

# Fees for social housing regulation

**Guidance for registered providers** 

**Updated May 2024** 



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# **Background**

- This publication sets out the principles of the Regulator of Social Housing's (RSH's) feecharging scheme and practical guidance about its operation. RSH's fee-charging powers are set out in Section 117 of the Housing and Regeneration Act 2008. RSH launched a consultation on proposed changes to its fee principles in September 2023 designed to align them with its amended powers as set out under section 4 of the Social Housing (Regulation) Act 2023. In the new arrangements fee income will pay for the full cost of regulation, in line with many other regulated sectors, reflecting the benefits to registered providers of being in a regulated sector.
- 2. Following the conclusion of the consultation and subsequent assessment and consideration of feedback received, and after receiving approval from the Secretary of State, RSH has adopted the following fee principles:
  - a. A fixed fee applies to all applications for initial registration.
  - b. The annual fee payable by a registered provider is set by reference to the number of social housing units owned by that provider.
  - c. A fixed fee should apply to all providers owning fewer than 1,000 units.
  - d. 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.
  - e. 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.
  - f. The regulator will publish information annually on its costs and fees.

This guidance relates to the new fee regime, based on RSH's amended fee principles that comes in to force on 1 July 2024.

# **Application fees**

## **Application fee approach**

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

- 3. A fixed application fee is payable at the start of each application stage by those seeking to be admitted to the social housing register. It is not payable by local authorities that are subject to compulsory registration.
- 4. No fee is payable on registrations resulting from:
  - a. restructures where the registration decision is required by s163A of HRA 08 and Part 4 of the Charitable Incorporated Organisations (Notification Requirements: Social Housing) Regulations 2023
  - registered providers that are unincorporated charities changing their legal form (e.g. from an unincorporated charity to a Charitable Incorporated Organisation or charitable company).

# **Application Fee level**

5. Assessment of an application will only commence once the associated fee has been paid. Stage fees are set at:

Application Stage	Stage fee
Preliminary	£500
Detailed	£2,500

6. The level of the application fee is subject to periodic review.

## Quarter 2-4 fees

## Quarter 2-4 fees approach

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

- 7. The quarter 2-4 (1 July 2024 to 31 March 2025) fee payable by registered providers is based upon the number of social housing units owned¹ on 31 March 2023 initially as recorded in the Statistical Data Return (SDR) or Local Authority Data Return (LADR). In determining fee charges, we have also taken account of any group or structural changes we have been statutorily notified of and any associated registration decisions that have occurred since 31 March 2023.
- 8. On this basis, the per-unit fee, which applies to registered providers owning 1,000 units or more, for the period 1 July 2024 to 31 March 2025 are:

Provider type	Per-unit fee for Q2-Q4 2024/25
Private Registered Providers	£6.96
Local Authority Registered Providers	£4.97

Annual Equivalent
£9.28
£6.63

#### **Units definition**

- 9. For the purposes of fee calculation, units are defined as social housing where the registered provider is the owner. The term social housing is defined in the Housing and Regeneration Act 2008 (sections 68-77) and further information on the relevant SDR and LADR definitions can be found on the NROSH+ website<sup>2</sup>. RSH annually collects data on the number of social housing units each registered provider owns at 31 March via the SDR and LADR.
- 10. Where it is established that a provider's SDR or LADR is materially incorrect, a further invoice or a credit note will be issued.

<sup>&</sup>lt;sup>1</sup> Owned properties can include those where the provider has a leasehold interest. Further guidance on the definition of ownership for the purposes of SDR and LADR reporting is published on NROSH+

<sup>&</sup>lt;sup>2</sup> NROSH+ (regulatorofsocialhousing.org.uk)

#### **Small registered providers**

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

- 11. All small private registered providers (those owning fewer than 1,000 social housing units) will be charged a fixed fee of £487.50 for the period 1 July 2024 to 31 March 2025.
- 12. Small private registered providers will be invoiced £562.50 in June. This invoice will include the £75 fee for quarter 1 and the £487.50 fee due for the remainder of 2024/25. The inclusion of the two fees on a single invoice has been done to minimise the administrative burden on providers.
- 13. Providers that are not within a group and have no social housing units will still be liable for the small private registered provider fee. This includes providers that have notified RSH that they have disposed of their social housing units but have not applied for voluntary de-registration.

### **Approach to groups**

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

- 14. Where providers are in group structures with a private registered provider as parent, a single fee at the group parent level is charged. Group structures owning 1,000 units or more in aggregate are charged on a per-unit basis. As such, the numbers of units of each private registered provider in the group are aggregated to determine a single fee.
- 15. Where the group parent is unregistered, the fee is collected from the regulated entities. This is because we do not gain assurance at the unregistered group level.
- 16. Group structures with a registered parent, owning fewer than 1,000 units as a group, are charged the single fixed-rate fee for small providers for each registered entity. This is because we will carry out the small provider checks for each entity.
- 17. Where a private registered provider is owned by a local authority registered provider then each provider will be invoiced individually as they are subject to different regulatory regimes.

- 18. Some charitable providers have been linked by a direction (formerly called a 'uniting direction') from the Charity Commission. Such providers must nevertheless each pay a separate fee to RSH for as long as they remain separate entities on our register (and subject to our rules about group structures). We do not consider that Charity Commission linking directions create a group structure or effect a merger.
- 19. Where one registered provider acts as the corporate trustee for another registered provider, a separate fee will still be due from each of the providers (subject to our rules about group structures).

#### June 2024 Fee calculation examples:

Example A – A group has 3,000 units comprised of a private registered parent with 2,000 units and two subsidiaries with 500 units each. This means the fee will be £20,880 (3,000 units x £6.96).

Example B – A small group has a registered parent with 500 units and a subsidiary of 200 units. The group would pay a fee of £1,125 (£562.50 for each registered entity).

Example C – A group has a private registered parent with 600 units and a subsidiary of 600 units. The group would pay a fee of £8,352 (1,200 units x £6.96).

Example D – A private registered group parent with zero units has two registered subsidiaries of 10,000 units each. The group would pay £139,200 in regulation fees (20,000 units x £6.96).

Example E – A local authority registered provider has 4,000 units. This means the fee would be £19,880 (4,000 units x £4.97).

Example F – A local authority registered provider has 5,000 units and owns a small private registered provider which has 500 units. The local authority registered provider would be charged £24,850 (5,000 units x £4.97) and the small private registered provider would be charged £562.50.

#### Registration / de-registration

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

- 20. Providers must pay the full cost of the annual fee for the year in which they either register or de-register (see earlier application fee section). A significant proportion of deregistrations are due to restructurings and mergers. Where this is the case, we would not make another annual fee charge for the newly registered or restructured entity. Those who de-register without a consequential new registration will pay for the full year regardless of the timing of de-registration.
- 21. De-registration is possible, subject to the provider meeting the de-registration requirements<sup>3</sup> published on our website. It should be noted that a provider that no longer has any social housing assets, but is still on the register, will still be charged fees until they have completed the de-registration process. In the case of restructures, RSH will determine the appropriate bodies which will pay the annual fee to avoid double charging.

#### Information on costs and fees

Principle 6: RSH will publish information annually on its costs and fees.

22. RSH is committed to being transparent and accountable, including in relation to how we use our resources. Our published Corporate Plan outlines our intended use of resources. RSH's Annual Report and Accounts details how we have used our resources in the preceding year. Furthermore, we publish a monthly report on our website, detailing any expenditure exceeding £250 on goods and services.

<sup>&</sup>lt;sup>3</sup> Register and de-register as a provider of social housing - GOV.UK (www.gov.uk)

# **Practical arrangements**

## Registrations

- 23. Applications that are in train on 30 June 2024 will be processed under the previous fee regime with a registration fee invoice of £2,500 being issued upon acceptance to the register.
- 24. For applications received after 30 June 2024, application fees will be invoiced in two stages:
  - a. The initial invoice of £500 will be issued upon receipt of a preliminary application.
  - b. Applicants that are invited to progress to the detailed stage will be issued a second invoice of £2,500 upon receipt of a detailed application.
- 25. Applications at either stage will only be considered when the relevant invoice has been paid. The fee charged is for a single consideration of an application. If an application is rejected, at either stage, and a revised application is submitted, further application fees will be charged, and the application will only be considered when paid.
- 26. Newly registered providers will be invoiced for the annual fee upon acceptance to the register, and this will come due within 30 days of issue of invoice.

## June invoicing and collection

- 27. For 2024/25 the invoices issued in June 2024 will be based on the entities that exist, according to RSH records, as at 30 April 2024 (the 'cut off' date). Additional or revised annual fee invoices will be issued in a second invoicing run shortly after June for any changes to group structures or registrations between the 'cut off' date and 1 July 2024.
- 28. Providers are required to state a specific fee invoice email address for the invoice to be emailed when submitting either their SDR or LADR which is editable on NROSH+. This contact will be used for invoicing purposes. It is the responsibility of providers to keep their contact details in NROSH+ up to date and accurate. It is essential that all providers do this. Failure to do so may result in fees invoices and other information being sent to incorrect recipients.
- 29. Invoices must be paid in a single payment within 30 days. However, small providers with cash flow considerations in relation to fees may request to pay their annual fees in quarterly instalments. Requests should be sent to finance@rsh.gov.uk. Any request to

- pay in instalments should include the reasons why an alternative payment arrangement is necessary and will be considered on a case-by-case basis.
- 30. The Department for Levelling Up, Housing and Communities provides RSH with finance services and will issue fee invoices on behalf of RSH. RSH bank account details have not changed.
- 31. Payments should be made by bank transfer. It is important that providers follow the instructions for making payment given on the invoice. It is essential that the invoice number is used as the reference when making a payment, otherwise it may not be possible to match the payment made to the provider's account. In such cases registered providers will be treated as having fees outstanding until such point as they can prove they have paid the fee.
- 32. Cheques will be accepted in exceptional circumstances. Please make payable to "Regulator of Social Housing" and quote the invoice number on the reverse of the cheque to:

Accounts Receivable
Finance Shared Services Division
High Trees
Hillfield Road
Hemel Hempstead
Herts, HP2 4XN

33. Remittance advice should be sent to fees@rsh.gov.uk.

#### Variation in costs

- 34. There will be variation in costs (e.g. due to staff vacancies) and it is possible that underspends might occur. Where an underspend occurs a rebate will be calculated separately for large private registered providers and large local authority registered providers. Any rebate will be shown as a separate line on future annual fee invoices.
- 35. Small registered providers paying fixed fees will not receive a rebate as regulation and register costs are no less than the fee charged.
- 36. A fee rebate for unspent 2022/23 annual fees will be shown on a separate line of the quarter 2 to 4 2024/25 invoice for large private registered providers that is issued in June.

Where two large providers have merged since the 2022/23 annual fees were collected, we will rebate the merged provider at group parent level.

## Fees and Resources Advisory Panel

- 38. While RSH is accountable to Parliament for the delivery of its statutory objectives, it recognises the importance of being transparent with stakeholders in relation to the fees charged and the quality of the regulation delivered.
- 39. The Fees and Resources Advisory Panel (FRAP) enables engagement on fees with a range of stakeholders. The panel's terms of reference are published on RSH's website.

### Non-payment

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

#### Finance contact details

The finance team can be contacted via email finance@rsh.gov.uk or via our enquiries team on 0300 124 5225.



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