

<b>Title:</b> Impact Assessment – Direction to the Regulator of Social Housing to set a Competence and Conduct Standard for Social Housing: Final Stage Impact Assessment <b>IA No:</b> N/A <b>RPC Reference No:</b> N/A Lead department or agency: Ministry of Housing, Communities and Local Government <b>Other departments or agencies:</b> N/A	Impact Assessment (IA)	
	<b>Date:</b> 24 September	
	<b>Stage:</b> Final	
	<b>Source of intervention:</b> Domestic	Domestic
	<b>Type of measure:</b> Other	
<b>Contact for enquiries:</b> competenceandconduct@communities.gov.uk		
<b>Summary: Intervention and Options</b>	<b>RPC Opinion:</b> N/A	

**Cost of Preferred (or more likely) Option (in 2025 prices)**

Total Net Present Social Value	Business Net Present Value	Net cost to business per year	Business Impact Target Status
-£282.8m	-£242.0m	£28.1m	

**What is the problem under consideration? Why is government action or intervention necessary?**

The Competence & Conduct (C&C) Standard will help improve the quality of Housing Management Services provided to tenants in the social housing sector by addressing the identified skills, knowledge, experience, and behaviour gap which presents a barrier to the social housing workforce providing a consistently high standard of Housing Management Services. This work stems directly from evidence heard by the Grenfell Tower Inquiry, and our subsequent Social Housing Green Paper consultation, which demonstrated that social housing tenants felt they were not listened to or treated with respect and courtesy when raising concerns about their housing. Additionally, the tragic death of Awaab Ishak has highlighted the need for change in terms of staff behaviours and attitudes towards tenants. The evidence highlights harms to tenants' wellbeing, as well as risks to their health and safety due to insufficient or inadequate training for staff and resultant poor-quality service provision. The government is taking action to address these risks by directing the Regulator of Social Housing (RSH) to set a standard relating to the competence and conduct of staff working in social housing. This policy is likely to result in a number of benefits to society, which, given limitations to research, it has not been possible to monetise. Switching analysis is therefore discussed within the benefits section from page 19.

**What are the policy objectives of the action or intervention and the intended effects?**

The intended outcome of introducing the C&C Standard is that all social housing staff have the skills, knowledge, experience, and behaviours (SKEB) they need to deliver good quality, professional services to tenants. The intended effects include an improved service to tenants, with Registered Providers' and Services Providers' staff better equipped to manage risks to tenants' wellbeing, health and safety. Success will be indicated through reductions in complaints upheld specifically regarding poor service or poor complaint handling; and in the long term we expect that the Standard may contribute to an increase in tenant satisfaction scores, amongst other indicators. The RSH will monitor and regulate compliance with the new Standard through its assurance-based approach to regulation<sup>1</sup>. This means it seeks assurance from Registered Providers of social housing ("providers") that providers will deliver the outcomes of the C&C Standard.

<sup>1</sup> Our role and approach to regulating landlords - GOV.UK

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**

1. Option 1: Do nothing.
2. Option 2: Implementing a broad outcome-based C&C Standard for staff in the social housing sector and requiring a specific sub-set of senior staff to have or be working towards housing management qualifications over three years for large Registered Providers (four years for small Registered Providers).

We have qualitative evidence from tenants that some feel that they are not treated with respect and feel they do not receive the quality of service they should be able to expect. This has a significant impact on some tenants' well-being, health and safety; there is evidence that these issues were factors in the Grenfell fire and tragic death of two-year-old Awaab Ishak. Doing nothing risks harms to the wellbeing of tenants as well as their health and safety; regulating on this matter is necessary to secure consistency across the sector in the training and development of staff, particularly for senior staff through the qualification element of the C&C Standard (also referred to as the "qualification element"). This intervention supports and sits alongside other interventions aimed to secure consistently high quality services in the social housing sector, including the introduction of proactive consumer regulation, the Tenant Satisfaction Measures, and Awaab's Law (which will come into force by October 2025).

Option 2 responds to the imperative to move quickly to improve the quality of housing management services in the social housing sector and to reduce current costs to tenant wellbeing, and risks to their health and safety. It also recognises the impact the intervention will have on the sector including the financial burden (the direct cost of the qualification element and the opportunity cost associated with the learner commitment of these qualifications) and other associated risks. Option 2 will help providers spread the initial costs of this financial burden and these risks over a period of at least three years.

**Will the policy be reviewed? Yes . If applicable, set review date: TBC**

Is this measure likely to impact on international trade and investment?		No		
Are any of these organisations in scope?	Micro Yes	Small Yes	Medium Yes	Large Yes
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)		Traded: n/a		Non-traded: n/a

## Summary: Analysis & Evidence.

## Policy Option 1

Description: Do nothing

### FULL ECONOMIC ASSESSMENT

Price Base Year 2025	PV Base Year 2026	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: N/A	High: N/A	Best Estimate: 0.0

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	N/A	N/A	N/A
High	N/A	N/A	N/A
Best Estimate	0.0	0.0	0.0

#### Description and scale of key monetised costs by 'main affected groups'

There are no monetised costs for the main affected groups if this option is pursued.

#### Other key non-monetised costs by 'main affected groups'

There are non-monetised costs for tenants if this option is pursued. Evidence heard by the Grenfell Inquiry; the coroner's report on the death of Awaab Ishak; the Social Housing Green Paper consultation; and subsequent surveys with and feedback from tenants suggest that some Registered Providers and Services Providers are not listening to social housing tenants' concerns or treating them with respect, and that not all staff have the skills, knowledge experience they need to deliver consistently good quality, respectful services. If this continues it would lead to damages to tenants' wellbeing, as well as costs associated with risks to the health and safety of social housing tenants.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A	N/A	N/A
High	N/A	N/A	N/A
Best Estimate	0.0	0.0	0.0

#### Description and scale of key monetised benefits by 'main affected groups'

There are no monetised benefits if this option is pursued.

#### Other key non-monetised benefits by 'main affected groups'

There is a non-monetised benefit if this option is pursued. Compared to Option 2, it would maintain Registered Providers' and Services Providers' flexibility to decide if and how to improve their workforce's SKEB to improve service delivery. This may lead to a more tailored approach.

Key assumptions/sensitivities/risks Discount rate (%)	N/A
We are assuming that providers will not take sufficient action to improve the SKEB of their staff to the extent needed without new regulatory requirements. However, the vast majority of providers will have existing training budgets and make some provision for training and development of staff which does, or is intended to, support the quality of service delivery. We have assumed this as the evidence suggests that the service delivery standard is not improving sufficiently or quickly enough, despite providers' actions, as illustrated in paragraphs 1-21 of the Evidence Base.	

### BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: 0.0	Benefits: 0.0	Net: 0.0	
			N/A

## Summary: Analysis & Evidence

## Policy Option 2

**Description:** Implementing a broad outcome-based C&C Standard for staff in the Social Housing Sector, and requiring a specific sub-set of senior staff to have or be working towards housing management qualifications over three years for large providers (four years for small providers)

### FULL ECONOMIC ASSESSMENT

Price Base Year 2025	PV Base Year 2026	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -319.2	High: -231.9	Best Estimate: -282.8

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	N/A		£25.3m	£231.9m
High	N/A		£34.8m	£319.2m
Best Estimate	£7.3m		£30.1m	£282.8m

#### Description and scale of key monetised costs by 'main affected groups'

There are monetised costs arising from this option; the financial costs of the qualification element for senior staff in order to meet this Standard are £40m in undiscounted terms and £36m in PV terms. There is also an opportunity cost associated with this option for providers, the learner commitment is up to 8 hours per week, though some individuals will have recognisable prior learning. We estimate the opportunity cost to providers to be £261m in undiscounted terms (£240m PV). There is a one-off cost in relation to the familiarisation of staff, estimated as £7.3m.

#### Other key non-monetised costs by 'main affected groups'

There are non-monetised costs to providers via this option. Firstly, there are costs associated with the negative impact this could have on recruitment and retention. Responses by providers to the consultation indicate that some existing members of the workforce will be reluctant to undertake qualifications and may leave the sector. However, we are aware that these measures could also draw individuals to the sector, which could offset some of these costs.

If obtaining qualifications results in higher wages for staff, this will result in a cost for landlords. However, this would also be a benefit for staff. This is discussed in further detail in the 'Switching Value Analysis' section from page 19.

There could also be costs for providers if this option pulls investment from existing budgets such as other training for staff. Staff with a relevant apprenticeship will be deemed to have met the qualification requirement if they have passed their apprenticeship assessment, meaning that some providers can draw on the apprenticeship levy to meet these requirements for some of their employees (and therefore not face additional costs). There will also be familiarisation costs associated with providers complying with C&C Standard as organisations will have to review their policies, procedures, systems and training to comply with the Standard.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Present value)	Total Benefit (Present Value)
Low	N/A		N/A	N/A
High	N/A		N/A	N/A
Best Estimate	£0		£0	£0

**Description and scale of key monetised benefits by 'main affected groups'**

The Department for Education (DfE) calculate the returns to different types of education (level 4/5 qualification in this case) based on increased wages, improved employment outcomes and non-wage productivity / spillover benefits. Based on values published in 2025, this would suggest a benefit of £363m (PV) over 10 years.

These benefits would apply to senior staff who enrol and complete the qualification element through this option. However, the increase in wages that the staff benefit would be offset by an equal and opposite cost to providers facing a higher wage bill in this assessment. Unfortunately, we are unable to disaggregate the total return to education to remove the component relating to increased wages.

Given that it is not possible to disaggregate the benefit components, we present switching analysis on page 19 which suggests that if c.78% of the returns to the qualification are non-wage related (such as improved employment outcomes and the impact increased productivity has on co-workers), then the NPV will be zero.

**Other key non-monetised benefits by 'main affected groups'**

As discussed above, there are non-monetised benefits occurring to the sub-set of senior staff who enrol and complete the qualification element through this option, as well as spillover effects for co-workers and firms. These benefits are evidenced by research from the Department for Education (DfE), discussed in greater detail in the 'Monetised Benefits' section on page 19.

Increased productivity of the workforce may also result in better outcomes for tenants. Such outcomes may include a reduction in complaints upheld specifically regarding poor service or poor complaint handling; improvements in managing rent arrears; and reductions in poor handling of anti-social behaviour cases. Related to this, we expect an increase in effective management of repairs, maintenance and other housing management services, because the staff meeting the Standard will be better equipped to manage, or resolve, housing related concerns and issues.

Evidence heard by the Grenfell Inquiry, as well as the the coroner's report on the death of Awaab Ishak, the Social Housing Green Paper consultation, and subsequent surveys with, and feedback from tenants, shows that some social housing tenants feel their concerns are not listened to by providers. As a result of the broad C&C Standard we expect to see changes in relation to this for all staff as they will be better skilled and equipped to provide a higher quality service to tenants. This will benefit tenants' general wellbeing and health and safety with all providers required to ensure their staff have the skills and knowledge required to treat tenants respectfully and take their concerns seriously. We assess that qualifications will enhance these benefits because qualified senior staff would be more effective in driving up professionalism across their organisations, enacting culture change within provider organisations, and cascading the right SKEB to frontline teams, so tenants are more likely to be treated with respect and be listened to by providers. We have also heard from engagement from stakeholders that it is likely that, in the long-term, some individuals will be drawn to the sector especially via the apprenticeship route which will be mostly funded by the levy and because the qualification requirements will increase the status of the profession or may increase wages for qualified staff. In this way, the policy may benefit the sector by leading to a slight improvement in recruitment and retention.

**Key assumptions/sensitivities/risks Discount rate (%)**

3.5%

We are assuming that a broad outcome-based C&C Standard and qualifications for senior staff will be adhered to by providers. The RSH will be taking an assurance-based approach to regulation, meaning that it will seek assurance from providers as to their compliance with the C&C Standard.

We have made three key assumptions in calculating the monetised costs of this option. Firstly, for the number of staff in scope of the qualification, we have assumed that there are 117,000 total staff who deliver social housing services employed by Private Registered Providers (PRPs) and Arms-Length Management Organisations (ALMOs). For PRPs, we estimate 9% of their staff will be senior housing managers and 6% will be senior housing executives, and therefore estimate that 15% of their staff would be in scope of the qualification element. For ALMOs, we estimate 4% of their staff are senior managers and 2% are executives. In addition, we have assumed there are 43,000 total staff delivering social housing services employed by local authorities and that of these, 7% are senior housing managers, and 2% are senior housing executives meaning 9% of staff overall will be in scope of the qualification element. This is taken from evidence gathered from feedback provided by relevant organisations such as PRPs, ALMOs and local authorities to the consultation, where we asked providers to give an estimated percentage of housing management staff in scope and took an average from their responses. We have assumed that, after the Transition Period (3 years for large providers and 4 years for small providers), there will be an increase of 2,000 qualification enrolments each year as a result of the policy. We have assumed that the enrolments will be split proportionately amongst PRPs, local authorities, and Services Providers.

Our second key assumption has been the cost of the qualification. We have assumed the cost of a level 4 qualification (for Senior Housing Managers) is between £148 and £2,500. We have assumed the cost of a level 5 qualification (for Senior Housing Executives) is between £188 and £2,995. Our third assumption is that for the opportunity cost, a level 4 qualification will take each individual 195-360 hours, a level 4 apprenticeship 496 hours and a level 5 qualification 380-385 hours. We have made further assumptions to calculate the monetised costs associated with this option, including the opportunity cost. These assumptions can be found in paragraphs 74-83 of the Evidence Base.

#### **BUSINESS ASSESSMENT (Option 2)**

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: £28.1	Benefits: £0.0	Net: -£28.1	N/A

## Evidence Base

### Problem under consideration and rationale for intervention

1. The introduction of a regulatory Competence & Conduct (C&C) Standard will help address the issue of poor-quality services from providers to some tenants in the social housing sector to ensure a consistently high standard of service across the sector. This will support and sit alongside other interventions in the social housing sector designed to improve the quality of services such as the introduction of proactive consumer regulation, the Tenant Satisfaction Measures, and Awaab's Law (which will come into force by October 2025).
2. The need for this intervention stems from evidence heard by the Grenfell Inquiry and forms part of the government's response to the tragedy. The Inquiry heard that the complaints, concerns and worries of the residents of Grenfell Tower were not taken seriously by the Kensington and Chelsea Tenant Management Organisation ("KCTMO") and the Royal Borough of Kensington and Chelsea ("RBKC"). Residents felt they were managed, not listened to. This spoke to a wider issue highlighted by the Grenfell tragedy, namely that social landlords need to better prioritise the quality of service delivered by housing management staff, particularly when managing issues related to building safety.
3. The Inquiry heard evidence about the inadequate training of RBKC and TMO staff, which highlighted concerns in relation to staff training across the social housing sector. During module three, the evidence indicated that some RBKC and KCTMO officers were not suitably trained,<sup>1</sup> behaved unprofessionally and treated residents with a lack of respect prior to the Grenfell Tower fire.<sup>2</sup> This raised questions about whether the skills and qualifications required to work in the social housing sector should be enhanced to ensure that all tenants receive a consistently high standard of service.
4. In December 2021, written evidence from Grenfell United, an organisation made up of and speaking for the bereaved and survivors of the Grenfell tragedy, to the Ministry of Housing, Communities and Local Government (MHCLG) Select Committee called for a higher standard of professionalism in the sector based on minimum qualifications and continued professional development.<sup>3</sup> In addition, the group submitted evidence to the Lords' public bill committee on the Social Housing (Regulation) Bill 2023 (now Act) calling for qualifications for senior managers working in social housing.<sup>4</sup>
5. The Social Housing Professionalisation Review<sup>5</sup> ("the SHP Review"), which was launched in January 2022, aimed to understand how to achieve a more professional housing sector in which all staff act professionally, listen to their tenants, and treat them with courtesy and respect. One of the questions considered through the SHP Review was whether there was a case to require professional qualifications within the sector: currently, there are no statutory requirements for staff employed in housing management roles to have a specified qualification or to meet a specified professional Standard.
6. The Review heard that:
  - a) Measures must drive organisational-wide culture change, to make sure all staff display appropriate behaviours and attitudes to treat tenants fairly, with empathy and respect, and without stigma.
  - b) Any qualification requirements should be focused on senior staff as they are best placed to drive culture change and are responsible for the delivery of high quality, professional

<sup>1</sup> Teresa Brown, Day 126, page 137, line 7-14. [Transcript 6 May 2021.pdf](https://www.grenfelltowerinquiry.org.uk/transcripts/Transcript%206%20May%202021.pdf) ([grenfelltowerinquiry.org.uk](https://www.grenfelltowerinquiry.org.uk))

<sup>2</sup> Emma O'Connor, Day 117, page 114, line 15 – page 116, line 15. – [Transcript 20 April 2021.pdf](https://www.grenfelltowerinquiry.org.uk/transcripts/Transcript%2020%20April%202021.pdf) ([grenfelltowerinquiry.org.uk](https://www.grenfelltowerinquiry.org.uk))

<sup>3</sup> <https://committees.parliament.uk/writtenevidence/42211/pdf/>

<sup>4</sup> <https://publications.parliament.uk/pa/cm5803/cmpublic/SocialHousingRegulation/memo/SHRB01.htm>

<sup>5</sup> [Research into professionalism among housing staff: final report](https://www.researchintoprofessionalism.org.uk/reports/final-report)

services.

7. A significant number of social housing tenants are classed as vulnerable (the 2023-24 English Housing Survey<sup>6</sup> shows that 59% of households in the social rented sector have at least one household member with a long-term illness or a disability), meaning any poor outcomes disproportionately impact some of the most vulnerable members of society. Comparatively, other professional sectors that also serve a large proportion of vulnerable individuals set specific requirements for training and development in order to ensure a consistently high standard of service. For example, Social Work England maintains a register for social workers and sets broad standards for staff on the register,<sup>7</sup> with professional qualifications a precondition for individuals to be eligible to join the register.<sup>8</sup>

8. A small-scale exploratory study tentatively concluded that national vocational qualifications in the social care sector appear to be good indicators of competent care practice within the profession and appear to positively influence care workers' knowledge and practice.<sup>9</sup> However, it also concluded that these qualifications did not *guarantee* best practice and pointed to the difficulty in evaluating the effects of these qualifications.

9. Up until now, there has been inconsistency in approaches to training and development both within and between social housing providers which can impact on consistency in quality of service. The severity and impact of poor quality service is evident in recent maladministration reports by the Housing Ombudsman Service (HOS), for example, highlighting an instance where landlords "failed to act [to resolve the leak that prompted the damp and mould] for 6 months, despite the resident chasing on multiple occasions and informing the landlord of the impact it was having both on her and a downstairs neighbour<sup>10</sup>", another where a landlord "failed to treat a heating and hot water complaint as an emergency, despite leaving a resident with asthma without heating and hot water for 5 months, including over winter", and "failed to communicate with the resident effectively or explain why the boiler repair was taking months to complete."<sup>11</sup>

10. The Tenant Satisfaction Measures 2023-24 found that almost one in five tenants surveyed (19%) were dissatisfied with the overall service from their landlord, and only 60% were satisfied that their landlord listens to and acts upon tenant views.

11. Since our consultation on the C&C Standard, the evidence demonstrating a need for intervention has been further reinforced by the findings from the Grenfell Inquiry Phase 2 Report which was published in September 2024. The Report highlighted the lack of competence and qualifications among housing staff at KCTMO. A number of senior staff had no training in, or experience that was appropriate for their roles, and qualifications referred to by the KCTMO in their submissions to the Inquiry were found to be irrelevant, or to not even exist. There was no document defining the standards of training required of staff, and many did not understand their responsibilities, or have oversight from senior managers. KCTMO failed to recognise the needs of disabled and vulnerable tenants, and had given no consideration to how to accommodate them in the event of an evacuation. Additionally, staff of services providers contracted by KCTMO were found to be lacking the necessary skills to complete works effectively.

12. Overall, this evidence demonstrates the pressing need for change to drive consistent improvements across the sector in staff skills and knowledge, and their behaviours, conduct and

<sup>6</sup> Chapter 1: Profile of households and dwellings - GOV.UK

<sup>7</sup> Professional standards - Social Work England

<sup>8</sup> Eligibility - Social Work England

<sup>9</sup> SARGEANT, A. V. (2000) An exploratory study of the effects of progression towards National Vocational Qualifications on the occupational knowledge and care practice of social care workers, *Social Work Education*, 19(6), pp. 639–661.

<sup>10</sup> <https://www.housing-ombudsman.org.uk/app/uploads/2025/04/Severe-maladministration-report-April-2025.pdf>

<sup>11</sup> <https://www.housing-ombudsman.org.uk/app/uploads/2025/05/Severe-maladministration-publication-May-2025.pdf>



attitudes towards tenant; this is what these new requirements are designed to deliver.

13. It is acknowledged that many staff do already behave respectfully towards tenants and have the skills and knowledge they need for their roles, and many tenants are satisfied with the services they receive and how they are treated. It is noted above that evidence from the Tenant Satisfaction Measures 2023-24 highlighted concerning levels of dissatisfaction with landlord services and treatment of tenants; however it should also be acknowledged that this survey data shows a substantial majority of tenants are satisfied with their landlord services - seven in ten tenants in low cost rental accommodation (LCRA) surveyed were satisfied with the overall service from their landlord, with 72% reporting satisfaction with overall repairs services, 77% that their home is safe, and 77% that their landlord treats them with fairness and respect. The report also highlights that landlords have overall engaged positively with the survey exercise, and made significant efforts to engage with their tenants.<sup>12</sup>

14. This is reflective of the important work that has been done, and continues to be done across the sector to improve the quality of services and their engagement with tenants, such as Together with Tenants,<sup>13</sup> which “now has 225 adopters with over 2.4 million homes, equating to almost 88% of homes NHF (National Housing Federation) members own, and the CIH (Chartered Institute of Housing) and NHF-led Rethinking Repairs and Maintenance Project by providers to improve the standard of service for tenants, and enhance the quality of provision.”<sup>14</sup>

15. However, to return to the 2023-24 TSM results cited above, it remains the case that an average of 28% of tenants did not say they were satisfied with overall repairs services and 23% did not say that their landlord treated them with fairness and respect,<sup>15</sup> clearly demonstrating the urgent need for improvements. In many instances, tenants in social housing have little control over decisions regarding the management of their home, which are made on their behalf by their landlord. But tenants bear the majority of the consequences of their homes being poorly managed, for example, substandard outcomes relating to repairs and maintenance services. This is exacerbated by the fact that tenants suffering from poor outcomes may face difficulties in overcoming them by moving home or changing landlord like those in the Private Rented Sector without substantial difficulty. Upskilling landlord staff, specifically the people within the organisation managing the tenant facing services is a key means of addressing these issues by ensuring that housing management staff have the skills and knowledge they need to deliver good quality services and outcomes for their tenants.

16. Additionally, as the social housing sector receives significant government subsidy via housing benefits (which pays a majority of the rent in the sector), it is important to maximise value for money to the taxpayer by ensuring standards in the sector are high, the primary mechanism by which this is done is regulation.

17. Our approach to professionalisation of the sector through the introduction of the new regulatory C&C Standard will help tackle harms to some tenants’ wellbeing and risks to their health and safety as a result of being treated with a lack of respect and not being listened to, and staff not having the skills and knowledge they need to effectively carry out their roles. It will aim to address the market failure that currently exists for some tenants, that where providers have been left to determine their approaches to professional development and training for their staff this has not been effective in ensuring the consistently high standard of training and development necessary to deliver high quality services across the sector.

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<sup>12</sup>Tenant Satisfaction Measures 2023/24 [\[Title\]](#)

<sup>13</sup> [National Housing Federation - Together with tenants](#)

<sup>14</sup> [Rethinking repairs and maintenance | Chartered Institute of Housing](#)

<sup>15</sup> Tenant Satisfaction Measures 2023/24 [\[Title\]](#)

18. The stakeholders affected through this intervention (option 2) include Registered Providers (such as housing associations and local authorities) as well as “Services Providers” which are organisations who manage the delivery of housing management on behalf of a Registered Provider. Services Providers are only in scope of the qualification requirements where the services provider provides a comprehensive housing management service, which means that they deliver all or a majority of functions in respect of Housing Management Services (see Policy Statement for more detail). Option 2 will also impact on qualifications providers, RSH and social housing tenants.

19. The government is best placed to resolve this issue because if it does not intervene, the quality of some services provided to social housing tenants is more likely to remain inconsistent and in some cases below a satisfactory standard. This presents ongoing harms to some tenants’ wellbeing, as well as risks to their health and safety. The evidence we have seen from the time of the Grenfell tragedy in 2017 to the present time illustrates that for some tenants a lack of regulation has meant there has not been a consistent or significant improvement in sector professionalisation or services to tenants over the last 8 years.

20. Evidence in support of this lack of improvement includes the fact that in 2017-18, the Housing Ombudsman received 14,445 complaints and enquiries;<sup>16</sup> whereas in their latest annual report (2023-24) they received 40,945.<sup>17</sup> (*N.B. We are aware that campaigns to increase the awareness of the Housing Ombudsman may have also contributed to this increase*).

21. We considered options during the development of our approach that do not involve regulation, however we concluded that any non-regulatory approach would not go far enough to address this market failure. This is because a non-regulatory option would ultimately still leave the professional development and training of staff within the sector up to providers, and we concluded that any non-regulatory option would not be sufficiently different to the current state of the professional development and training with the sector and therefore would be unlikely to drive the necessary degree of change and improvement.

### **Rationale and evidence to justify the level of analysis used in the IA (proportionality approach)**

22. This Impact Assessment is assessing the costs and benefits of introducing a regulatory standard under section 194A of the Housing and Regeneration Act 2008 (inserted by section 21 of the Social Housing (Regulation) Act 2023) that will apply to Registered Providers of social housing. We have undertaken a full impact assessment of the policy drawing on a variety of sources including research commissioned from IFF Research by the government, responses from Competence and Conduct Standard Consultation<sup>18</sup>, data from the consultation and the Annual Survey of Hours and Earnings.

23. Where necessary, uncertainty has been accounted for by creating both high and low scenarios, for example, around the financial cost of qualifications.

### **Description of options considered**

24. The following options have been considered:

- a) Option 1: Do nothing.
- b) Option 2 (preferred option): Implementing a broad outcome-based C&C Standard for staff in the Social Housing Sector, and requiring a specific sub-set of senior staff to have or be working towards housing management qualifications, subject to a three year transition

<sup>16</sup> Annual report 2017-18 published - Housing Ombudsman ([housing-ombudsman.org.uk](https://www.housing-ombudsman.org.uk))

<sup>17</sup> Annual Report and Accounts 2023-24 <https://www.housing-ombudsman.org.uk/2023/02/23/annual-report-2021-22-published/>

<sup>18</sup> Competence and Conduct Standard for social housing: consultation - GOV.UK ([www.gov.uk](https://www.gov.uk))

period for large providers (four years for small providers) beginning at the point the Standard comes into force.

25. Option 2 is intended to deliver the desired outcome of raising the standard of housing management services provided to tenants by ensuring that staff working in the sector have the relevant SKEB to provide high quality services, with certain senior staff undertaking a qualification to further enhance and guarantee a specified level and type of SKEB. The qualifications requirements are expected to drive culture change within provider organisations, with those senior staff in scope cascading their enhanced SKEB to frontline teams, so tenants are more likely to be treated with respect and feel listened to by all social housing management staff. This will contribute towards improvements in tenant wellbeing, and help minimise health and safety risks.

26. The government consulted on the implementation of the C&C Standard from 6<sup>th</sup> February to 5<sup>th</sup> April 2024. Following the consultation, we have now directed RSH under section 197 of the 2008 Housing and Regeneration Act to implement option 2. This direction requires the Regulator to set a Standard relating to the competence and conduct of Relevant Individuals for which Registered Providers are required to comply.

27. The standard will be regulated by the RSH.

### **Policy objective**

28. The intended outcomes and key policy intention of introducing the regulatory C&C Standard is that social housing staff gain the SKEB needed to deliver good quality, professional services to tenants without having adverse unintended consequences for the sector.

29. This will drive culture change in the workforce, so tenants are more likely to be treated equally, fairly, with empathy and respect, and without stigma and therefore feel listened to by providers. The aim is for this to result in a better standard of service which will be measured through better handling of complaints and a contribution to increases, in aggregate, of landlords' Tenant Satisfaction Measure (TSM) scores on fair and respectful treatment. The C&C Standard will be implemented alongside other regulatory changes being made across the sector that will also contribute to driving culture change and improvements in quality of services to tenants. It also means staff will be better equipped to manage risks relating to tenants' health and safety, so we envisage that this is likely to contribute to a reduction in health and safety related issues in the social housing sector.

30. We have set a clear requirement within the C&C Standard for Senior Housing Managers and Senior Housing Executives to obtain qualifications as described in our Policy Statement. 100% of those staff in scope of the qualification element which are in post at the beginning of the Transition Period should have or be working towards a qualification within three years of the Standard coming into force (four years for small providers with fewer than 1000 homes).

31. Part of our objective is to ensure senior staff become qualified as quickly as is practicable. We also want to accommodate exceptional circumstances, such as it not being feasible for staff to complete qualifications due to long term absence from work, e.g., due to maternity leave, absence due to sickness, compassionate leave, special leave for public duties or if they are reservists in the armed forces, and the policy includes some limited exemptions and flexibilities to enable this. Registered Providers should enrol these staff on a relevant qualification within 6 months of them returning from extended absences. In practice, we estimate the majority of existing staff in scope will be qualified within four years of the Standard coming into force.

32. We also want to ensure that qualifications are completed within reasonable timeframes. We expect that in most instances, qualification providers will provide an estimated or maximum duration for each qualification. Where qualification providers set a time limit for a qualification learners must complete it within that time. Where there is no time limit set, we have set the expectation that it should not take longer than two years to complete the qualification except in exceptional circumstances. Learners must also spend a minimum of >120 hours completing their qualification course – and we have assumed that in the medium run average course length will approach this.

## Outcomes and success criteria

33. Through this intervention the intended outputs and outcomes will be to:

- a) Provide a direction to the Regulator to set a Standard relating to competence and conduct for all staff involved in the provision of Housing Management Services where the resulting Standard is deliverable for providers.
- b) Provide further detail on the qualifications requirements through a government Policy Statement, which we will direct the Regulator to require providers to comply with, including:
  - i) Rules and guidance on the functions of the roles in scope (included within the Policy Statement);
  - ii) The criteria that qualifications must meet;
  - iii) Timeframes for enrolment, commencement and completion of qualifications; and
  - iv) Exemptions and flexibilities.
- d) Drive up professional standards within the sector to deliver culture change, improve the wellbeing of tenants and minimise risks to their health and safety.

34. Success criteria *(to be evaluated as part of our review of the new regime following the first four years of implementation)*:

- a) The Standard introduced is deliverable and does not cause significant disruption to the sector especially in relation to recruitment and retention and service delivery to tenants;
- b) Providers feel that they have sufficient clarity in order to make their own assessments about which staff are in scope or which qualifications meet the criteria;
- c) The Standard set can be regulated effectively by the Regulator, who will take an assurance-based approach to regulation;
- d) Providers can make sure relevant staff meet the qualification requirements as set out in the Policy Statement and all relevant unqualified staff have or are working towards a qualification within the time limits set;
- e) We see reductions in complaints upheld, specifically about the service provided by housing management staff, and improvements in complaints handling; and
- f) We expect to see a contribution to an increase (in aggregate) of providers' Tenant Satisfaction Measures scores on *fair and respectful treatment*, as compared to the scores from the National Tenant Survey that the Regulator is undertaking in 2024<sup>19</sup>. This is alongside other regulatory changes we are making across the sector that will also contribute. For this success measure, we understand that there will be fluctuations for these scores as the Tenant Satisfaction Measures are in the early years of being implemented and there are a range of other factors which will impact scores. Also, we recognise that other measures such as the introduction of proactive consumer regulation and Awaab's Law are likely to impact on increases here. We will keep this measure of success under review. It is important to note we are not using this alone to measure success.

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<sup>19</sup> [National Tenant Survey - GOV.UK](https://gov.uk/national-tenant-survey)

## Summary and preferred option with description of implementation plan

### How the preferred option will be given effect.

35. Our preferred option is Option 2: Implementing a broad outcome-based C&C Standard for staff in the Social Housing Sector, and requiring a specific sub-set of senior staff to have or be working towards housing management qualifications over three years for large providers (four years for small providers).

### Consultation

36. The Government consulted on the policy proposals relevant to the implementation of the new C&C Standard for social housing from 6th February to 5th April 2024. The Standard will come into force in October 2026. The consultation sought views on the draft direction to the Regulator of Social Housing and our detailed policy proposals relating to the qualification requirement. We received a total of 366 responses, 176 from Registered Providers, 19 from Services Providers, 47 social residents and representatives. We consulted on the following proposals:

- a) A requirement for Registered Providers to have up to date written policies setting out their approach to managing and developing the skills, knowledge, experience and conduct of their staff, and to adopt and embed codes of conduct.
- b) That a person who spends a significant portion of their time exercising their responsibilities for housing management services should be in scope of the qualification requirement.
- c) The defined functions of the roles expected to be in scope of the requirement.
- d) The type and level of qualification requirement and course content that must be covered.
- e) That new staff would need to enrol on qualifications within 6 months of starting a new role which is in scope, or 9 months if they are subject to a probation period.
- f) That there should be a 24-month transition period after the Standard comes into force, during which senior housing manager and senior housing executives must begin working towards qualifications, including an adjusted transition period of double the time for smaller providers (which provide fewer than 50 units of social stock); and a requirement for 50% of staff to be enrolled halfway into the transition period.
- g) That there would be transitional arrangements for staff who have qualifications which partially meet the qualification requirement, or who have undertaken apprenticeships without a qualification element.
- h) That exemptions should apply to unpaid volunteers, to avoid impacts on smaller, volunteer-led organisations such as alms houses.

### Post consultation policy changes

37. The government has reviewed the responses to the consultation, which showed support for the majority of our proposals. We have now finalised the policy, incorporating changes based on the feedback received, and issued a direction to the Regulator of Social Housing (RSH). The changes are as follows:

#### a) **Tenant Involvement:**

- Based on feedback from tenants and tenant groups, we have amended the direction to the Regulator to include additional requirements. Registered providers must:
  - Give tenants meaningful opportunities to influence and scrutinise the development of their written policy and code of conduct.
  - Ensure the policy and code of conduct are kept up to date and fit for purpose.
  - Make the policy and code of conduct accessible to tenants.

**b) Scope of Services Providers:**

- The qualification requirements will only apply in relation to the relevant managers of Services Providers if they provide a comprehensive housing management service to their Registered Provider. This means delivering all or the majority of the following functions as they relate to the management of social housing: customer service, complaints management, tenant involvement, allocations and lettings, tenancy management, income management, repairs and maintenance, asset management, anti-social behaviour management, estate management, and major works within occupied buildings. Services Providers not delivering all or most of these services will not have staff in scope of the qualification requirements. This will help to avoid severe adverse impacts on registered providers' ability to procure skilled contractors to deliver repairs and maintenance works and other services in the sector whilst still ensuring that those managers and executives who have a substantial influence over the quality and safety of the overarching housing management service are appropriately qualified.

**c) Transition Period**

- There will be no requirement for 50% of staff to be enrolled in a course halfway through the Transition Period. This gives landlords more flexibility in scheduling staff training.
- Smaller registered providers managing fewer than 1,000 units (and their service providers) will have an extended transition period of four years. This aligns with the RSH's definition of small providers and ensures consistency with RSH's regulatory approach.

**d) Timings for enrolling and completing qualifications:**

- All new staff, including temporary and interim staff, must enrol in qualifications within 12 months of starting a new role, regardless of their probation period. This prevents deterring landlords from upskilling staff through temporary promotions or maternity cover and avoids investing in qualifications for staff who may leave within a year.
- Staff must complete qualifications within the time limit set by the qualification provider, or within a maximum of two years if no time limit is set. An exception is made for staff requiring reasonable adjustments due to a disability.

**e) Qualification Requirements:**

- Qualifications must have a total qualification time (TQT) of >120 hours to ensure sufficient depth and breadth of learning.
- Qualifications equivalent to those regulated by Ofqual, including those from higher education providers like higher national diplomas, will be accepted.
- Course content requirements will vary depending on the role (general housing management, technical, or cross-tenure) to ensure relevance and avoid duplication.

**f) Partially compliant qualifications:**

- Senior Housing Managers or Executives with partially compliant qualifications can complete additional training modules to cover any missing course content. This arrangement will be permanent beyond the transition period to avoid unnecessary duplication of qualifications.

**g) Apprenticeships:**

- Transitional arrangements for apprenticeships will be made permanent. Apprenticeships must be at the required level, cover necessary course content, and learners must pass their apprenticeship assessment.

#### **h) Guidance for Providers:**

- Additional guidance on the functions of roles in and out of scope and what constitutes partially compliant qualifications has been published alongside our direction to the Regulator.

### **Requirements**

38. We are directing the Regulator of Social Housing that the broad outcome-based C&C Standard will require Registered Providers to keep an updated written policy setting out their approach to learning, development, appraisal and performance management as well as developing an appropriate code of conduct and embedding it within their organisation. Registered Providers must give tenants opportunities to influence the development of written policies and codes of conduct, make them accessible to tenants, and ensure they are kept up to date and fit for purpose. Registered Providers must also take steps to secure that those of their Services Providers' staff who are Relevant Individuals have the necessary skills, knowledge and experience, and exhibit the behaviours needed to deliver a good service.

39. Housing management qualifications will also be mandated for a sub-set of senior staff, senior housing managers and senior housing executives of both Registered Providers and relevant Services Providers. Qualifications must be Ofqual regulated or equivalent. They should also be at least a level 4 for Senior Housing Managers or a level 5 or foundation degree for Senior Housing Executives (higher level qualifications are also accepted).

40. The Policy Statement will also set out the criteria that the housing management qualifications must meet, including in relation to their course content. Course content criteria will be determined by whether the staff member manages delivery of general housing management functions, technical housing management functions, or whether they have a cross-tenure role (more detail is set out in Chapter 3 of the Policy Statement).

41. We assess that the course content requirements, once learnt by senior staff, will be the most effective method of driving culture change within Registered Providers. As staff who obtain these qualifications will cascade their SKEB to frontline teams, so tenants are more likely to be treated with respect and therefore feel listened to by providers. This will also improve tenant wellbeing, and minimise health and safety risks and therefore achieving the policy objective.

### **Implementation**

#### **When the arrangements will come into effect & monitoring arrangements.**

42. Through the Social Housing (Regulation) Act 2023 (SHRA) the Secretary of State has been given a power to direct the RSH to set a regulatory standard for the competence and conduct of all social housing staff. As outlined above, we consulted on this intervention in 2024 and we have now directed RSH to set the Standard, with the intention for it to come into force in October 2026.

43. Large providers will have three years to enrol in-scope staff on qualifications, and small providers will have four years. This will help improve professional standards swiftly whilst also enabling providers to manage the associated costs and risks. Providers will be able to split their staff into cohorts who can get qualified sequentially. This will spread the risks and costs of the intervention over a longer time period compared to a shorter timeframe for qualification

completion, therefore increasing how deliverable the measure is. More detail on these risks can be found in paragraphs 84-103.

44. RSH will be responsible for the ongoing regulation of the new arrangements. The Regulator takes an assurance-based approach to regulation which means it seeks assurance from providers as to their compliance with its standards. This is in line with its fundamental objectives as the Regulator has a duty to exercise its functions in a way that minimises interference and (as far as is possible) is proportionate, consistent, transparent, and accountable.

45. Where providers fail to meet outcomes required by the Competence & Conduct Standard, including applicable qualifications, it is expected that the Regulator will work closely with providers to address the issues identified. In line with its approach to regulation, where the outcomes of the Standard have not been delivered and the Regulator considers it appropriate, it also has the power to require the provider to produce and implement a Performance Improvement Plan, to be approved by the Regulator (see clause 29 of the SHRA).

46. Further details on how the Standard will be monitored can be found in paragraphs 121-131.

### **Monetised and non-monetised costs and benefits of each option (including administrative burden)**

#### **Option 1: Do nothing**

47. There are no monetised costs, or monetised benefits of this option.

48. There is a non-monetised benefit if this option is pursued. Compared to Option 2, it would maintain providers' and Services Providers' ability to decide how their workforce should improve their SKEB to improve service delivery. This may lead to a more tailored approach.

49. There are non-monetised costs of this option. As previously mentioned, evidence heard by the Grenfell Inquiry as well as feedback we have heard from tenants has demonstrated social housing tenants feel their housing related concerns are not being listened to by providers and that staff do not have the skills and knowledge needed to deliver good quality services. If this continues it could negatively impact on tenants' wellbeing, and there will be costs associated with risks to the safety and health of social housing tenants.

#### **Option 2: Implementing a broad outcome-based C&C Standard for staff in the social housing sector and requiring a specific sub-set of senior staff to have or be working towards housing management qualifications over three years for large Registered Providers (four years for small Registered Providers).**

##### Monetised Costs

50. The total cost of Option 2 is estimated to be £282.8m (PV terms) over 10 years. Of this, the ongoing cost is estimated to be £275.5m (PV terms) over ten years, with a larger portion of the costs concentrated in the first three years (see Annex A for a breakdown of annual costs).

51. The largest share of the costs for this option derives from the opportunity cost of staff time needed to complete the qualification. This cost represents the lost services output the staff would otherwise have produced doing their day job for the hours needed to complete the qualification. With staff working less than they otherwise would have done, Registered Providers will need to address short term gaps in provision. In order to value this lost output, we have used the hourly earnings of Senior Housing Manager and Senior Housing Executives from the Annual Survey of Hours and Earnings. The hourly wage of staff reflects the value of the output



they produce as it is the amount Registered Providers are willing to pay for their labour. As is standard in impact assessments, this was uplifted by 1.202 to include non-wage costs. The opportunity cost is reflective of both lost output if the Registered Provider does not choose to hire a replacement for the staff member undertaking the qualification, and also the wage and non-labour (e.g. pension) costs of those who do choose to hire extra staff, though it does not include any recruitment costs this latter option may incur.

52. However, as we do not know how providers will address short term gaps in provision to replace those undertaking the training, this has not been monetised. The minimum total qualification time needed to complete a level 4 or 5 housing qualification is 195-360 hours in the first year of the standard coming into effect, 158-240 hours in the second year, and >120 hours<sup>20</sup> in third year onwards.

53. For the first year, the calculation of the time taken to complete qualifications is based on the total qualification time estimated for the current level 4 and level 5 courses on the market, provided by CIH and Innovative Awarding. For the second year, this has been calculated by taking the average between the minimum hours in year one and the minimum requirement set by the policy statement of >120 hours by year three. This will serve to reduce the minimum time gradually, as it is possible that in the longer term, qualification providers will offer shorter courses in response to the >120 hour minimum qualification time. Total qualification time is comprised of guided learning and hours that a learner can reasonably be expected to spend in preparation, study or participation in education. Based on hourly labour costs of £35.66 for Senior Housing Managers and £54.35 for Senior Housing Executives in 2024, including the non-wage uplifts, we would expect an opportunity cost of around £4,300 per manager and £6,500 per executive based on the minimum learning time required (>120 hours).

54. We have estimated the number of staff in scope of the qualification requirements using data gathered during consultation. This data enabled us to estimate the total number of staff within PRP, LA, ALMO and third-party organisations, before removing those already qualified or not in scope. We estimate that approximately 30,000 staff will need to gain, or be working towards, a qualification over the ten-year appraisal period, of which approximately 16,000 staff would need to gain, or be working towards the qualification within the first three years. Based on the total number of staff in scope of the policy and net of those already sufficiently qualified we expect a total opportunity cost of £211.8m for PRPs and ALMOs, £36.7m for local authorities (LAs) and £12.1m for Services Providers in undiscounted terms.

55. If any of the three assumptions listed above are altered downwards, the opportunity cost of the C&C Standard will be smaller than our headline figure. Additionally, we have taken the conservative assumption that all learners will not have undertaken any previous training that will enable them to skip modules or otherwise carry out the course in less than the maximum time. Engagement with the sector suggests that some staff will be able to complete their qualifications in less than the hours specified.

56. There are also costs to providers as a result of enrolling their staff on the courses. These costings have been updated in this final stage impact assessment to reflect updated figures to between £148 and £2,500 for a level 4 course, and between £188 and £2,995 for a level 5. From the data we received through the consultation, we estimate 16% of staff in scope will plan to meet the requirements by completing an apprenticeship programme.<sup>21</sup> This will substantially lower the cost to their employers as such courses can be partly funded by the employer's

<sup>20</sup> For the purpose of our analysis we assume the minimum is 120 hours, this therefore may slightly underestimate costs.

<sup>21</sup> This was calculated by drawing upon only those responses to the consultation from registered providers and services providers where quantitative data was provided on: the number of staff which plan to meet the requirements by completing an apprenticeship programme with a qualification element; and the number of individuals within the organisation that are assessed to be in scope of the qualification requirements. Respondents who provided a higher number of staff which plan to complete an apprenticeship programme than the total staff they have assessed to be in scope were excluded from the data set.

apprenticeship levy. For employers who do not pay the apprenticeship levy (those who have an annual pay bill of £3m or less), we are aware that a 5% contribution to the cost of training, amounting to £450 per apprenticeship, is required. Approximately 98% of employers in the UK do not pay into the levy, therefore we have assumed that there will be a £450 cost for every apprenticeship undertaken as a result of the new standard, recognising that this is likely to be an overestimation.

57. Based on the total number of staff in scope of the policy and net of those already sufficiently qualified we expect a total enrolment cost of £32.4m for PRPs and ALMOs, £5.8m for LAs and £1.9m for Service Providers in undiscounted terms.

58. Finally, we have updated our one-off familiarisation costs as ~62% of respondents in our consultation either disagreed with or said that they did not know whether they agreed or disagreed with the familiarisation and implementation costs that were set out in consultation stage Impact Assessment. Familiarisation costs take into account the time needed for an organisation to learn about and understand new regulations, systems, or procedures. In this context, the costs relate to the time organisations will take undertake tasks such as reviewing policies and existing codes of practice, developing communications plans for staff and services providers (where applicable), determining which staff are required to do the qualification, and reviewing their service delivery plans. Some Registered Providers who responded to the consultation stated that we had undervalued the familiarisation costs in our initial impact assessment. We have used the feedback from the consultation to refine these costs. We expect familiarisation costs of £7.3m in year one, based on 5-10 working days of familiarisation time per small provider, and 20-30 working days for a large provider for implementing the broad Standard and qualification element. This accounts for the time needed to update working practices and make necessary arrangements such as reviewing or developing policies or codes of conduct, developing a communication plan for staff and Service Providers, procuring training and determining who is in scope of the qualification and service planning. Of this familiarisation time, 25% will be executive time and 75% senior manager time.

### Non-Monetised Costs

59. There will be costs to landlords if obtaining qualifications results in higher wages for staff. However, this would also be a benefit for staff – this is discussed in the ‘Switching Value Analysis’ section on page 19.

60. There will be costs associated with the negative impact this could have on recruitment and retention in the social housing sector where this is already a key concern. As of January 2023, research indicated 48% of 100 housing associations regard staff recruitment and retention as a strategic risk due to labour and skills shortages.<sup>22</sup> This is further illustrated in the Inside Housing Staff Survey, where 40% of respondents identified recruitment and retention as the biggest organisational risk, and outlined that staff wellbeing was a factor contributing to retention, whilst issues with recruitment and retention could contribute to low staff morale.<sup>23</sup> Through the consultation, some landlords raised concerns that the policy will cause further strain on recruitment and retention, particularly as they may lose experienced senior managers close to retirement. This would lead to a cost to the sector associated with recruitment. 80% of LA respondents in the LGA’s Professionalisation of the Social Housing Sector Report<sup>24</sup> also anticipated moderate or great disruptive impacts on their recruitment and retention as a result of the intervention.

<sup>22</sup> <https://www.insidehousing.co.uk/insight/the-inside-housing-risk-register-survey-79623>

<sup>23</sup> [Inside Housing - Insight - Revealed: housing officers' top priorities](#)

<sup>24</sup> [Professionalisation of the social housing sector | Local Government Association](#)

61. There may be an opportunity cost where investment needed to meet the C&C Standard requires pulling funding from existing budgets currently used for other sources of expenditure. These other sources might include training for other staff (including frontline staff who are engaging with tenants on a day to day basis and therefore should be appropriately trained). We have not provided an estimate for this as this will be dependent on providers' current private training budgets, their current policies, and the extent that current policies must be amended.

62. We are also aware that the costs of the qualification element may pull investment from budgets to meet the broader C&C Standard, that apply to all staff. We cannot provide an estimate for this as this will be dependent on providers' current unpublished training budgets.

63. We are aware of an indirect cost of the policy should providers address short term staffing gaps by backfilling those undertaking the training. This would lead to additional recruitment costs as well as increased national insurance contributions due to the additional workforce headcount for providers. We have not monetised this cost because the extent to which providers will respond to the policy in this way is unclear. Additionally, this would not be a direct cost to business as Registered Providers are not obliged to hire more staff as a result of the C&C Standard.

### Monetised Benefits

64. We have not included monetised benefits within our headline analysis. There will be benefits accrued by staff who achieve qualifications, in the form of higher wages and improved employment outcomes, and also productivity/spillover benefits on co-workers and firms. However, part of these benefits would be offset by landlords paying higher wage costs (which was reflected in consultation responses).

### **Switching Value Analysis**

65. The Department for Education (DfE) calculate the returns to different types of education<sup>25</sup> (level 4/5 qualifications in this case) based on increased wages, improved employment outcomes, and non-wage productivity/spillover benefits.

66. These benefits would apply to senior staff who enrol and complete the qualification element through this option. However, the increase in wages that the staff benefit would be offset by an equal and opposite cost to providers facing a higher wage bill in this assessment. Unfortunately, we are unable to disaggregate the total return to education to remove the component relating to increased wages.

67. Given that it is not possible to disaggregate the benefit components, we present switching analysis to determine the proportion of the returns to the qualification that are required to be non-wage related in order for the NPV to be zero.

68. DfE estimated the NPV per enrolment in a Level 4 and 5 qualification for somebody aged 24+ to be £23,000 in 2018-19 prices. This figure is net of those who drop out before completing their qualification and is a lifetime estimate, so must be adjusted before being used in our estimates. DfE advised MHCLG that the annual value of returns to a completed Level 4/5 qualifications is £2,000 in 2018/19 prices, which is £2,595 in 2025 prices. Assuming this return, and assuming that benefits begin to fully manifest the year after the employee completes their qualification (for example, a worker who enrolls in year 1 does not see any increase in

<sup>25</sup>

[https://assets.publishing.service.gov.uk/media/67adc0ba69d39abb04adce22/The\\_net\\_present\\_value\\_of\\_further\\_education\\_in\\_England\\_2021\\_to\\_2022\\_.pdf](https://assets.publishing.service.gov.uk/media/67adc0ba69d39abb04adce22/The_net_present_value_of_further_education_in_England_2021_to_2022_.pdf)

productivity until year 2) we would estimate £363.3m in productivity benefits (PV) of this option over the 10-year appraisal period.

69. It is unclear what proportion of this benefit occurs via the three elements; increased wages, improved employment outcomes, or spillover effects on productivity. From a societal perspective, the benefit of increased wages would be offset by the equivalent increased cost for landlords. Therefore, the only additional benefit would be improved employment outcomes (assuming these are long-term, given staff are already employed), or spillover effects for co-workers and firms. **Our switching analysis therefore calculates the proportion of benefits which need to occur in the two latter categories to offset the societal costs to be 78%.**

### Non-Monetised Benefits

70. We expect the benefits discussed in the above section to manifest in multiple ways from the qualification element of the C&C Standard, examples of these benefits include improvements in:

- a) **Complaints:** The Housing Ombudsman in 2023-24 received over 8,000 complaints that were escalated for formal investigation, representing a 60% increase from the previous year.<sup>26</sup> We anticipate that the qualification element of the C&C Standard will drive culture change of staff and management of service to tenants, equipping them to tackle issues with tenants more effectively so the standard of service as well as the handling of complaints is improved. This should therefore likely reduce the number of complaints received and escalated by HOS regarding poor service. For example, the Policy Statement outlines criteria for the content of the qualification including engaging effectively with tenants and delivering respectful and professional housing services. We expect this knowledge to be cascaded amongst the workforce therefore causing an improvement in service quality and more effective handling of the complaints which are made.
- b) **Repairs:** The most recent data from the English Housing Survey 2022-23 relating to satisfaction with repairs shows that private renters were more likely to be satisfied with the repairs and maintenance carried out by their landlord (76%) than social renters (64%).<sup>27</sup> We expect that the C&C Standard may contribute to an improvement in satisfaction with repair work as staff in the sector will be better equipped to develop more effective processes for the management of repairs and be more likely to deal professionally and respectfully with tenants when they arrange and carry out repairs. Alongside other measures, the C&C Standard should therefore contribute to a lasting improvement in the quality of repair work.
- c) **Rent Arrears:** The English Housing Survey 2023-24 shows that 15% of social renters were either in arrears or had been arrears in that year.<sup>28</sup> We anticipate that the Standard, amongst other reforms, may contribute to a further reduction in this percentage. This is because the qualification element will improve the skills and knowledge of senior staff to design more effective policies around income recovery and managing arrears that guard against tenants remaining in arrears for an extended period of time or assist tenants in avoiding being in rent arrears. We do recognise difficulties in establishing causative effect here, as there are wider factors which may have a greater impact on rent arrears such as increases in inflation and cost of living.
- d) **Anti-Social Behaviour (ASB) Cases:** The Social Housing Quality Programme: Residents Survey 2022 Report also shows that 26% of tenants had been affected by anti-social behaviour in the previous 12 months. 69% of these tenants reported it to their landlord, and amongst those, 54% were dissatisfied with the landlord's handling of the

<sup>26</sup> [Annual Report and Accounts \(ARA\) 23-24 | Housing Ombudsman](#)

<sup>27</sup> [English Housing Survey 2022 to 2023: satisfaction and complaints - fact sheet - GOV.UK \(www.gov.uk\)](#)

<sup>28</sup> [English Housing Survey 2023-24: rented sectors - GOV.UK](#)

case.<sup>29</sup> We expect the Standard to contribute to the latter percentage decreasing as senior staff, through the qualification element, will be better equipped to design policies aimed at tackling ASB. In particular, we expect to see better process management of ASB cases. This is because ASB management is in scope of Housing Management Services as described in guidance accompanying the Policy Statement, and therefore managerial responsibilities relating to ASB management will be in scope of the qualification requirement. Additionally, we expect senior staff to cascade their resulting knowledge to frontline staff, of for example the ASB legal framework, so they can effectively respond to cases when they arise.

*(N.B. As noted throughout, there are other external factors that may be more influential in the reductions in paragraph 70a-d and may lead to increases, so we will keep the benefits of the intervention under review, including monitoring other benefits, throughout the lifetime of the intervention.)*

71. As per the evidence set out above in this impact assessment, some social housing tenants feel their concerns are not being listened to by providers. The C&C Standard will professionalise the sector and improve the SKEB of staff within the social housing sector to deliver good quality, professional services to tenants including treating tenants respectfully when raising concerns, as providers will develop and train their staff to ensure they meet that Standard. This will lead to non-monetised benefits to their general wellbeing, and minimise risks to their health and safety.

72. We have also heard from engagement from stakeholders that it is possible in the long-term individuals will be drawn to the sector, therefore there may be an improvement in recruitment and retention. This would likely be because the qualification element would increase the status of the profession or may increase wages for qualified staff.

### Direct costs and benefits to business calculations

73. The costs to business of this policy are the share of costs that fall upon PRPs and Services Providers. Approximately 2 million households live in homes with a PRP landlord.<sup>30</sup> The table below outlines the total costs to businesses for option 2 in discounted terms:

	Option 2		
	PRPs (£m)	Services Providers (£m)	Total (£m)
Opportunity cost	£195	£11	£206
Enrolment cost	£29	£2	£31

### Risks and assumptions

#### Assumptions

##### Provider training (Option 1 only)

74. We are assuming that providers will not take sufficient action to improve the SKEB of their staff to the extent needed without new regulatory requirements. However, the vast majority of providers will have existing training budgets and make provision for training and development of staff which does or is intended to support the quality of service delivery. We have assumed this as the data shows service delivery standards are not improving despite providers' actions, as illustrated in paragraphs 1-21.

<sup>29</sup> Social Housing Quality Programme: Residents Survey Report executive summary - GOV.UK ([www.gov.uk](http://www.gov.uk))

<sup>30</sup> English Housing Survey, 2021-22

## Adherence to the regulation

75. We are assuming that a C&C Standard, including qualification requirements for specific senior staff, will be adhered to by providers, therefore realising the non-monetised benefits of Option 2, with the Regulator taking an assurance-based approach to regulation. This means it seeks assurance from providers as to their compliance with the C&C Standard.

## The number of staff in scope of the qualification element

76. We have assumed:

- a) There are 117,000 total staff who deliver social housing services employed by PRPs (such as housing associations, co-operatives) and ALMOs. These figures are taken from research the government commissioned from IFF Research in 2022.<sup>31</sup> Data from our consultation indicates that 9% of staff employed by Private Registered Providers and 4% of staff employed by ALMOs are Senior Housing Managers, and 6% of staff employed by Private Registered Providers and 2% of ALMOs are Senior Housing Executives.<sup>32</sup>
- b) There are 43,000 total staff who deliver social housing services employed by local authorities (LAs). This is taken from research the government commissioned from IFF Research in 2022. Data from our consultation indicates that 7% of LA staff on average are Senior Housing Managers and 2% are Senior Housing Executives.<sup>33</sup>

Average percentage of staff in scope of the qualification requirements:

	PRPs	ALMOs	LA
Senior Housing Managers	9%	4%	7%
Senior Housing Executives	6%	2%	2%

77. Given the exemption on Services Providers who do not deliver a comprehensive housing management service, we have assessed that there will now be significantly fewer Services Providers who could have staff in scope of the qualification requirements. Through stakeholder engagement, we understand that managing agents in a supported housing setting would usually manage a comprehensive housing management service on behalf of the Registered Provider and therefore are unlikely to be exempt. We have therefore assumed that there are 1,236 members of staff employed by those managing agents who will come into scope of qualification requirements under the new standard. This is based on data provided by stakeholders on the estimated number of managing agents operating in the supported housing sector who are not also Registered Providers (562). An estimated 40% of these are defined as 'small' for which we have made an assumption that each one will have one staff member who needs to be qualified, and an estimated 60% are defined as 'larger', with at least three members of staff who must be qualified.

78. We have assumed that, after the Transition Period, there will be an increase of 2,000 qualification enrolments each year as a result of the policy. We have assumed that that the enrolments will be split proportionately amongst PRPs, local authorities and Services Providers.

<sup>31</sup> Annex F – The Social Housing Professionalisation Review Report

<sup>32</sup> This was calculated by drawing upon only those responses to the consultation from registered providers and services providers where quantitative data was provided on: the total number of employees and officers in total in the organisation; the number of individuals who are assessed to be senior housing managers; and number of individuals who are assessed to be senior housing executives. One response was excluded from the calculation because the number of individuals in scope of the qualifications requirements was greater than the total number of employees and officers provided by this respondent.

<sup>33</sup> Ibid.

*(N.B., We recognise that ALMOs are Services Providers, however, the data available included PRPs and ALMOs together. We have therefore included any cost estimations and assumptions attributable to ALMOs throughout this Impact Assessment along with PRPs. Any costs attributable to Services Providers do not include ALMOs.)*

The percentage of Senior Housing Managers and Senior Housing Executives who already hold a relevant qualification in the social housing sector

79. Using the feedback we received from our consultation, we received a total of 105 responses to Q38 and found that on average 26% of staff are in scope already have the qualification (this average applies to both senior housing managers and senior housing executives).<sup>34</sup>

	PRPs	ALMOs	LA	Services Providers
Already qualified (%)	19%	24%	32%	0

- For PRPs 19% of staff in scope are already qualified on average, and for ALMOs 24% are qualified.
- For LAs, our consultation found that on average 32% of people in scope of qualification are already qualified.
- We received minimal data in our consultation on Service Providers and have assumed that none of the staff employed by Services Providers who are in scope are already qualified. We also have no accurate data to assume a percentage for this set of senior staff therefore we have assumed that 0% are already qualified (however, this is likely to be an underestimation).

Cost of the qualification element

80. We have assumed:

Qualification	Cost – Lower Estimate (£)	Cost – Higher Estimate (£)
Level 4	148	2,500
Level 5	188	2,995

- Both assumptions are made from internal research of the qualifications market, observing 15 qualifications training centres at the time of writing for the CIH Level 4 Certificate in Housing and the CIH Level 5 Diploma in Housing.

Time taken to complete the qualification element

81. We have assumed, in year 1 of the policy:

Qualification	Time (hours)
Level 4	195 - 360
Level 4 Apprenticeship	496
Level 5	380 - 385

<sup>34</sup> This was calculated by drawing upon only those responses to the consultation from registered providers and services providers where quantitative data was provided on: the number of staff which already possess a qualification; and the number of individuals within the organisation that are assessed to be in scope of the qualification requirements. Respondents who provided a higher number of staff which are already qualified than the total staff they have assessed to be in scope were excluded from the data set.

82. For the level 4 qualification the assumption is based on a new course being offered by the awarding body Innovate Awarding, which estimates the course time as 195 hours. For the level 4 apprenticeship qualification the assumption based on the typical duration of a level 4 senior housing and property management level 4 apprenticeship (18 months) and incur 20% of the average 36.4-hour working week in off-the-job training).<sup>35</sup> For the level 5 qualification the assumption is based on the CIH's estimated total qualification time for the CIH Level 5 Diploma in Housing and for Innovate Awarding's Level 5 Diploma in Executive Housing and Property Management.

83. As noted in our policy statement, we require in scope staff to undertake qualifications which have a minimum total qualification time of >120 hours. We expect qualifications providers in time to converge around this minimum requirement, offering courses with this duration (new qualifications have already entered the market since the consultation). However, we recognise that the minimum of >120 hours is lower than any courses that providers are offering at this time of writing, and it may take time for providers to offer courses which align with this minimum requirement. We will therefore assume for year 1 of the policy that the minimum course time will be the minimums that currently exist, and reduce the minimum down to >120 hours<sup>36</sup> over 3 years, anticipating that by the third year of the standard being in place, relevant qualifications with >120 hour durations will be on the market. This will be set out as follows:

<b>Year</b>	<b>Minimum time</b>
Year 1 (From October 2026)	195 - 360 Hours
Year 2 (From October 2027)	158 - 240 hours
Year 3 (From October 2028)	>120 Hours

## Risks

### Availability of qualification courses

84. We have heard through our consultation that the sector has concerns regarding whether there will be sufficient courses available for all staff in scope to meet the qualification element of the Standard. This is because they are concerned that the number of courses available may not be able to meet peak demand when the Standard comes into force.

85. To mitigate this risk, we are setting a Transition Period from the date that the Standard comes into force, to allow sufficient time before all staff in scope are required to have or be working towards qualifications. We have engaged with qualifications providers so that they understand the expected timeframes. This will give the qualification provider market time to build their capacity and capability to deliver more courses for staff to undertake qualifications. This is in addition to the standard itself not coming into force until October 2026, more than a year after we have directed RSH to set the standard.

86. Our engagement with existing qualification providers has indicated that they are already planning for how and when they will need to provide increased capacity, including in the event of the two-year Transition Period as per the 2024 consultation, and some providers are confident they can meet demand. Based on estimates of housing management qualifications and validated degrees awarded over the past five years we are forecasting overall demand to increase to an estimated initial hump of 8,000 qualifications a year in the first three years, to manage needs in the sector during the implementation phase, before lowering to 2,000 a year.

<sup>35</sup> Average actual weekly hours of work for full-time workers (seasonally adjusted) - Office for National Statistics ([ons.gov.uk](https://ons.gov.uk))

<sup>36</sup> For the purpose of our analysis we assume the minimum is 120 hours, this therefore may slightly underestimate costs.



### Negative impact on recruitment and retention

87. Some Registered Providers have noted that the qualification element will make the social housing management profession more attractive for new entrants, and could, in the long-term, lead to improvements in recruitment and retention. However, as outlined above in this impact assessment, we also know that Registered Providers are concerned that introducing the qualification element will lead to a negative impact on recruitment and retention.

88. They are concerned some staff will be unwilling to engage in a qualification, particularly staff who already have a partially relevant qualification which does not meet the criteria we will set, or those with long standing experience who possess relevant skills and knowledge but do not have a qualification, and that such staff may leave the sector. There is also concern that qualifications requirements may make it more difficult to recruit new staff.

89. To mitigate this risk, we have focused the qualification element on a specific sub-set of senior staff (Senior Housing Managers and Senior Housing Executives) rather than on all frontline staff. From our consultation we believe that around 12% of their staff will need to be qualified. This maintains a lower barrier to entry in the sector for most prospective staff, and should reduce the negative impact on recruitment overall.

90. In addition, we are not requiring within our Policy Statement that staff should already hold a housing management qualification at the point of recruitment. Therefore, in order to successfully apply for a Senior Housing Manager or Senior Housing Executive position, it is not required that staff should already be qualified. Providers have the option to enrol and support their staff to work towards a qualification once in post.

91. We have also engaged with the qualification provider sector who will often have systems in place for recognising prior learning which may allow some staff to be exempted from certain modules of the qualification if they can evidence that they have met the learning outcomes and assessment criteria.

92. Stakeholder engagement highlighted that providers had concerns that staff who had an existing technical qualification needed for their role would have to undertake a completely new and sometimes less relevant qualification. Following feedback to the consultation, we have set course content criteria of required qualifications depending on the type of role, specific to general housing management roles, technical roles and cross tenure roles. This means that staff can undertake courses best suited to their particular type of role.

93. This will further reduce impacts in terms of opportunity cost and the cost of qualifications as it will avoid staff unnecessarily undertaking a full new qualification. It will also reduce pressures on landlords when it comes to recruitment and retention issues. However, it will still ensure that all the required course content is covered include the essential soft skills needed to deliver respectful and professional services to tenants.

### Funding implications, opportunity costs and rent rises

94. We have also heard from providers that they have concerns regarding funding the qualifications requirements for staff in scope, as well as the opportunity cost of the working hours that providers will lose from their staff whilst they are undertaking the appropriate qualifications.

95. The qualification element is expected to be funded by providers, and we are aware of a risk that providers choose to fund the qualification element by reducing spending elsewhere e.g.,

pausing improvements to current housing stock. We have not monetised further opportunity costs (such as a reduction in repairs and maintenance spending), given the inclusion of the monetised cost with respect to staff time.

96. To help mitigate against these risks, we are setting a Transition Period within which staff in scope must have, or be working towards, qualifications. This transition period is set at 3 years for large providers, extended from 2 as proposed in the consultation, as feedback indicated more time was needed to allow the sector to adequately prepare for the standard whilst providing a good service to tenants. This sets a clear expectation that providers must take steps to get their staff qualified within an ambitious timeframe, however it also extends the time period for enrolling on the qualification, therefore reducing the cost of qualifying staff per year for providers. This is because providers with multiple staff in scope can qualify staff in smaller cohorts, and therefore pay for fewer qualifications per year than if they had to make sure all staff in scope had achieved their qualification within a two year period.

97. Whilst we are not setting a requirement for any specific percentage of staff in scope to be enrolled by a certain point within the transition period, we will be encouraging landlords to ensure their staff are enrolled in good time, to prevent qualifications being sought at the latest possible opportunity, and ensure landlords are moving to rapidly upskill their staff.

98. Furthermore, staff in scope will only be required to begin a course in pursuit of the relevant qualification after 12 months in a relevant role. This will make it more manageable for landlords in terms of their workforce planning, for example using temporary promotion as a tool to upskill staff or provide maternity cover. It provides assurance to landlords that they will see the benefit of their investment in staff (by funding qualifications), as short term temporary staff will be less likely to remain in a relevant role/s.

99. We are also aware of the effect that the qualification element may have on the wages of senior staff within the sector, with employers potentially coming under pressure to pay senior staff higher wages if they hold a relevant qualification. This is discussed in our monetised benefits, monetised costs and switching value analysis sections.

### Service delivery risk

100. We are aware that the qualification element of the C&C Standard will mean that these staff will have their hours spent managing delivery of housing management services reduced by up to 8 hours per week. This could present a service delivery risk for providers should large numbers of staff be taking this time out at once; it could be difficult to find cover especially if multiple staff are taking time out to undertake qualifications at the same time, and this may disrupt services to tenants.

101. As above, we have mitigated this risk by setting a Transition Period, with a requirement set around enrolment of senior staff onto qualifications. This reduces the impact of reduced working hours because providers with multiple staff in scope can qualify staff in smaller cohorts over a longer period of time, and will therefore have fewer staff taking time away from their roles each working week.

### Risks to volunteers

102. We are also aware that the qualification element of the C&C Standard would pose a significant risk to volunteers working in the sector and volunteer-led organisations such as charities and alms-houses who do not have staff or are run either fully or solely by trustees or volunteers. The added financial pressures of qualifying volunteers in scope could threaten the viability of volunteering in the sector, as well as the viability of these organisations and may lead

to closures.

103. The requirements apply to employees and officers, so for the most part volunteers are not in scope as they are not employees, but some unpaid volunteers, such as trustees and board members, may be officers. To mitigate this risk, we have outlined in our Policy Statement that individuals in scope of the qualification element cannot be unpaid volunteers. This would limit service disruption to tenants and will likely significantly reduce the risk that this measure would lead to the closures of some of these organisations. We recognise that it would not be practical or proportionate to expect volunteers who may already be undertaking their role in their personal time in addition to paid employment to also undertake a qualification.

### **Impact on small and micro businesses**

104. The Standard we are introducing will impact small and micro-organisations. We are including small and micro-organisations within scope of the standard, as exempting them could lead to the C&C Standard not being applied consistently across the sector and small and micro-organisations, who are providing a poor-quality service, could continue to cause costs to tenant wellbeing, and costs associated to their risks to tenant health and safety.

105. As such, we have assessed that those who provide less than 1,000 units of social housing stock in particular are likely to be disproportionately affected by this new regulatory Standard. This is because they are more likely to have a smaller number of managers overall and a larger proportion of their managers may be in scope, meaning that absences will have a larger impact on the organisation. Also, their small size will mean that the initial cost of the qualification will be more difficult to manage.

106. Our engagement has indicated that small and micro-organisations such as cooperatives, and small alms-houses may be disproportionately affected:

- a) The Confederation of Co-operative Housing state that there are 223 Registered Provider housing co-operatives equating to a stock total of around 20,000 homes, and their members usually manage around 50-80 properties per co-operative. They have also indicated that there are approximately 500 homes run by co-operatives which are entirely run by volunteers.
- b) Alms-houses could also be affected. There are 266 alms-houses who are Registered Providers and about half have paid staff. The majority of alms-houses are run entirely by volunteer trustees (approximately 5-8 trustees per charity). The average size of an alms-house charity is 8 units, and 80% of alms-house charities have fewer than 20 homes. 60% have fewer than 10 homes.

107. Stakeholders have raised that introducing this Standard may be disproportionately burdensome for these micro-organisations. Therefore, the consultation proposed that small providers (<50 units of stock) would have double the transition period. This would help to mitigate some of the financial pressure the qualifications requirements will pose to small and micro-organisations which could pose a risk to the financial viability of these providers. However, many landlords and their representatives that responded to Q23 thought that the 50 units threshold was too low. ~36 % of Registered Providers and Services Providers (and ~23% of all respondents) who provided a free text box response said that the threshold should be higher 50 units.

108. The most common suggestion for an alternative to the 50 unit threshold was 1,000 units. as it would align with the Regulator of Social Housing's definition of small providers. This means that there would be a consistent regulatory approach in terms of how standards are applied across the sector. We have refined our policy so that those organisations with less than 1,000 units will have a longer (four year) transition period than larger providers, this will ensure that

organisations with smaller numbers of staff are not disproportionately impacted by these requirements as they will be able to split the costs and loss of staff working hours over a longer period. The same adjusted Transition Period will apply in relation to Services Providers where they deliver Housing Management Services to a Registered Provider who provides 1,000 Social Housing Units or fewer. This reduces burdens for small and micro-organisations by:

- a) Giving them a longer time-period to prepare for enrolling staff in scope, reducing the burden of finding cover for loss hours and raising the financial means to pay for the qualification;
- b) It could further spread the cost of qualifying staff over a longer period, therefore reducing spending on staff undertaking qualifications per year so poses less of a financial burden;
- c) It could also spread the loss of senior staff working hours over a longer period. (e.g., small, and micro- organisations with multiple staff in scope could qualify staff in very small cohorts making it easier to find cover for lost hours).

109. To note, we have not factored in the impact of the longer Transition Period for small providers into our calculations of monetised costs to the sector. 97.4% of stock is owned by providers with >1000 units who would still need to comply with the shorter three year period. Therefore, we have assumed that a low percentage of the social housing workforce are employed by providers who provide less than 1,000 units of stock.

## **Wider impacts (consider the impacts of your proposals)**

### Equalities

110. The key positive impact of the C&C Standard is that it will improve the SKEB of staff within the social housing sector to deliver good quality, professional services to tenants and treat tenants respectfully when raising concerns, as providers will put in place policies and procedures to ensure their staff meet higher standards. As a result, they will provide a better service to tenants which will benefit their general wellbeing, and minimise risks to their health and safety.

111. Data from recent English Housing Surveys (EHS) show that this will have a greater than average positive impact on women, people with disabilities and people from ethnic minority backgrounds, because these groups are all more likely to live in the social rented sector. This includes the other protected groups as the increased SKEB of staff in the social housing workforce is expected to increase the quality of services for all tenants.

- a) The English Housing Survey (EHS) for 2022-23, Social renters being predominantly female (56%, or 2.2 million) and private renters predominantly male (55% or 2.5 million). Allocation criteria for social rented homes means those more likely to be eligible for social housing are those with lower incomes and lone parents, attributes which are more prevalent among women.<sup>37</sup>
- b) The EHS for 2023-24 shows that 59.3% of households who are social renters contain at least one person with a disability or long-term illness compared to 30.4% of private rented households.<sup>38</sup>
- c) In 2023-24, among social renters in England, 21.2% of the HRPs are people from ethnic minority backgrounds. This is similar to the proportion in private rented (30.2%), and greater than those living in owner occupied households (11.1%).<sup>39</sup>

<sup>37</sup> [English Housing Survey 2022 to 2023: rented sectors - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-rented-sectors)

<sup>38</sup> [2023-24 EHS Headline Report Chapter 1 Profile of households and dwellings Annex Tables.ods](#)

<sup>39</sup> [Chapter 1 Annex Tables.ods \(live.com\)](#)

112. The C&C Standard is expected to have a net neutral or slight positive impact for protected groups in the social housing sector's workforce. This is because the C&C Standard will increase the SKEB of the workforce and mean Senior Housing Managers and Executives in the workforce, as well as future position holders of these roles, gain a qualification. This is expected to boost relevant individuals' employability and as such will have a disproportionately positive impact on those groups from protected characteristics who are disproportionately represented in the social housing workforce – available data suggests that the sector employs a higher percentage of people from a minority ethnic background than the percentage of people from these backgrounds in the working age population, and a higher percentage of women compared to the percentage of women in the working age population.<sup>40</sup>

113. We are aware that the qualification element included in the C&C Standard may have slight negative impacts for protected groups within the workforce such as those who are women, disabled, or pregnant and those taking maternity leave. These impacts could be due to the added academic and time responsibilities incurred by the qualification. We have mitigated against this negative impact partly by allowing those who are scheduled to be absent from work for an extended period, e.g., due to sickness or maternity leave, to enrol on qualifications after their extended period of leave. Based on the feedback we received from the consultation, we have also made it clear that staff who have a disability (as defined by the Equality Act) will have longer than the 2-year limit to complete qualifications if needed. Those individuals will be required to complete the qualification as soon as reasonably practicable.

114. We have conducted a full Public Sector Equalities Duty (PSED) analysis and assess that risks to protected groups will not have a disproportionate negative impact upon them. We are confident that we have put adequate measures in place to mitigate against identified risks of disproportionate impacts on groups with protected characteristics within the social housing workforce.

### Wider Impacts to Individuals

115. Staff of providers may be adversely affected by the additional cost of the qualifications for staff in scope, and potential additional costs should existing staff who become qualified seek higher wages as their qualification enhances their employability. These additional costs may leave providers less resource to spend on employment costs i.e., employee benefits and recruitment.

116. There would likely a benefit to individual staff in terms of the enhanced SKEB afforded to the workforce; this may improve the employability of staff. As previously mentioned, these staff may seek higher wages as a result of the qualification and receive a financial benefit.

### Impacts to the Environment

117. There may be an indirect environmental impact. If providers' costs increased significantly this may result in them spending less on improving the energy performance of their properties.

### Indirect Impact to Business

118. There will likely be a positive impact on training and qualification providers who will benefit from increased demand for their services.

### Impacts to Market

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<sup>40</sup> National Housing Federation - How diverse is England's housing association workforce in 2023?

119. The market for housing management qualifications will likely see increased demand as providers seek to qualify staff in scope. We will likely see existing qualification providers benefit from increased demand for their services initially, then potentially new qualification providers entering the market to meet this demand.

### **A summary of the potential trade implications of measure**

120. We have not identified any potential trade implications.

### **Monitoring and Evaluation**

121. The Regulator of Social Housing (RSH) will be responsible for regulating and making sure that Registered Providers deliver the outcomes of their Standard.<sup>41</sup> RSH will regulate the Competence and Conduct standard in the same way it regulates all its standards, in line with its statutory objectives as set out in the Housing and Regeneration Act 2008 and regulatory principles as set out in their guidance. The RSH is co-regulatory, risk based, and assurance based.

122. RSH regulates standards at the landlord level and focuses on how well the landlord is delivering the outcomes of the standard. They will look at the processes and controls a landlord has in place to deliver these outcomes, including how they monitor their delivery. They will also seek evidence to provide assurance that landlords are taking appropriate action where there are failures to deliver the outcomes. They may follow up with a landlord where the evidence they provide has gaps and/or is conflicting.

### **Regulating its standards through judgements.**

123. RSH regulate smaller and larger landlords differently. For large landlords (those who own 1,000 or more social homes), they will publish a regulatory judgement which is RSH official view of the landlord they have inspected, the judgement will grade the landlord following a programmed inspection. RSH does not perform programmed inspections of smaller landlords (those who own fewer than 1,000 social homes).

124. Where small providers are considered to have serious weaknesses or failings in the way they are meeting the outcomes of the standard, they may publish or update a regulatory judgement to reflect this. More detail on RSH's approach to regulating its standards is set out in their guidance.<sup>42</sup>

### **Powers**

125. RSH can use their powers to hold the landlord to account, where there are serious failings in a landlord delivering the outcomes of the standards. RSH can use their powers in circumstances where self-improvement had not succeeded, or where a register provider is unable or unwilling to respond positively or where a provider's approach is not appropriate.

126. RSH can apply what they consider appropriate power, or a combination of powers available, this could include de-registering a landlord, appointment of advisers, compensation.<sup>43</sup> When deciding whether to take regulatory action and what action it may take, the regulator will consider a range of factors. This could include the operating context, the scale and impact of the issue and how the landlord is addressing them.

### **Reviewing the success of overall policy**

<sup>41</sup> [How we regulate - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

<sup>42</sup> [Our role and approach to regulating landlords - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

<sup>43</sup> [Statutory guidance under s215 of the HRA 2008 - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

127. The government has publicly committed to a review of the new regulatory regime every four years, and we expect RSH to input their findings as part of this review. This intervention features amongst other interventions in a new regulatory regime including the introduction of proactive consumer regulation and the introduction of the Tenant Satisfaction Measures. We will engage with the review process to assess whether the C&C Standard's objectives have been met but will likely also independently review the following indicators.

128. We will monitor this through working with the Housing Ombudsman<sup>44</sup> to understand complaints levels and use the English Housing Survey<sup>44</sup> as well as data from TSM on satisfaction with complaints process' to demonstrate whether our standard has better impact on how landlords deal with tenant's concerns in a timely manner.

129. We will also expect to see an increase (in aggregate) of landlords' Tenant Satisfaction Measures scores on fair and respectful treatment over time. Of course, we note the likely fluctuations for these scores as they are in their early stages with a range of other factors which will impact them so we will keep this mode of evaluation under review. We will also monitor resident satisfaction data with service levels collected by the English Housing Survey<sup>45</sup> and other information sources.

130. We recognise that time will be needed for these ambitious reforms to be fully embedded. We will keep the new system under review and have committed to evaluating its effectiveness by 2028 (albeit noting this is before the end of the transition period), to ensure it is delivering the improvements needed to fundamentally shift how tenants are treated and create a fair and trustworthy system with tenants' views and needs at its heart.

131. We recognise that particularly with a suite of regulatory changes being introduced in the social housing sector, it poses a difficulty in isolating the effect of our intervention from the effects of other reforms across the sector. We will look at indicators of the wider changes we are bringing in across the together to build an overall picture of the improvements taking place and an understanding of whether our objectives are being met more generally. We will also look to isolate our monitoring to indicators which are focused on the outcomes of the intervention wherever possible, e.g., the number of complaints upheld regarding poor service or issues around the competence and conduct of staff. This will help us to identify whether the intervention may need to be amended. As mentioned, evaluation will be aligned with the timings of the cyclical review of the impact of the consumer regime.

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<sup>44</sup> [Annual Complaints Review 2022-23 | Housing Ombudsman \(housing-ombudsman.org.uk\)](https://www.housing-ombudsman.org.uk)

<sup>45</sup> [English Housing Survey 2021 to 2022: satisfaction and complaints - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

**Annex A - Breakdown of annual costs for providers****All costs £m, 2025 prices, and undiscounted**

Year	1	2	3	4	5	6	7	8	9	10	Total
Opportunity cost - LA	9.6	7.1	4.5	2.2	2.2	2.2	2.2	2.2	2.2	2.2	36.7
Opportunity cost – PRPs & ALMOs	66.0	47.2	28.4	10.0	10.0	10.0	10.0	10.0	10.0	10.0	211.8
Opportunity cost – Services Providers	3.0	2.4	1.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	12.1
Course cost - LA	0.9	0.9	0.9	0.4	0.4	0.4	0.4	0.4	0.4	0.4	5.8
Course cost - PRPs & ALMOs	5.9	5.9	5.9	2.1	2.1	2.1	2.1	2.1	2.1	2.1	32.4
Course cost – Services Providers	0.3	0.3	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.9