



# Regulator of Social Housing

## More and better social homes

Future-proofing our economic regulation

9 June 2026



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## More and better social homes

Everyone needs a safe, secure and decent home. But the housing market cannot provide enough homes at a price everyone can afford to rent or buy. As a country, we need social housing – that is, housing to rent or buy at below market rates for those who need it – to fill the gap. When delivered well, decent social housing in safe neighbourhoods protects and improves people’s health and wellbeing, as well as their access to education, work and local services. This benefits people living in good social housing but it also benefits society.

We need more and better social homes. Better homes so that everyone living in social housing has a safe, decent and suitable home. And more homes, so that more people benefit from the stability that a social home provides, which in turn provides more benefit to wider society. A vibrant and resilient social housing sector is also important for the wider housing market and economy. Social landlords can support the wider delivery of housing by reducing the risks to private developers, particularly on large sites. Social landlords that build and maintain homes support broader economic growth through construction, in the goods and services they buy, and the people they employ.

Social housing is a long-term investment with long-term benefits. A social home can last for several lifetimes if it is built and maintained well. Social housing is a good fit for investors who are looking for stable returns over the longer term and an investment that delivers public as well as financial value. This means that landlords who are responsible for creating more and better homes need to be in it for the long term.

Our regulation must encourage and incentivise landlords to deliver more and better social homes for the long term. If we are to achieve this, we need an increasingly efficient social housing sector that has development capacity and uses it, and improves safety and quality and manages its risks. And we need landlords who have a long-term commitment to the social housing they own and manage on behalf of the people who live there.

## Introduction

We intend to consult on revised economic standards in 2027. Before we do that, we want to start a conversation with our stakeholders about the changes, challenges and tensions that exist in the social housing sector. This document sets out for wider discussion our early thinking about how we could future proof our economic regulation to help the sector deliver more and better social homes. It looks at changes we could make to the way we regulate governance, financial viability, and value for money so that social landlords are better able to meet the challenges of the future. We explain why our economic regulation needs to change, the essential characteristics we think new and existing social landlords need to have, and how we might increase accountability and enhance our approach to regulation.

In April 2024, we introduced changes to our consumer regulation including revised consumer standards and a new approach to regulating all social landlords including local authorities. We do not intend to revise our consumer standards as part of our review of our economic regulation. They are already driving change in landlords, and we have seen housing associations, other private registered providers, and local authorities step up to improve the homes and services they provide. We will be continuing to expect all social landlords to deliver the outcomes in our consumer standards, they are vitally important for protecting tenants.

Our standards for governance, financial viability and value for money only apply to housing associations and other private registered providers, and so many of the ideas we put forward here are only relevant to these social landlords. However, we consider that the ideas we are putting forward about enhancing our regulatory approach could apply equally as well to regulating our consumer standards and the rent standard as they do to our regulation of governance, financial viability and value for money. This means that they are of interest to all social landlords, including local authorities.

## Contributing to the discussion

We want to hear from a wide range of stakeholders both about their ideas, and their views on our ideas and we will reflect on the feedback we receive and use it to inform our ongoing thinking. We will be engaging extensively and directly with stakeholders through meetings, and workshops but we also welcome written contributions to the conversation.

Each section contains prompts for discussion. These are also set out below.

### Discussion prompts 1: essentials for more and better homes

Please give your views on how we can further promote the essential characteristics of social landlords to deliver more and better social homes. We are keen to hear your thoughts about:

- ensuring social housing is central to all landlords
- independence and autonomy of landlords to protect tenants and social housing
- ensuring there are clear expectations of landlords that promote growth and resilience
- promoting good governance across all landlords
- protecting tenants and their homes in the case of failure
- enabling growth and new entrants with novel models or structures whilst protecting tenants, public funds and the value of the sector

### Discussion prompts 2: accountability for more and better homes

Please give your views on how we can further drive landlord accountability in the delivery of more and better homes. We are keen to hear your thoughts about:

- further scrutiny of landlords' plans and performance
- requirements for landlords to appraise their capacity and set themselves testing targets for delivery of more and better homes
- stress testing, flexes and mitigation plans
- ensuring disposal decisions are contributing to long-term growth

- going further to drive efficiency

### Discussion prompts 3: Regulating for more and better homes

Please give your views on our intention to become increasingly targeted in our regulatory approach. We are keen to hear your thoughts about:

- going further in targeting risk and using data and modelling to enable this
- more active regulation or enhanced requirements for some small and large providers
- regulating service delivery below landlord level to target localised failure
- being more assertive to address weaknesses and failure
- promoting collaborative innovation

We have developed an online form based on these prompts to make it easier for stakeholders to contribute. Further details about contributing to the discussion are provided in the Annex: Providing feedback.

Please provide any written contributions by **30 September 2026**.

## The case for change

In the decade since the last comprehensive review of our economic regulation, the social housing sector and the wider landscape in which it exists have changed substantially.

The sector has continued to grow in scale and complexity. It provides more homes, including by new entrants like for-profit providers. Its structure has changed too. There are fewer large landlords but, due to mergers and development, these landlords are bigger.

The sector has continued to deliver new homes. Mainly this has been achieved by housing associations, which have built around 550,000 homes since 2015, funded by commercial lending and government grants. For-profits have also started to play a role, delivering around 50,000 new homes. But they are still a relatively small part of the sector and have not yet had a transformative impact on supply.

Alongside the delivery of new homes, social landlords have invested significantly in existing homes. Partly in response to tragedies such as the Grenfell Tower fire, landlords have increased their repairs and maintenance spend to make buildings safer, make homes more energy efficient and tackle damp and mould, alongside other issues. In the past decade, the money they spend on repairs and maintenance each year has almost doubled, reaching £10bn in 2025.

Doing this has squeezed the sector's resources. And the wider economic context has added further pressure. This includes the major upheavals of the coronavirus pandemic, as well as global political instability and the economic shocks that followed, particularly higher rates of inflation and borrowing costs.

The sector remains attractive to investors with £140bn in borrowing facilities available to landlords. But these headwinds, combined with higher spending needs within the sector, have placed significant pressure on the sector's finances. As a result, margins are more than a third lower than they were 10 years ago. There have been more cases of landlords in financial distress being rescued by others. Together

with the wider trend of mergers, this has led to the concentration of more homes among fewer landlords.

While our economic regulation has been successful over the past decade, this markedly different landscape means that it now needs to change so that it can help the sector meet the challenges of today and the future.

The social housing sector is likely to remain under significant financial pressure over the next 5 to 10 years, so their governance and risk management must reflect the challenges they face.

As the regulator, we need to have robust plans for managing financial failure in the sector; one that protects tenants and public money and attracts private investment.

And, crucially, the sector needs to fulfil its role in building new social homes that meet a range of needs. We want the regulatory framework to support the provision of new homes wherever possible, including through more innovative routes.

The government has given major financial backing for new supply – which landlords have been asking for. The priority now is for the sector to adapt and innovate so it can deliver the step change needed. This will mean landlords thinking carefully about their risk appetite and adapting their business plans to reflect this.

We also want to ensure new entrants can come into the sector to deliver long term commitments to tenants and their homes. Beyond the initial delivery of homes, this will require all landlords to continue to invest in homes and services for the benefit of tenants.

In response to this environment, as a regulator we want to be:

- clearer about our expectations of landlords
- more risk based and targeted in our regulation
- getting and using high-quality data from landlords to support our decision making
- ready to use our powers where landlords cannot or will not put things right

## Essentials for more and better homes

**This section sets out ideas about the essentials that social landlords should have in common to deliver more and better social homes and for us to regulate them effectively under the following themes.**

- **Centred on social housing**
- **Independent and autonomous**
- **Financially sustainable**
- **Able to deliver effectively**
- **Capable of failing safely**

**It also looks at how organisations with these essentials can become social landlords, including ideas about group structure, support from parent organisations and the separation of legal and beneficial ownership of social housing.**

The social housing sector is more varied than it was in the past, and we want to encourage innovation and a more diverse range of landlords in the future. However, there are some essentials that social landlords should have in common if they are going to deliver the more and better homes that we need.

Setting out more clearly these essentials for delivering more and better homes will help potential new social landlords understand what we need from them and the wide scope they have for bringing fresh ideas to the sector. It should also give existing landlords greater clarity about our expectations. We think that it will help manage the tensions between allowing social landlords freedom to experiment and protecting tenants, social homes and public money.

We want to hear about ideas for new models, and how we can encourage good new social landlords. We are interested in any model that creates an independent, autonomous, and financially sustainable organisation centred on effectively delivering quality social homes and services. These essential features together with our robust regulation will help ensure organisations create real value through more and better social homes.

We recognise that despite the best efforts of everyone involved new models do not always work out as hoped. This means all models for social housing must be capable of failing safely if the worst happens financially so that tenants, social homes and public money are protected.

### Innovation and risk

Different approaches to financing landlords and delivering homes will have different risk profiles compared to the traditional not-for-profit model. Landlords may have less control over homes or be at greater risk of financial failure. Investors may assume that they will sell homes or whole landlords to realise capital gains. Existing landlords could increase their leverage or subsidise their development more. All of these increase the risk of tenants losing their homes and of homes being lost from the regulated sector.

We currently protect tenants and homes in the sector by trying to minimise the risk of financial failure and loss of homes through strong governance, risk management and structural expectations. We expect homes to remain in the sector for the long term and landlords to have control over them. We do this because we consider that it is the best way of meeting our fundamental objectives in the round. However, we could choose to be more permissive in our regulation and allow for a higher likelihood of financial failure and loss of homes. Doing this might enable more investment in more homes but we and all our stakeholders would need to be clear-eyed about the potential consequences. This includes the possibility that our existing regulatory tools would not be able to prevent or mitigate financial failure, loss to creditors, and loss of homes in higher-risk financing models.

**We are interested in views about how the risk to tenants and homes should be balanced against the potential for new homes. We would welcome ideas for how we could offer protection to tenants and homes if we and all our stakeholders accepted a higher level of risk.**

### Centred on social housing

For everyone to benefit from more and better social homes, all of us in the social housing sector must play our part. For every social landlord, that means creating and

delivering high-quality social homes and related services. Social landlords come in many different forms and sizes serving many different groups of people with different needs. But, if they are to be effective, then being a social landlord must be central to their business. Our experience has shown that organisations where social housing is too peripheral are more likely to want or need to make decisions that prioritise other objectives that are not in the best interests of current tenants, people on waiting lists, or wider society.

**We are considering introducing a requirement that sets out more clearly the central role social housing should take in a social landlord. This could be in relation to the proportion of social housing assets, or turnover, or it could take another form.**

**We are interested in views about whether in principle a requirement would help landlords to have the right focus on social housing and reduce the risk that non-social housing activity has a negative impact on social housing. We are also interested in how you think we could best deliver this outcome.**

### Independent and autonomous

A regulated social housing sector benefits current and future tenants, investors and landlords. Current tenants benefit by having better quality homes than they could otherwise afford and by having better protection for their homes if their landlord gets into financial difficulties. Future tenants benefit from well-maintained social housing they could move in to, including new homes landlords will be building. Investors – including lenders, equity investors and grant funders – benefit from our strong financial viability regulation which creates a stable, low-risk environment for capital. This in turn benefits landlords, who enjoy excellent access to funding and lower interest rates on loans due to our no loss on default record for secured creditors.

To be good custodians of people's homes, landlords need to have the right level of independence in their decision making and in how they operate as well as financial autonomy. They need this independence and autonomy so that they can make their own decisions – aligned to their social housing purpose, and in many cases their charitable purpose – and act on them to protect, and invest in, homes and services.

Many landlords depend on their funders' support to allow them to deliver services for tenants, maintain existing homes and build new homes. Some landlords also are part of wider structures with commercial or other aims, or where they do not have control over homes or financing. These stakeholders can have objectives that do not align perfectly with the needs of tenants and landlords.

We expect landlords to maintain their financial viability. When they cannot, we can only successfully step in and protect homes and tenants if there is enough substance in the landlord – and enough independence and autonomy – for us to intervene. We have recent experience of landlords who were unable to protect their social homes from lender action due to a lack of control over assets and resources, and constraints on decision making. As a result our ability to influence was limited. We set out more detail on failing safely on page 16.

A landlord should have enough control to carry out decisions, manage risks and respond effectively to change. This includes the following.

- Strategic autonomy: able to deliver objectives and adapt plans, risk appetite and investment choices over time.
- Financial autonomy: able to manage risks and remain viable without relying on discretionary or conditional third-party support (apart from direct support from a credible parent).
- Operational autonomy: able to intervene, re-prioritise spending, change delivery arrangements or address performance and safety issues in practice.
- Autonomy under stress: able to act quickly and decisively when risks crystallise without relying on third parties.

We are considering different ways in which we could ensure that landlords have the independence and autonomy they need, while putting them in the best possible position to deliver more and better homes.

We could do this by having more detailed rules about:

- the level of control a landlord must have over its decision making and the social housing it provides

- the relationship between landlords and connected parties
- the position of social housing assets in a group, so that we can take regulatory action on them
- how a landlord demonstrates its financial resilience, taking into consideration relationships with any equity holders or connected companies

We could also set out guidance on the types of organisational structures that we consider deliver enough independence and autonomy and which do not. Alternatively, we could set high-level outcomes and give landlords the freedom to show how they are delivering those outcomes.

**We are interested in views about how we could best ensure that landlords have enough independence and autonomy to protect tenants and social housing while still allowing new models and ways of working that could deliver new supply to flourish.**

### Financially sustainable

Social homes cannot be built or improved without capital from investors. If the sector is going to remain an attractive long-term investment for private finance, and a safe home for public money, then individual landlords need to be financially sustainable and resilient. By financially sustainable and resilient we mean having the ability to meet legal, contractual and regulatory requirements in a range of scenarios over the medium term, without relying on financial support from a third party (other than a direct support from a credible parent) beyond the control of the landlord itself.

It is important that new and existing landlords are clear about what we expect of them. We are considering whether we should be more explicit about what we mean by financial resilience and which measures we use to assess this. This could include setting out specific expectations for minimum levels of performance on key financial metrics. We think this could be useful to landlords and to the stakeholders interested in their financial resilience and potential for improvement. It could also help landlords challenge themselves to deliver more and better homes. We recognise that a standard suite of metrics could not be applied to every potential structure and model, and that we might also need alternative frameworks.

**Our current standards require landlords to have access to sufficient financial liquidity at all times. We are considering whether to expand the range of requirements to include further elements of financial resilience, so our expectations are clearer. We are interested in views on whether this would be useful for landlords and their stakeholders and views on which areas any minimum performance benchmarks should focus on.**

### Able to deliver effectively

Good intentions are not enough to deliver more and better social homes. Our long experience of regulating social landlords shows us that an organisation with strong and effective governance – that is an organisation that is fundamentally well run – experiences fewer problems, can withstand greater financial stress, can take on more risk safely, and can recover without intervention. With a mission to deliver against a backdrop of serious financial challenges, landlords have no room for complacency.

Governance is not a tick-box exercise nor is it about having the right paperwork in place when we come to inspect. Proper transparency – to tenants, lenders, politicians and the interested public – helps identify poor decision making and protects everyone’s interests. Genuine integrity and high standards for financial and asset management reduces the risk of impropriety and individual self-enrichment. Taking responsibility for the reputation of social housing and working to improve it will contribute to reducing the stigma that people living in social housing can face as well as building trust from politicians, investors and the public at large.

Good governance is built on asking the right questions and making the right decisions from the top to the bottom of the organisation. It can and should take many forms depending on the size, scale and structure of an organisation, the challenges it faces and the people it serves. We have already seen a range of organisational structures and processes that provide effective governance and we welcome new approaches that deliver the outcomes we are looking for.

**We consider that appropriate and effective governance is essential for social landlords of all sizes and ages. We welcome views about good governance and how we regulate for it, including in our regulation of new landlords.**

### Capable of failing safely

A vitally important strand of our work that we do as a regulator is about helping landlords prevent financial failure. This includes our expectations about new landlords joining our register, our existing requirements of established landlords, our ongoing financial monitoring and many of the proposals that we are putting forward in this document to future proof our economic regulation. Reducing the likelihood of financial failure benefits tenants and investors.

However, success cannot be guaranteed, and landlords can fail. When this happens, it is our job to help manage the fallout so that:

- tenants remain in their homes
- social homes remain in the regulated sector
- if possible, secured creditors are made whole, so that the sector continues to benefit from lower-cost finance

This is what we mean by being capable of failing safely.

We have a good track record at getting these outcomes, and so increasing investor confidence in the sector.

The challenges facing the sector, and the need to deliver more and better social homes inevitably increases the risk of financial failure. Landlords must be set up and run in a way that allows them to fail safely. If we do not think a landlord could fail safely then that would be a reason for refusing registration of a potential landlord or requiring governance improvements in an existing landlord.

**We welcome suggestions about how our regulation can better protect tenants and homes in the regulated social housing sector if a landlord fails.**

## Becoming a social landlord

The need for more and better homes is greater than current landlords can meet within established structures, organisations and approaches. There is potential for different approaches to improve quality and efficiency, and to tap into significant investor appetite for social housing. Social housing needs regulation that works with the approaches and structures that deliver more and better social homes for the long term, whether these are new and innovative, or tried and tested.

## Registering with us

We want our approach to registrations to enable landlords to come into the sector and contribute towards the much-needed growth of social housing. Becoming a social landlord is a serious undertaking and those we register need to be able to meet their obligations and provide good quality homes and services to their tenants.

To register with us, we currently ask potential social landlords to show:

- that they meet the Governance and Financial Viability Standard at the point of registration
- they are financially sustainable on an ongoing basis
- that they have management arrangements in place that are capable of meeting our other regulatory standards, including our consumer standards.

Some potential landlords that want to register with us struggle to show that they meet these requirements.

We intend to review our approach to registrations as part of future proofing our economic regulation.

**We are interested in your ideas on how we could further enable the registration of organisations intending to become social landlords to encourage new supply to the sector, whilst also ensuring good quality affordable homes, protecting the value of the sector and ensuring that those who are registered are able to deliver a good service to tenants.**

## Models for financing social housing

We are interested in understanding how our approach can encourage funding models and structures which bring additional capital and expertise into the sector while keeping tenants safe, investment levels maintained, ensuring value for money for public funds, and homes in the social sector for the long term. Funding models and structures that work for the long term will ensure that landlords are viable, remain in control of their own decision making, and are able to protect social housing tenants and homes. We consider that a wide range of models can meet these essential requirements and we welcome innovative approaches.

Innovation and alternative structures will present new and different risks to manage. In every part of the economy, higher levels of return go together with higher levels of risk, and the value of an equity investment can go down as well as up. Social housing is no different. Where equity is part of a structure and taking a higher level of return, it should be at risk. In some circumstances this can conflict with protecting tenants and keeping social homes in the sector. We have already seen structures which have not been financially sustainable, and where landlords have not been able to protect tenants' homes.

### **We welcome suggestions about how our regulation can better:**

- **set reasonable expectations around financial sustainability, parental support and the underwriting of risk**
- **manage approaches where ownership, financial benefit and management of assets are separated**

## Discussion prompts 1: essentials for more and better homes

Please give your views on how we can further promote the essential characteristics of social landlords to deliver more and better social homes. We are keen to hear your thoughts about:

- ensuring social housing is central to all landlords
- independence and autonomy of landlords to protect tenants and social housing

- ensuring there are clear expectations of landlords that promote growth and resilience
- promoting good governance across all landlords
- protecting tenants and their homes in the case of failure
- enabling growth and new entrants with novel models or structures whilst protecting tenants, public money and the value of the sector

## Accountability for more and better homes

**We want our regulation to drive the delivery of more and better social homes while protecting tenants, homes and investors. This section sets out specific ideas that could do this through requirements focused on landlords' strategy, decision making, planning and delivery in the following areas:**

- **Maximising value throughout the business plan**
- **Delivering landlord responsibilities**
- **Understanding ability to develop and acting on it**
- **Testing financial resilience**
- **Keeping the long-term value of social housing in the sector**
- **Increasing efficiency**

Good business planning and delivery – that is planning to do the right work to meet challenges, take advantage of opportunities, and manage risk and then actually doing that work – is fundamental to delivering more and better homes. We already require landlords to have appropriate and robust business plans and to have systems in place to monitor and report delivery against those plans. Those plans now need to be more clearly focused on both more and better homes, and the delivery of specific programmes and milestones.

Every landlord has its own challenges and opportunities. We will be expecting Boards to set a strategic direction that delivers more and better homes in their own context, addressing their own challenges and taking advantage of their own opportunities. We remain outcomes-focused and welcome a wide variety of approaches and encourage fresh and innovative thinking about how to manage tensions and trade-offs and maximise value. But social landlords also have many things in common, so we are considering setting more specific and exacting requirements for business plans and their delivery to help landlords keep more and better homes as the golden thread in their own objectives, through their forward planning, to their delivery on the ground.

We intend to shift our regulation of landlords' strategy and business planning. We will more strongly investigate whether what the landlord is planning and doing will create value and deliver more and better homes effectively and efficiently. Getting real value for people living in social housing, those on waiting lists and wider society will shape the requirements we set for business plans and the scrutiny we give. This includes assessing the increase in the number and quality of homes and services, monitoring progress towards statutory deadlines, and scrutinising the foundations of value: financially resilient organisations that are efficient and well run.

Landlords have a lot to deliver. We expect that they will rise to that challenge and maximise value through everything they do so that everyone can benefit from more and better homes.

### Maximising value throughout the business plan

Setting a clear strategic direction supported by clear objectives, goals and specific targets is an important part of the business planning process. A landlord's business plan sets out how it intends to deliver more and better social homes. Each landlord's business plans should show how it has taken a strategic approach to using its resources to maximise delivery of more and better homes. They must also be underpinned by the right data and understanding.

We intend to focus our regulatory effort on:

- how business plans are set
- how effective they are in maximising value in terms of more and better homes
- landlords' accountability for their delivery

We could use a range of regulatory tools to do this including data analysis and thematic reviews.

**We are interested in views on how we should scrutinise landlords' plans and performance to assess how well more and better homes are being delivered.**

## Delivering landlord responsibilities

A social landlord's business plan must show how it is delivering a good landlord service on the ground. Our current approach is already driving improvement, but government has been clear that landlords need to further improve existing homes in areas such as cladding remediation, energy efficiency, net zero and decency to specific timescales.

Landlords should be setting themselves delivery targets in their business plans that maximise the value they create so that we get more and better homes. We expect targets to be SMART (specific, measurable, assignable, realistic, and time-bound) and fully costed with clear milestones showing how they are going to deliver improvements to homes.

We are considering setting requirements about the minimum areas we expect business plan targets to cover and the evidence they would need to show they have met them. We would hold landlords to account for delivering against these targets, monitor progress, and expect them to be able to justify any decisions they make in setting their objectives and any targets within those objectives. This would be a significant shift in our regulatory approach.

**We are interested in views about whether asking landlords to set themselves specific targets as part of the business planning process would help the sector to deliver more and better social homes.**

## Understanding ability to develop and acting on it

The government has created a [significant package of support for new development](#) with £39 billion of new grant funding through the ten-year Social and Affordable Homes Programme, together with a £2.5 billion loan scheme. In addition, the sector has a 10-year rent settlement, and clarity on rent convergence, Decent Homes and Minimum Energy Efficiency Standards. This gives long-term certainty to plan investment.

When developing their business plans, all social landlords should be considering how they can deliver more social housing to meet the needs of those waiting for

homes, either independently or working with others. We are considering asking each private registered provider landlord to publish an appraisal of their capacity and capability for development and, where they can develop, to set themselves a target for the number of social homes they will develop over a suitable period.

We could then hold them to account for appraising their development capacity and capability, setting sensible targets based on that appraisal, and delivery against their own targets. This could include publishing comparable information about landlord's development capacity and capability, and their performance in delivering more social homes.

**We are interested in views about whether an appraisal of development capacity and capability alongside related targets would help the social housing sector as a whole to create more homes.**

### Testing financial resilience

For nearly a decade and a half after the financial crisis in 2008, social landlords and the wider economy experienced a very low-interest rate environment. That period has now ended, and we expect that interest rates will remain closer to historical averages. More recently, the broader economy has also faced a range of serious challenges including the disruption to commodity prices caused by the pandemic, war in Ukraine and the Middle East, and high inflation. The sector clearly needs to be resilient to a range of stresses. In turn, this means that individual landlords need to be resilient to reasonable financial stress and have recovery plans if they are stretched beyond their limits.

We already ask landlords to carry out stress testing as part of their business planning process, and we expect landlords to know how they might respond if a range of stresses were to occur. We are considering increasing the transparency and consistency of stress testing by asking each large landlord (that is, with more than 1,000 homes) to carry out a specific and common set of stress tests and flexes and publishing the results. Other regulators such as the Bank of England and Ofgem have introduced similar approaches successfully. Landlords publishing stress test

results would enable stakeholders to better understand the pressures on the sector, and which landlords are most exposed to specific risks.

We would look at whether the stress tests had been carried out in line with our requirements and whether the Board was acting on the insight they provided by developing appropriate mitigation plans to respond to stresses and prevent organisational failure.

**We are interested in views about whether asking each large landlord to carry out a specific and common set of stress tests and flexes and publishing the results alongside mitigation plans would help large landlords manage and demonstrate their financial resilience effectively so that they could deliver more and better homes.**

### Keeping the long-term value of social housing in the sector

Social housing is a scarce and valuable public resource. Current tenants, people on waiting lists and wider society need social homes to be available now and in the future. There is long term social, financial and societal value created by social housing – including the use of public subsidy, welfare benefits to tenants, wider societal benefits, and the economic asset value within the regulated sector. Once lost, this is very hard to recover.

Landlords can have good reasons for selling social homes. In many cases, it will be needed to manage housing quality, fund improvements, support regeneration or maintain financial sustainability. Alongside their decisions about building new homes, the decisions taken by individual landlords about disposing of existing homes shape the social housing that is available to everyone over time.

As stewards of valuable public resources, landlords should be open, transparent and accountable for the decisions they make about disposing of social homes. We are considering introducing a requirement for landlords to show how the long-term value in those social homes is being kept when they are sold or transferred. In doing this, we do not want to prevent sensible disposals, but to increase confidence that the government grant funding previously invested continues to support social housing.

There are different ways in which disposals could support this aim. For example, this could include selling homes to another social landlord, replacing the homes sold with additional social housing at the same standard or better, or in some cases by using the money generated to invest in existing homes.

**We are interested in views about whether requiring landlords to explain how their disposal decisions contribute to the continued provision of social housing over the long term would help ensure more and better social homes.**

### Increasing efficiency

Given the financial pressures on the sector and the need to deliver both more and better homes, it is essential that landlords challenge themselves about whether they are making the most efficient and effective use of their money, staff and other resources to improve existing homes and services and to build new homes.

We already ask landlords to have a robust approach to efficiency and costs, including when considering non-social housing activities, and to have appropriate targets in place for measuring their performance. The data we collect shows that [there is significant variation in relation to costs for landlords with similar characteristics](#) and that many landlords can be more efficient. Landlords should be increasing their efficiency and effectiveness through their business plans and using the additional resource they get as a result to deliver more and better homes.

**We welcome views about how we could identify and challenge landlords' efficiency and effectiveness more strongly, such as using more sophisticated data analysis to steer our engagement where we identify potential concerns.**

### Discussion prompts 2: accountability for more and better homes

Please give your views on how we can further drive landlord accountability in the delivery of more and better homes. We are keen to hear your thoughts about:

- further scrutiny of landlords' plans and performance
- requirements for landlords to appraise their capacity and set themselves targets for delivery of more and better homes

- stress testing, flexes and mitigation plans
- ensuring disposal decisions are contributing to long-term growth
- going further to drive efficiency

## Regulating for more and better social homes

**We intend to change our approach to regulatory engagement, data and reporting as we complete the round of inspections in 2028. This section sets out ideas for how we might do this by:**

- **More targeting and tailoring of our work using risk**
- **Improving data and making more use of good quality data to identify risks**
- **Taking quicker action to address weaknesses and failure**
- **Promoting collaborative innovation**

Our current approach to regulation has delivered real benefits for tenants, driving record investment in improving homes and services, supporting rescues where landlords have been in financial distress, and helping landlords to weather challenging circumstances. We now have a clear and holistic view of each large housing association we have inspected, and a strong understanding of the effectiveness of local authorities in delivering for tenants. Our data analysis allows us to identify potential risks and prioritise work. And we have – and use – the powers we need to act against failing landlords.

We are now considering how we can further enhance our regulation to help landlords make the step change they need to deliver more and better homes in the future. The ideas we set out here, to be more targeted, make better use of data, address weakness and failure more quickly, and promote collaborative innovation can be applied to governance, financial viability and value for money. We can also apply them to our regulation of the consumer and rent standards to benefit tenants of every social landlord.

### Targeting our efforts

We think it's right that we continue to use the risk to the delivery of outcomes to shape our regulatory choices so that we focus our efforts on the areas that matter most. This includes the ideas set out in the previous section for improving accountability. By risk, we mean both how likely it is that a poor outcome will happen

and what impact it would have if it does happen. The consumer standards we introduced in April 2024 are working well to address some of the most immediate risks to tenants, such as health and safety. But longer-term risks relating to financial resilience and growth also matter if we want more and better homes.

We want to make an even more active use of risk so that we can put the most effort into the highest risk areas, better make proportionate and consistent decisions, and be more transparent and accountable to stakeholders about our choices. Using risk to target our work is a key part of our response to the government's challenge to all regulators to minimise the burdens they are responsible for. We also recognise that attempting to remove every risk can have unintended consequences on growth and at the same time, focusing on the most important risks helps maintain the investor confidence needed for growth in social housing.

The new inspections we introduced to support our consumer standards are already driving improvements in landlords. In 2028, we will complete our first full round of inspections. This will give us a sector-wide understanding of landlords' performance and enable us to be more targeted in our approach

Being more targeted means that we would more actively regulate higher-risk landlords than we do now and spend less time and effort on lower-risk landlords. We may take a less programmed and more responsive approach to our regulatory engagement and use tools such as thematic reviews to look at a high-risk area across a group of landlords. This change could apply to both large and small landlords and we have set out below specific examples about what this could look like in practice for smaller high-risk landlords and for strategically important providers. We also anticipate that our work with other individual landlords will be more tailored to the specific risks in those organisations, and that our reporting on landlords will need to change as a result. Taking this approach would mean significant change for – and a wide variation in – landlords' experience of our regulation.

**We welcome stakeholders' views on our proposals for further developing the extent to which our regulation of landlords is targeted using risk.**

## Regulating below landlord-level

We focus our regulation at the level of the whole landlord. This means we base our regulatory engagement and judgements on whether the outcomes of our standards are being delivered by the landlord as a whole. This allows us to address fundamental issues and drive improvements across all of a landlord's homes to benefit the most tenants. This is also consistent with our duties to regulate in a way that is proportionate and minimises interference.

We know that sometimes issues arise which affect a group of tenants or homes in the same location in a landlord which is otherwise delivering the outcomes required by the standards. We are considering how we can address these issues while keeping a clear distinction between our role to regulate social landlords and the role of the Housing Ombudsman Service to resolve individual complaints about social landlords.

We could seek assurance that Boards and councillors have insight into the condition of homes and performance of services at a local level, for example at estate or neighbourhood level, not just across the whole landlord. This would include looking at the quality of reporting to Boards and councillors and their scrutiny of performance.

We could collect more granular data from landlords about homes and services. This may identify pockets of poor performance to target and inform our regulatory engagement.

We could introduce different forms of investigation and reporting to address local issues, including setting expectations for landlords about any fixing problems we find. We would need to set out when it might be appropriate to use these approaches. This is similar to the approach we already use for rent regulation.

We already work with the Housing Ombudsman Service to share information and intelligence, particularly where their casework suggests that a landlord is not delivering the outcomes required by our standards. We could explore with them their

intelligence about complaints from multiple tenants in the same location that suggest a failure by that landlord in that location.

**We would welcome views about our proposals for the regulator applying a more risk-based approach to localised failures to deliver the outcomes required by our standards. We are also interested in ideas about how best to be transparent about any localised failures we find.**

### Small landlords with higher risk

We regulate larger landlords differently to those providing fewer than 1,000 homes. This is because the impact of financial failure at a larger landlord is higher. We think that this is still a helpful regulatory transition point for most social landlords, but it might be helpful to take a more flexible and targeted approach based on risk.

Most small landlords have been in the sector for many years, have straightforward business models and are low-risk organisations. We intend to continue regulating those landlords in the same way that we do now. However, we expect that more new landlords will join the sector with innovative business models, some of which may need to evolve as they are tested. In addition, some existing smaller landlords also carry significant risk or would benefit from additional support. This might be because:

- they have significantly changed their business model
- they have new ownership
- they are attempting something new and innovative
- they are new businesses that are evolving
- they are particularly reliant on third parties

We are also aware that there is an incentive to remain just below the 1,000-home threshold which could drive poor behaviour.

We think that stepping in earlier with smaller landlords that carry more risk or would benefit from more support, before things go wrong, would allow us to help them refine their approach to meet the outcomes of our standards. It could help ensure that new and innovative approaches actually deliver the more and better social homes we need.

We are considering more active scrutiny of high-risk small landlords after they have registered, and in response to intelligence we receive about risks. This might include carrying out more inspections and provider improvement plans, developing requirements for newly registered landlords based on their plans and risks, and asking for more data from specific landlords. We could also consider reviewing higher-risk newer landlords at a suitable point after registration and de-registering newer landlords who are unable to meet the requirements of all our standards.

**We are interested in views about how we should try to identify which small landlords are at higher risk and how we could more actively regulate them without discouraging growth and innovation.**

#### Strategically important providers

A small number of housing associations are very large, having as many as 100,000 homes. Some have homes across the country while others are concentrated in a particular location. These housing associations are strategically important to the social housing sector. Given that they are comparable in turnover to FTSE 250 companies, they are also important to the wider economy.

The very largest housing associations benefit from having significant financial resources and large numbers of staff to deliver their plans. Failure at one of these landlords could impact on hundreds of thousands of people. It could also put a significant amount of capital, including public money, at risk. We have a strong track record of successfully managing rescues of housing associations by encouraging them to merge with another housing association with enough financial headroom. It would be difficult to manage a rescue of one of the largest housing associations in the same way. These housing associations also play a significant role in maintaining the reputation of the whole social housing sector with stakeholders, including lenders. Failure at a very large and prominent housing association might call into question the financial sustainability of the whole sector, affecting borrowing costs and so causing other landlords to fail.

Due to the risks involved, we think we should put more regulatory effort into these strategically important providers. This might include:

- having higher expectations about the data they collect
- engaging with them more frequently to better understand their individual risks, challenges and opportunities
- carry out inspections in more detail or across a broader range of risks
- asking them to hold more detailed recovery plans which could include business continuity plans, asset and liability registers, staffing and funding structure information.

**We are interested in views about how we could define which landlords we consider strategically important to the sector and what extra regulatory requirements would be proportionate to the risk involved.**

### Improving data

We already use a wide range of data and analysis to identify potential risks to landlords' ability to meet our standards and prioritise our work with individual landlords. As we set out above, we want to increase our use of risk to target our regulation. To do this, we want to better understand what factors are most likely to be behind landlords' inability to deliver outcomes effectively. We could then develop more sophisticated predictive models to help us identify which landlords are likely to be at higher risk of failing and work them before risks crystallise. We recognise that we would need to consider the balance between using data to predict risk and engaging more directly with landlords.

**We welcome views on the potential for developing better predictive risk-identification models and the issues that we need to consider in doing so.**

Landlords need to have good data and information so that they can make good decisions and understand whether what they are doing is working to manage risks and deliver more and better homes. To carry out our regulation effectively we also rely on the quality and availability of landlords' data about homes, management and finances.

We intend to take further steps to improve the quality of data about social housing. This could include:

- setting specific requirements about the verification and validation of data
- taking stronger action against landlords who persistently provide poor-quality data.

We plan to review our data collection requirements, including their scope, frequency, structure and content to make sure we have the information we need to carry out the right data analysis to help us target our efforts and support landlords to deliver value through more and better social homes.

**We would welcome views on what further steps we could take to strengthen the quality and comparability of data across the sector.**

### Addressing weaknesses and failure

We take a co-regulatory approach to regulating social landlords. This means that Boards of social landlords are responsible for ensuring that their organisations are managed effectively and that they deliver the outcomes of our standards. They should be open and transparent with us and be able to give us evidence about their performance. Most of the time, landlords and their Boards meet their responsibilities effectively. Where they show that they are not up to the task, we step in.

We take this approach because a landlord is usually better placed than the regulator to understand in detail the challenges and risks it faces – including its capacity to build new homes and the needs of its existing and future tenants – and take action to address them. It also lowers the cost of regulation, which benefits everyone.

When things do go wrong, it is in everyone's best interests for them to be put right as soon as possible and for the root causes of failure within the landlord to be addressed. Many landlords with weaknesses and failings are willing and able to do this promptly with active engagement from us.

We have a range of further tools and powers we can use to incentivise landlords to act or help protect tenants, social homes and public money. These include

- voluntary undertakings
- enforcement notices

- adding or removing board members
- adding or removing managers or officers
- fines
- de-registration

It takes longer than we would like for some landlords to fix the weaknesses and failures we identify despite our intensive engagement. This delay puts tenants and public money at risk. However, we are mindful that intervening too early or too strongly can have unintended consequences.

**We are interested in views on the advantages and disadvantages of intervening more readily and robustly when a landlord is unable or unwilling to act in an acceptable timescale.**

### Promoting collaborative innovation

Innovative thinking is also needed to help the sector address new or complex issues such as the adoption of AI, meeting net zero targets, more sophisticated use of data, or buying and procuring services efficiently.

We want to support the sector to do this thinking more effectively and collaboratively by using our convening power to bring landlords together with experts and stakeholders within and outside the social housing sector to explore problems and develop solutions that they can put into practice.

**We are interested in views about specific challenges that could benefit from this kind of collaborative innovation, the types of expertise and approaches that might be helpful.**

### Discussion prompts 3: regulating for more and better homes

Please give your views on our intention to become increasingly targeted in our regulatory approach. We are keen to hear your thoughts about:

- going further in targeting risk and using data and modelling to enable this

- more active regulation or enhanced requirements for some small and large providers
- regulating service delivery below landlord level to target localised failure
- being more assertive to address weaknesses and failure
- promoting collaborative innovation

## Next steps

### Revising our economic standards

We intend to review and revise our economic standards relating to governance, financial viability and value for money. Although we do not have a detailed timetable for this yet, we anticipate consulting on revised economic standards in 2027. We anticipate that our revised economic standards will be accompanied by codes of practice or guidance in the same way that our [current standards](#) are.

### Developing our regulatory approach and systems

Alongside our work to review and revise our economic standards, we will also review our regulatory approach and the systems that support it, including our approach to registrations and how we will regulate against our standards. While we are not intending to revise our consumer standards, which are working well, as part of this review we anticipate that some of the changes we put in place to enhance our regulatory approach may apply to how we regulate against our consumer standards and the rent standard as well as to our regulation of governance, financial viability and value for money.

## Annex: Providing feedback

If you need this document in an alternative format, please make a request using any of the contact details below.

Please provide your feedback by 30 September 2026.

We welcome your views on all the areas that are relevant to you, but you are not required to answer every question.

### Online

Where possible, please provide feedback [online](#).

### Alternatives to completing the online form

If you are unable to complete an online response, you can email your response to: [consultation@rsh.gov.uk](mailto:consultation@rsh.gov.uk). Please include “Feedback on more and better social homes” in the subject heading.

Alternatively, you can send a written response to:

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

Please mark the envelope “Feedback on more and better social homes”.

If you are responding by email or post, please make it clear which question(s) your feedback relates to.

### Further information

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

To help us understand who responds and the context of their feedback, please include:

- your name
- whether you are responding as an individual or on behalf of an organisation
- whether you are a:
  - social housing tenant in rental accommodation
  - shared owner in social housing
  - private registered provider (including the type of provider – not for profit/for profit, Almshouse, CLT, cooperative, or other)
  - local authority registered provider
  - stakeholder organisation
  - other (please specify)
- approximately how many homes you own or manage, if you are a registered provider
- the name of the organisation (if applicable)
- a contact email address (if possible)

If responding online it will be possible to have a copy of your final response emailed to you. Please ensure that you select this option in the online survey when prompted, as we will not otherwise be able to acknowledge receipt of your response or send you a copy of your response.

### Data protection

Please do not include sensitive personal data (for example, health information) or information that identifies other individuals in your response.

We may publish anonymised summaries of the feedback we receive, or anonymised extracts from responses. Responses may also be disclosed on request in accordance with the Freedom of Information Act 2000 or the Environmental Information Regulations 2004, subject to the requirements of the Data Protection Act 2018 and the UK GDPR.

If you consider any information you provide to be confidential, please explain why. We will take this into account if we receive a request for the information, but we cannot guarantee that information will not be disclosed where the law requires otherwise.

Responses may initially be collected in an identifiable form. We will remove direct identifiers such as names and contact details as soon as practicable where they are no longer required, and we will review responses for any other information that could identify individuals before responses are treated as anonymised. We intend to anonymise responses as soon as possible and in any event within 12 months of the survey closing date. Once responses have been anonymised, we will no longer be able to provide a copy of a submitted response or link the response back to an identified individual.

We are using Snap Surveys to collect online responses. Responses will be held on Snap Surveys for no longer than 12 months from the survey closing date. After deletion from the live Snap service, data may remain on Snap's servers for up to 12 weeks and then in Snap's backup systems for up to a further 2 weeks before it is permanently deleted.

For more information about how we process and protect personal data, including your rights and how to exercise them, please see our Supplementary Privacy Statement for this exercise and our main [privacy notice](#).

### Referrals about landlords

This is not a route for making a referral about a landlord. If you need to contact us about your landlord our contact details are below:

Email: [enquiries@rsh.gov.uk](mailto:enquiries@rsh.gov.uk) or call: 0300 124 5225

In writing to:

The Regulator of Social Housing

Referrals and Regulatory Enquiries team

Level 2

7-8 Wellington Place

Leeds LS1 4AP



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or call 0300 124 5225.

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**The Regulator of Social Housing regulates for a viable, efficient, and well governed social housing sector able to deliver quality homes and services for current and future tenants.**