



Briefing 10/10 February 2010

# A new regulatory framework for social housing in England

To: All contacts in England

For information: All contacts in Scotland, Wales and Northern Ireland

## Key Issues

TSA producing a new regulatory framework with 6 focus areas  
Range of outcomes highlighted  
Specific reference to repairs and maintenance services

## 1. Introduction

The Tenant Service Authority (TSA) was launched on 1 December 2008 to ensure tenants are able to be involved in decisions that affect them, their homes and neighbourhoods and to protect tenants if their landlord performs poorly; to intervene and protect private investment ensuring the continued flow of funding at competitive rates, so providers can build new homes and improve their services; to ensure the taxpayer continues to enjoy returns in the public interest e.g. by ensuring homes and services are of a good quality and through the promotion of value for money; and to help ensure providers play their part in supporting local authorities in the areas they operate (i.e. housing providers are well-placed to help other agencies to deliver effective neighbourhood services).

The TSA is in the process of drawing up a new regulatory framework for social housing which will be brought into operation in April 2010.

## 2. Standards

The six new standards for social housing providers are the centrepiece of the new regulatory framework. They describe the outcomes the TSA want to see delivered and the specific requirements expected of all providers to comply with in meeting these outcomes. They state that the best place for the quality of services to be discussed, agreed and scrutinised is locally between providers and their tenants. So the standards require providers to set out what they offer to tenants and set local standards that reflect the priorities of local communities.

The document notes that registered providers must meet these standards and where they don't the TSA will expect speedy self-improvement. Where this is insufficient there is a new graduated range of enforcement powers to ensure tenants get the service they desire.

The consultation statement notes that the majority of tenants are satisfied with their landlord and that there are many excellent providers who already meet much of what is required in the standards. They also note that where performance is poor or involvement is weak it can have a significant effect on tenants' lives.

Table 1. Proposals for National Standards

<b>Proposed Standard</b>	<b>Containing requirements relating to the following areas</b>
1. Tenant Involvement and Empowerment	<ul style="list-style-type: none"> <li>• Involvement and empowerment</li> <li>• Customer service and choice</li> <li>• Equalities and diversity</li> <li>• Tenants with additional support needs</li> <li>• Complaints</li> </ul>
2. Home	<ul style="list-style-type: none"> <li>• Repairs and maintenance</li> <li>• Quality of accommodation</li> </ul>
3. Tenancy	<ul style="list-style-type: none"> <li>• Allocations</li> <li>• Rent</li> <li>• Tenure</li> </ul>
4. Neighbourhood and Community	<ul style="list-style-type: none"> <li>• Neighbourhood management</li> <li>• Local area cooperation</li> <li>• Anti-social behaviour</li> </ul>
5. Value for Money	<ul style="list-style-type: none"> <li>• Value for money</li> </ul>
6. Governance and Financial Viability (not applicable to LAs)	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Financial viability</li> </ul>

### **3. Approach to regulation**

The TSA's approach is to develop a new relationship between landlords and their regulator - one where tenants help shape, influence, and monitor the service provided which they term 'co-regulation'. This is a clear shift from regulation in the past; there will be less red tape and a clear focus on de-regulation and reducing burdens where appropriate. In return, landlords will be expected to make themselves more accountable and to work more closely with their tenants.

The TSA proposes ten principles that define this approach:

- national standards will be established based on clear criteria

- national standards will be clear, succinct, based on outcomes and avoid prescribing detailed processes
- providers will be required to agree local standards with their tenants for the areas of service that are relevant to them locally
- as every tenant matters, the TSA expects providers to understand and respond to the particular needs of tenants and to demonstrate how they have taken into account their needs across the six diversity groups
- the TSA will promote transparency in reporting performance by providers for tenants and local authorities (in their strategic role) in their areas
- good governance is a universal principle and is essential to the quality of service delivery, financial robustness and value for money
- the TSA want to promote effective forms of independent validation, audit and benchmarking of performance to encourage providers to improve continually and free the best from unnecessary red tape
- for the national service delivery standards, the TSA will focus resources in 2010-11 on identifying and addressing the worst performing providers, where tenants are being let down by their landlord's performance
- the standards framework must support the principle of sector led improvement. Where problems are identified the provider will usually be offered an opportunity for speedy self-improvement
- registration criteria should encourage new landlords into the social housing sector, consistent with our objectives in the 2008 Act

#### **4. Tenant involvement and empowerment standard**

This standard concentrates on the design and delivery of housing services that tenants can easily access, with elements of tenant choice over the services, consideration of equality issues and the diversity of their tenants. Landlords must understand tenant needs and use the information to design and deliver housing services and communicate with tenants.

Tenants must have opportunities to be involved in the management of their housing and they must be offered support so they are more able to be effectively engaged, involved, and empowered.

Registered providers must have a clear and accessible policy, deal with tenants' complaints and any other feedback promptly, politely and fairly and change how they do things and improve the services as a result.

#### **5. Home standard**

This standard notes that providers must ensure that all homes are warm, weatherproof and have modern facilities. Registered providers must ensure tenants' homes either meet the Decent Homes Standard set out in Section 5 of the Government's Decent Homes Guidance or meet the standards of design and quality that applied when the home was first built, and were required as a

condition of publicly funded financial assistance, if these standards are higher than the Decent Homes Standard.

Registered providers must meet the standard in 1.1 above by 31 December 2010. They must continue to maintain their homes to this standard. The TSA may agree an extension to this date with the registered provider where it is reasonable.

Registered providers must ensure their tenants have the opportunity to agree a local standard, as set out in 2.4 of the Tenant Involvement and Empowerment standard. The local standard should be higher than the standard set out above. In developing local standards, registered providers must have regard to Section 6 of the Government's Decent Homes Guidance and demonstrate how they have ensured that tenants' views have been taken into account.

They must also provide a cost effective repairs and maintenance service is cost effective, has the objective of completing repairs and improvements 'right first time', has published standards that have been agreed with tenants for completing repairs and improvements; and offers tenants choice (for example about appointment times for carrying out repairs).

Registered providers must ensure a prudent, planned approach to repairs and maintenance, demonstrating an appropriate balance of planned and responsive repairs, and value for money. The approach should include responsive repairs, planned and capital work, work to empty properties, adaptations, cyclical works, and communal areas as well as individual homes. They must comply with all applicable legislations and regulation that provide for the health and safety of the occupants of their homes.

Registered providers must provide tenants with clear information about each other's responsibilities and progress of works. They must co-operate with relevant organisations to provide an adaptations service that meets tenants' needs.

## **6. Tenancy standard**

This standard will apply to all registered providers apart from the rental element which only applies to not-for-profit and for-profit registered providers. Local authority landlords are currently subject to a different rental policy which has been set by the Government.

Registered providers must let their homes in a fair, transparent and efficient way taking into account the housing needs and aspirations of tenants and potential tenants with an allocations process that makes best use of available housing and contributes to the local authorities' strategic housing function and sustainable communities. There should be clear decision making and appeals processes.

Registered providers will charge rents in accordance with the objectives and framework set out in the Government's direction to the TSA of November 2009.

Registered providers must offer and issue the most secure form of tenure compatible with the purpose of the housing and the sustainability of the

community whilst meeting all applicable statutory and legal requirements in relation to the form and use of tenancy agreements.

## **7. Neighbourhood and Community standard**

Registered providers will keep the common areas associated with the homes that they own clean and safe, working in partnership with their tenants and other providers and public bodies, where this is the most effective way of achieving this standard

Registered providers will co-operate with relevant partners to help promote social, environmental and economic well being in the areas where their properties are.

Registered providers must work in partnership with other public agencies to prevent and tackle anti-social behaviour in the neighbourhoods where they own homes.

## **8. Value for Money standard**

In meeting all national standards and their local standards, registered providers have a comprehensive approach to managing their resources to provide cost-effective, efficient, quality services and homes to meet tenants' and potential tenants' needs.

## **9. Governance and Financial Viability standard**

(This standard does not apply to local authority landlords)

Registered providers have effective governance arrangements that ensure that they have structures, systems and processes to deliver their aims, objectives and intended outcomes for tenants and potential tenants in an effective, transparent and accountable manner. Governance arrangements ensure they adhere to all relevant legislation, comply with their governing documents and all regulatory requirements, are accountable to tenants, the TSA and relevant stakeholders and safeguard tax payers' interests and the reputation of the sector

Registered providers must manage their resources effectively to ensure their viability is maintained.

## **10. APSE Comment**

APSE welcomes the move to promote the needs of tenants and improvements in housing services. In line with the discussion about the localism agenda we would wish to see local priorities reflecting local circumstances at the heart of any set of standards against which council landlords should be monitored.

Councils already have their own performance management and reporting arrangements in place and for the TSA to suggest amendments to that is unhelpful. Their arrangements are a matter for local councils for their own benefit rather than for the benefit of external agencies. The same is true of complaints –

councils have established mechanisms for dealing with complaints and these do not need to be duplicated or altered for the benefit of external organisations.

Financial conditions within councils are difficult and will remain so into the foreseeable future. As such we feel that the TSA must ensure that regulation, and the cost of regulation is kept to a minimum, that there is a demonstration of the cost benefits, to tenants and providers, of any framework put into place and that thought is given to why good performers should pay an element of the cost of the TSA whilst it is focussing attention on poor performers – essentially a charge of the residents of good performers.

Clearly the ability of councils to meet the requirements of the Home Standard will be dependent upon the availability of financial resources. These funds are likely to be severely restricted in future and so should have an impact on whether improved physical condition standards are met or not. The TSA must take account of such conditions when setting standards (as councils do when setting their own aims and priorities) so as not to raise expectations amongst tenants or set standards which are unachievable. The outcome of the ongoing review of the HRA will have an impact on this issue and must be borne in mind when setting standards both local and national.

APSE notes that a number of terms such as 'choice', 'local' and 'involvement' are used throughout the document. We appreciate that the TSA knows the extent of services currently provided but we are concerned that they in some way wish to re-invent these concepts. Issues such as 'choice' and 'involvement' are well established within services and it is appropriate to include the terms within the standards. However it is unhelpful for the TSA to appear to re-define them or apply a meaning which is at odds with existing understanding. For example, 'choice' within the context of a repairs service could mean a number of different things and the term 'local' might mean something different to each individual.

There exists the chance of a potential conflict for local people who have been involved in setting local standards and do not want national standards imposed.

The relationship of the standards with the KLOEs and normal and short notice inspection regimes as well as the Audit Commissions and CAA regimes needs to be explained. Avoidance of duplication must be a major focus for the TSA.

We agree with the approach of focussing on neighbourhood and community in one of the standards. APSE has long campaigned that housing is viewed as part of the wider context so that tenants are not viewed as a group separate from the community and physical properties and grounds are managed in a holistic manner.

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