision of information about RSH's

² Source: Statistical Data Return 2021-22, Local Authority Data Return 2021-22

³ We have published more information on our revised role and approach to regulating landlords

work, more granular detail on its costs, and assurance regarding its value for money, timing of the release of fee information and greater efficiencies at RSH to limit future fee increases. We have considered these points and respond further on this topic in section 5.

- 4.23 After careful consideration and taking into account the feedback received during the consultation, we have decided to implement a fee per unit based on the number of social housing units owned by large local authority registered providers as this is the most reasonable, transparent, and proportionate approach and aligns with our objective of fostering simplicity in the fee-charging process.

Annual fees for small private registered providers

- 4.24 We proposed to continue to charge a fixed fee to small private registered providers (those with fewer than 1,000 social housing units) which would contribute to the cost of their regulation, including maintaining the register.

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.

Overview of response

	Responses	Agree		Disagree	
	Count	Count	%	Count	%
Question 4	141	82	58%	59	42%

- 4.25 141 respondents provided a response to this question, with over half (58%) agreeing with our proposed approach to setting annual fees for small private registered providers.

Issues raised by the responses to consultation question 4 and RSH's response

- 4.26 Respondents who agreed with the proposal said that they understood how the fees had been calculated and felt a fixed fee is appropriate for small private registered providers.

- 4.27 Those who disagreed with the proposal questioned the methodology and fairness given that a provider with a handful of social housing units would pay the same as one with nearly 1,000. Some alternative suggestions to the proposal included further banding of fees to protect the smallest providers or a sliding scale or additional size categories to subdivide small registered providers. We do not believe these alternative suggestions would be a better or more equitable solution than our current proposal. This is because there is a minimum level of engagement RSH has with all small private registered providers, regardless of size. Introducing a sliding scale or subdividing the small providers into additional bands would redistribute fees amongst this group in ways which do not reflect our regulatory approach, add complexity to our fees regime, and may be perceived as unfair.
- 4.28 We also received suggestions from some respondents to adopt the same fee charging methodology for all registered providers in the sector, such as a single fixed fee or uniform rate per unit. This would not reflect the differences in our risk-based regulatory approach and, depending on how it was constituted, could potentially result in unaffordably high fees for small providers.
- 4.29 We also considered but rejected the suggestion that small private registered providers should be treated the same as small local authority registered providers. Small local authority registered providers will not be subject to the same level of regulation as small private registered providers and therefore it will not be fair or equitable to charge the same fee to these two groups.
- 4.30 After considering the feedback received we will continue to charge a fixed fee level for all private registered providers with fewer than 1,000 social housing units.

Annual fees for small local authority registered providers

- 4.31 We proposed to charge a fixed fee to small local authority registered providers (those with fewer than 1,000 social housing units). However given that our engagement with them will be very limited for the foreseeable future we proposed to set the fee for these providers at zero at this time.

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.

Overview of response

	Responses	Agree		Disagree	
	Count	Count	%	Count	%
Question 5	132	83	63%	49	37%

4.32 132 respondents provided a response to this question. Nearly two-thirds (63%) of respondents agreed with this proposal.

Issues raised by the responses to consultation question 5 and RSH’s response

4.33 Those in agreement described the proposal as appropriate and reasonable, primarily due to RSH’s limited involvement with this group but also because these providers are not subject to the same level of regulation as small private registered providers.

4.34 Some of the respondents who disagreed with the proposal argued that all providers should pay irrespective of size and that if a cost is associated with the regulation of small local authority registered providers they should pay a fee. However, small local authority registered providers 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. Charging a fee to this group would be uneconomical.

4.35 We received some feedback from respondents who said large local authorities should not subsidise the costs of regulating small local authorities. However, in the absence of non-fee funding sources we need to look to other fee payers to fill any shortfall and have committed to ensuring no cross-subsidy between local authorities and private registered providers.

4.36 Having carefully considered the responses to the consultation we have decided to charge a fixed fee to small local authority registered providers with fewer than 1,000 social housing units. At this point in time this fee will be set at zero. However, 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.

Annual fees for groups headed by private registered providers

4.37 We proposed to set the annual fee for groups with 1,000 or more 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, are proposed to be charged annual fees at the level of each individual entity on the register.

4.38 This proposal clarified that our current approach to setting the annual fee to groups headed by private registered providers is not applicable to local authorities. It did not reflect a change of approach for private registered providers.

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.

Overview of response

	Responses	Agree		Disagree	
	Count	Count	%	Count	%
Question 6	128	116	91%	12	9%

4.39 128 respondents provided a response to this question, with 116 (91%) agreeing with our proposal.

Issues raised by the responses to consultation question 6 and RSH’s response

4.40 The vast majority of respondents who answered this question were in support of the proposal, describing it as reasonable and proportionate. As this proposal reflects a continuation of our approach to private registered providers we have focused our analysis on comments relating to the exclusion of local authority headed groups from these arrangements. No comments opposing this change were received.

4.41 Having considered the feedback received we have decided that for groups owning 1,000 or more social housing units and where the parent is a private registered provider, we will charge fees at the group level. Other groups will be charged fees for each individual entity on the register.

Publishing information on our costs and fees

4.42 We proposed to publish information on our fees for the upcoming year in our annual fees guidance and to stop publishing a separate fees statement.

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.

Overview of response

	Responses	Agree		Disagree	
	Count	Count	%	Count	%
Question 7	149	139	93%	10	7%

4.43 149 respondents provided a response to this question. There was substantial support for this proposal (93%).

Issues raised by the responses to consultation question 7 and RSH’s response

4.44 Respondents told us that including fees within one document rather than a separate fees statement was a clear and transparent approach.

4.45 Some respondents commented more widely on RSH’s approach to value for money, transparency and accountability. We have addressed these points in section 10.

4.46 Reflecting on the feedback received we have decided to publish information on our fees for the upcoming year in our annual fees guidance and will stop publishing a separate fees statement.

Fees and Resources Advisory Panel

4.47 We proposed to continue with a Fees and Resources Advisory Panel, adding local authority representatives to its membership.

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.

Overview of response

	Responses	Agree		Disagree	
	Count	Count	%	Count	%
Question 8	149	140	94%	9	6%

4.48 149 respondents provided a response to this question. The vast majority of respondents (94%) were very supportive of this proposal.

Issues raised by the responses to consultation question 8 and RSH's response

- 4.49 A number of those who responded suggested ways the role of the panel could be strengthened. These included suggestions relating to greater transparency about its running costs, and the value it adds to RSH. The panel is an advisory group which meets virtually and there are therefore minimal costs associated with it. Panel business is focused on RSH's approach to fee charging and the use of its fee income. The outcome of RSH's decisions about these matters are published in a variety of corporate documents including annual fee guidance and the annual report and accounts.
- 4.50 Some respondents wanted the powers of the panel to be strengthened including the ability to send proposals back to RSH for reconsideration. However the panel's purpose is to advise on specific matters. Decisions around our costs, budgets, fees lie elsewhere within RSH's governance arrangements.
- 4.51 We also received a number of suggestions relating to the membership of the panel. These included that the membership be extended to incorporate a broad range of local authority representatives and that it be extended to incorporate representatives of the smallest private registered providers. We accept the need to ensure that there are a range of local authority representatives on the panel. We also acknowledge that while we do have small private registered provider representation on the panel there may be benefits to expanding this representation to include a very small provider. We will engage with very small providers to understand how they would want to organise their representation.
- 4.52 We have undertaken a review of the panel recognising the need to maintain the confidence of stakeholders while also safeguarding RSH's independence and governance arrangements. We have also expanded the panel's membership to include local authority representatives and will continue to appoint individual providers to the panel to address any gaps in representation that arise. Details outlining our approach to the panel have been published alongside this Decision Statement.

Impact assessments

- 4.53 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.
- 4.54 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage and civil partnership⁴.
- 4.55 As a regulator, we are mindful of our public sector equality duty. In developing our proposals we considered the aims of the general equality duty. We sought to use the consultation process to explore whether there might be any impacts to groups with protected characteristics which we hadn't thought about.
- 4.56 We also considered the impact on current and potential future registered providers and applicants for registration. We consulted on the draft business engagement assessment, published alongside the statutory consultation. This sought to assess and quantify the potential impact of our proposals on business.

Consultation question 9

Do you have any comments on our business engagement assessment or the impact of our proposals on equality and diversity?

Issues raised by the responses to consultation question 9 and RSH's response

- 4.57 Many of the respondents agreed with our assessment of the impact of the proposals on current and potential future registered providers and applicants for registration. However, some respondents raised issues relating to the draft assessment.
- 4.58 Some respondents told us that the increase in fees will impact on tenants and that this should be reflected more strongly in the assessment. Provider income is derived from

⁴ 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

tenants' rent and payments made to meet fee requirements are not therefore available to support services. It was suggested that this may have an adverse impact on people with protected characteristics.

- 4.59 RSH's fees are expected to increase to support our enhanced regulatory activities, ensuring a robust oversight framework that benefits both providers and tenants. We acknowledge the valid concern that providers' income is limited and they may consider adjusting services to accommodate the fee increase. However, the estimated fee levels for large providers set out in the consultation document represent just 0.2% of the average annual social net rents per unit⁵. Our assessment is therefore that our fees will remain affordable to these providers and should not significantly impact on services to tenants. We therefore do not believe that there are any direct or indirect equality impacts arising from the proposals. We aim to be an efficient and effective regulator (see section 5) ensuring that our fee requirements strike a balance that minimises the financial burden on providers while enabling us to continue to regulate registered providers to deliver our fundamental objectives.
- 4.60 Several respondents suggested that the business engagement assessment does not sufficiently take into account the competing financial pressures that providers are currently facing, particularly in the local authority sector. We have drawn on the feedback received in the consultation to inform our final assessment which acknowledges the financial pressures both on local authority and private registered providers.
- 4.61 The final business engagement assessment is attached at Annex 3 and has been revised where relevant to reflect the points raised by respondents.

⁵ Source: Statistical Data Return 2021-22, Local Authority Data Return 2021-22

5. Regulator of Social Housing’s response to the consultation and final fee principles

5.1 Having carefully considered the feedback received we have finalised the fee principles which, if approved by the Secretary of State and provided the relevant statutory provisions come into force, will apply from 1 July 2024. These are set out in Figure 1 below.

Figure 1. RSH fee principles

1. A fixed fee applies to all 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 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.

5.2 While certain aspects of the fees regime attracted a range of views, the majority of respondents tended to favour the proposals rather than oppose them. Nonetheless, considering the feedback received, we have made a number of changes to our proposals to increase our transparency and accountability and to demonstrate our value for money.

5.3 Taking account of the consultation responses we have made the following changes to the proposed operation of the fees regime:

- a. We commit to engage with the sector if we intend to raise total fee income year to year (from the 2025-26 steady state level) beyond the rate of inflation. This will

be based on the previous September CPI⁶ figure, in line with the approach used for calculating rent increases.

- b. To provide assurance that there is no cross-subsidy between private registered providers and local authority registered providers, we will set out:
 - i. details of our budgeted costs, including the proposed split in expenditure between the two types of provider, in our corporate plan.
 - ii. details of the split in our costs between the two types of provider to the Fees and Resources Advisory Panel. These cost figures will inform any rebates that may be provided. Rebates will be calculated separately for large private registered providers and large local authority registered providers.
- c. We will expand the membership of the fees and resources panel to include up to four representatives from the local authority sector, as well as including a representative of the smallest private registered providers.

5.4 We will write to all providers shortly to confirm fee levels for the period 1 July 2024 to 31 March 2025.

5.5 We have provided a statement below setting out how we ensure value for money at the RSH.

Value for money at RSH

5.6 As a public body we are accountable to parliament for ensuring value for money in the handling of public funds at RSH.

5.7 We consider that we deliver value for money when we fulfil our duties (as set out in the Housing and Regeneration Act 2008) in an efficient, effective and economic way. This requires us to be well-managed and well-structured with the right staff and systems. We have a range of mechanisms through which we achieve this including systems of governance, risk management and internal control.

5.8 Ways in which we seek to minimise the cost of the resources we use (economy) and ensure that we use those resources well (efficiency) include:

- An effective vacancy control process. Approximately 80% of RSH's revenue costs are staff costs. We are subject to the public sector pay remit and have a rigorous system for setting pay grades.

⁶ CPI means the general index of consumer prices (for all items) published by the Office for National Statistics

- The use of shared government accommodation and technology to enable flexible working where appropriate. The cost of office space is one of our most significant non-staff costs and we endeavour to keep costs as low as possible while ensuring office space is conducive to providing modern working conditions for staff.
- A procurement policy, competitive tendering, the use of shared government services, back office and locations.
- Close oversight of all expenditure within a tightly managed scheme of financial delegation and budgeting.

- 5.9 We also seek to ensure that we use our resources effectively. Our fundamental objectives require us to act proportionately which we deliver through our co-regulatory, risk-based approach. We use impact assessments and consultation to understand the likely outcomes of any changes to our regulation. We regularly review our processes to ensure that staff are able to work efficiently and effectively. We welcome the very positive findings of our annual stakeholder survey⁷ which indicate confidence in the regulator and our co-regulatory approach.
- 5.10 We are committed to being transparent and accountable including in relation to how we use our resources. We publish information on how we plan to use the resources available to us in our corporate plan. We then report on how we have used our resources in practice in our annual report. The details of individual transactions are published in accordance with government expectations.
- 5.11 We have established a Fees and Resources Advisory Panel comprising of representatives of our external stakeholders. In the light of changes to our fees regime the membership of the panel is being expanded.
- 5.12 Our commitment to being an efficient and effective organisation is set out in our corporate plan and we report on this in our annual report and accounts.

⁷ RSH Stakeholder Survey 2023 - GOV.UK (www.gov.uk)

Annexes to the Decision Statement

5.13 The annexes below and the Decision Instrument are available on the RSH consultation webpage.⁸

- Annex 1: Numerical analysis of individual question responses to the fees consultation
- Annex 2: List of respondents to the fees consultation
- Annex 3: Business Engagement Assessment

⁸ Consultation on changes to the fees regime



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