



# Northumberland

## County Council

CABINET

DATE: 11<sup>TH</sup> APRIL 2023

### Social Housing Regulation Bill

**Report of: Cllr. Colin Horncastle, Portfolio Holder for Community Services**

**Lead Officer: Philip Soderquest, Director of Housing & Public Protection**

---

#### 1. **Purpose of report**

To provide members with information relating to the Social Housing Regulation Bill, which is intended to reform the regulation of social housing.

- 1.1 This report provides an update on the development of the Social Housing White Paper and the progress through parliament of the Social Housing Regulation Bill.

#### 2. **Recommendations**

- 2.1 That Cabinet note the content of the report and future requirements and expected outcomes of the legislation when enacted.

That Cabinet agree to:

- Undertaking within service a peer review exercise with an appropriate local authority or registered social housing provider.
- Receive future updates on the implementation of the Social Housing Regulation Bill and implications for Northumberland County Council.
- Receive future updates on any identified service improvements arising from in-service improvement plans, including planning and preparing for inspection, with the support of the Executive Director for Adults, Ageing and Wellbeing.
- Receive details of the named senior officer roles within the council that will be responsible for, lead and ensure compliance with health and safety and consumer standards.

#### 3. **Link to Corporate Plan**

The Plan is linked to key aims of the corporate plan 2021-24 specifically:

**Living** - We will care for our residents, support the most vulnerable in our society and help people to live healthy lives

**Connecting** - We will deliver high-quality services in all our communities and secure investment in housing and transport across the County

**How** - In everything we do, we will listen to and communicate with residents, businesses, and partners and, ensure value for money in our services. We will pull our weight regionally and nationally, working with our partners to secure maximum benefit for residents and businesses.

## **4 Key Issues**

4.1 The Bill aims to deliver the proposals set out in the Social Housing White Paper “The charter for social housing residents”, by introducing a number of measures to give tenants greater powers, improve access to swift and fair redress, and enhance the powers of the Regulator of Social Housing (RSH).

The Bill seeks to improve the regulation of social housing by bringing forward a stronger and more proactive regulatory regime and putting in place the measures set out in the Social Housing White Paper.

The measures announced under the Bill will for example:

- Enable the regulator to intervene with landlords who are performing poorly on consumer issues and guarantee timely action where the regulator has concerns about the decency of a home.
- Enable the regulator to inspect landlords and arrange emergency repairs to ensure tenants are provided with good quality accommodation.
- Provide tenants with greater transparency about their landlord’s performance by introducing a new set of Tenant Satisfaction Measures
- Enable tenants to access information related to the management of social housing.
- Add safety to the regulator’s objectives and require registered providers to appoint a health and safety lead.
- Require the housing ombudsman and the regulator to cooperate to provide better protection for tenants.

The proposed reforms represent some of the most significant changes to social housing regulation and are a direct consequence of the Grenfell Tower disaster, which claimed the lives of 72 people, and place tenants at the centre of the new proposals.

The Bill is currently moving through Parliament having completed its Committee Stage in the Commons on Tuesday 29th November and a date is awaited for the commencement of Report Stage and Third reading of the Bill which is expected to receive Royal Assent during the Spring 2023

Subject to the Bill being passed in Spring 2023 and receiving the necessary directions from government, the RSH expects to implement the new approach from April 2024.

## **5 Background**

5.1 In 2020, the Government published a White Paper ‘the charter for social housing residents’, in which it committed to reforming the regulation of social housing, by strengthening the ability of the Regulator of Social Housing (RSH) to regulate the condition of social housing and the quality of the services provided by all registered providers, non-profit organisations such as housing associations and Local Authorities.

The Bill represents the statutory framework for the new regulations and is currently making its way through parliament which has completed the third reading and is entering the final stages of consideration of amendments, prior to Royal Assent. The Bill will bring about one of the most fundamental changes to social housing regulation for over a decade. It will set new expectations on the services that landlords need to provide for their tenants, introduce regular consumer inspections of social landlords and give the regulator stronger powers to hold landlords, including for the first time, Local Authorities with retained stock, to account.

5.2 The aim is to ensure that landlords listen to their tenants, communicate effectively, have good quality information about the condition of their homes and provide responsive and accessible landlord services. It further aims to drive up standards in the housing sector and hold landlords to account over the services they provide to their tenants.

## **6 Regulator of Social Housing (RSH)**

6.1 On the 12th of January 2023, the RSH published ‘Reshaping consumer regulation: Our Implementation plan’ which outlines their approach to preparing for and implementing the requirements of the new legislation.

It is proposed that new consumer regulation will be implemented from April 2024 under the Social Housing Regulation Bill which makes changes to their objectives and strengthens their powers to regulate the sector effectively, including the use of legal interventions and sanctions where necessary.

6.2 The new legislation will mean that the RSH will have the following consumer objectives added to their remit:

- Safety
- Transparency
- Energy Efficiency

6.3 The RSH has outlined their “path to implementation” which will allow them to put in place all the elements needed to deliver the new approach which include:

- Standards which underpin proactive consumer regulation
- Enforcement powers
- Piloting new approaches
- Tenant satisfaction measures

- Building capacity

6.4 The new consumer standards will be outcome focussed looking at what landlords achieve for customers without dictating how they do this and focussing on the following themes:

- Meeting diverse needs and treating tenants with respect
- Safety
- Quality
- Neighbourhood
- Transparency
- Engagement and accountability
- Tenancy

6.5 This will mean that in our case, the Council, will be held responsible for ensuring that the housing landlord service is managed effectively and that it complies with all requirements by:

- Providing assurance to the Regulator that we are compliant with the standards.
- Supporting tenants to shape and scrutinise delivery to hold councillors to account.

This places the onus on the council as a landlord to comply with the standards and be able to demonstrate compliance to tenants and the RSH. They will continue to apply a co-regulatory approach that they have used for their economic standards.

The new approach will include inspecting all large social landlords against the new standards, including local authorities, every four years. These inspections will build on the RSHs experience in carrying out its current intensive and challenging in-depth assessments for economic regulation with housing associations.

The outcomes of regulatory assessments and inspections will be shared publicly with the RSH using the 'name and shame' approach to any failures by landlords. They are still to develop this and will be using learning from the pilot inspections, that will be carried out with seven organisations including Bernicia and further consultation with landlords to inform their approach for implementation.

The RSH's implementation plan describes the progress it has already made in enhancing and developing the new consumer regulation, as well as the next steps over the coming year. Subject to the Bill being passed and receiving the necessary directions from government, the RSH expects to implement the new approach from April 2024.

## **7 The Social Housing Regulation Bill**

7.1 The Social Housing Regulation Bill provides the legal basis for many of the measures set out in the 2020 social housing white paper. The paper intended to

deliver “transformational change” for social housing residents and fulfil the Government’s 2019 manifesto pledge, to empower residents, provide greater redress, better regulation, and improve the quality of social housing.

With the Bill, the Government intends to strengthen the regulatory regime to change the behaviour of landlords of social housing to focus on the needs of their tenants. It also aims to ensure landlords are held to account for their performance.

It aims to deliver the proposals set out in the Social Housing White Paper by introducing several measures to give tenants greater powers, improve access to swift and fair redress, and enhance the powers of the RSH.

The bill contains three key themes which are;

- Safety in the Home
- Increased power to tenants and the regulator and
- Understanding how well (or not) landlords are performing.

7.2 The measures announced under the Bill will enable to RSH to intervene with landlords who are under performing or where the regulator has concerns about the decency of a home. It will result in proactive inspections for Local Authorities for the first time and enable the regulator to arrange emergency repairs to ensure that tenants are provided with good quality accommodation.

It will also provide tenants with greater transparency about their landlord’s performance by introducing a new set of Tenant Satisfaction Measures and allow tenants to access information related to the management of social housing. Health and Safety will be added to the regulator’s objectives and require all social landlords to appoint a health and safety lead.

7.3 The Bill also contains provisions to empower the Housing Ombudsman to issue a code of practice on complaint handling and monitor compliance with the code; and to formalise and strengthen the relationship between the RSH and the Housing Ombudsman.

Social housing providers will have to ensure that all their staff - from neighbourhood housing officers to senior management - have the right skills, experience, and knowledge to deliver a high-quality service for their tenants. This will be set out and enforced by the RSH to increase the standard of service delivery and make sure social housing staff are better equipped to support tenants, deal effectively with complaints, and ensure homes are of a good quality.

The core objectives of the Bill are to:

- Facilitate a new, proactive consumer regulation regime and
- Strengthen the Regulator’s powers to enforce the consumer and economic regimes

7.4 **Facilitate a new, proactive consumer regulation regime**

This means that the RSH will make safety, transparency, and energy efficiency part of its fundamental objectives. It will enable the RSH to set standards for the

competence and conduct of staff working for registered providers of social housing. It will require the nomination of a designated person for health and safety issues and provide the Secretary of State power to introduce new requirements for registered providers relating to electrical safety checks.

It will also mean there will be regular inspections of housing providers and there will be a power for the RSH to direct registered providers to collect and publish performance information.

## 7.5 **Strengthen the Regulator's powers to enforce the consumer and economic regimes**

This would ensure the RSH can effectively intervene when required. Key provisions include removing the 'serious detriment' test, which is a legislative barrier to the RSHs action on consumer issues. It will also give the RSH the power to require a registered provider to prepare and implement a performance improvement plan.

It will also remove the cap on the level of fines the RSH can issue and order emergency repairs and access homes at short notice

We will be required to show how we have sought out and considered ways to improve tenant engagement.

- Landlords will have to demonstrate how tenants are included in scrutinising and shaping service delivery and that co regulation/design is a priority. (Co design means shaping and developing services with tenants and including their input from the very beginning.)
- The introduction of measures which deliver more power to tenants, giving them improved access to redress in cases where things may have gone wrong, and to strengthen the powers of the RSH.

## 7.6 The Bill contained proposals which align with three key themes:

- Safety in the Home
- Increased power to tenants and the regulator
- Understanding how well (or not) landlords are performing

### Safety in the home

All Social Landlords will be required to identify a formally designated lead officer responsible for health and safety within their housing organisation or service; and the Bill will define the role that this person should have within the organisation. Their details will have to be published to ensure that Landlords are open and transparent with their tenants. The lead officer will be required to monitor compliance with health and safety requirements, assess risks if the organisation fails to do so, and to provide advice to address any such risks. The Social Landlord will have to provide all necessary training and resources to enable the lead officer to perform effectively in the role.

The Bill will also require social landlords to undertake electrical safety checks in the same way that private landlords are required to.

In the event of any serious risks arising from maintenance issues being found, the RSH will be able to order emergency repairs. They will be able to recharge the landlord and to seek interest in respect of the sum due.

The RSH is being given more powers to respond to cases where there are health and safety or other maintenance issues impacting the property. The RSH will be able to undertake inspections at short notice with the notice period falling from 28 days to 48 hours. Specific properties can be inspected with only 24 hours' notice being given to the tenant or other resident.

The RSH will also be able to "name and shame" failing landlords who are failing to provide a safe, good quality home and to levy unlimited fines if a landlord is persistently underperforming.

A recent amendment has been made to the Bill in that social landlords will have to investigate and fix damp and mould in their properties within "strict new time limits,"

#### 7.7 Increased power to tenants and the regulator

Landlords will be required to show how they have sought out and considered ways to improve tenant engagement and will have to demonstrate how tenants are included in scrutinising and shaping service delivery as co regulation/design is a priority. The introduction of measures which deliver more power to tenants, giving them improved access to redress in cases where things may have gone wrong, and to strengthen the powers of the RSH.

These changes and powers will move housing providers and the RSH from a reactive regulatory regime to a proactive, consumer-led one with significant impact on how we work and how our performance will be measured and assessed.

#### 7.8 Understanding how well (or not) landlords are performing

Introduce a new access to information scheme for social housing tenants of housing associations and other private registered providers of social housing, so that information relating to landlords is easily available.

There will be a requirement for Landlords to publish information on management costs, how income is being spent and other key performance indicators by means of an Annual Report on a yearly basis.

Landlords will be required to identify a senior person within their organisation to ensure they comply with the consumer standards set by the regulator.

The new framework will facilitate better consistency in how performance metrics are reported and interpreted, so that genuine accountability and benchmarking is possible.

### **8 Tenant Satisfaction Measures**

#### 8.1 The RSH is creating a new system for assessing how well social housing landlords in England are doing at providing good quality homes and services. In addition to introducing revised consumer standards, this will involve a set of

tenant satisfaction measures that social housing landlords must report on. The RSH has published a set of tenant satisfaction measures (TSM's) for landlords and all Landlords must publish their performance against the measures from 1 April 2024. This will allow tenants to compare the performance of their landlord with that of others

The TSM's place the greatest importance on:

- tenant satisfaction and communication
- understanding our tenants, their ethnicity/diversity and meeting the needs of the most vulnerable
- hearing the voices of our silent majority of the tenants, not just the vocal
- transparency and clear information (user-friendly dashboards) and proactive engagement on decisions/policy and spend
- property safety
- decent homes and stock management/sustainability,
- repairs performance and communications around repairs
- complaints management

The TSMs include both tenant perception measures, collected through landlords' surveys of tenants, and landlord management information measures.

## 9 Consumer Standards

9.1 The RSH sets consumer standards. Currently the regulator's role is reactive in response to referrals or other information received and to intervene where failure to meet the standards has caused, or could have caused, serious harm to tenants. These consumer standards apply to all registered providers, including local authorities.

The current consumer standards are:

- **Home Standard** - quality of accommodation and repairs and maintenance
- **Tenancy Standard** - how properties are allocated/exchanged and terms around tenure
- **Neighbourhood and Community Standard** - issues around neighbourhood and communal areas and anti-social behaviour
- **Tenant Involvement and empowerment Standard** - customer service and complaints, tenant rights and involvement.

9.2 The Bill will introduce new mandatory consumer standards which will be the basis for all pro-active inspection and all Social Landlords will be expected to meet these standards

The RSH has set out the broad themes of the new consumer standards, which cover

- **Safety - including** safety in the Home and communal areas
- **Quality** - quality of the home, communal areas, and services to tenants
- **Neighbourhood**, - landlords role working with other agencies to contribute to the wellbeing of the Neighbourhoods in which tenants live



- **Transparency** - landlords role in making information accessible to tenants so tenants know who has responsibility matters relating to the consumer standards
- **Engagement and accountability** – engagement between landlords and tenants, including how complaints are handled. Treating tenants with fairness and respect
- **Tenancy** –requirements in respect of tenancies, including allocation polices and opportunities for tenants to move

The RSH will be consulting with tenants, landlords and other stakeholders on the consumer standards. The consultation will be launched by summer 2023 and all Social Landlords will be required to meet these standards from April 2024.

## **10 Monitoring compliance, self reporting, and performance measures**

- 10.1 Landlords will be required to monitor compliance with the standards and to self-report where they fail; or in cases where there is a risk that they will fail to comply. There will also be a requirement for Landlords to publish information relating to the salaries of senior Officers (although the Council already does so), income, management costs and other expenditure by means of an Annual Report to tenants on a yearly basis

The Bill will enable the RSH to set standards for Landlords relating to the provision of information to tenants and to the RSH. A new system of performance monitoring will be introduced by the RSH, and landlords will be assessed regarding their ability to meet the consumer standards, including complaint handling.

## **11 Further regulator interventions, inspections, and new relationship with Housing Ombudsman**

The RSH will be able to intervene in cases where Landlords fail to meet requirements relating to information and transparency and some of the sanctions include enforcement notices, financial penalties, and the power to require a performance improvement plan.

In addition, the RSH will have the power to undertake inspections of Housing Providers and we may see the introduction of a cyclical ‘Ofsted’ style regime.

- 11.1 The RSH and Housing Ombudsman Service (HOS) will work more closely together and the names of landlords who are served with a maladministration finding by the Housing Ombudsman will also be published. The Bill will require both organisations to co-operate and to publish and maintain a memorandum setting out how this will work in practice.

The HOS will be able to direct Housing Providers to examine their own policies and procedures if, as a result of investigating a complaint, they find that something relating to the policy framework is an underlying cause of the issue referred to them.

## **12 NCC approach to ensuring that we are ready**

We have been preparing for the passing of the new legislation by completing a gap analysis to identify areas where focus was required to ensure that we will be compliant with the new legislation. We have leads for each of the areas with responsibility for delivery.

This analysis is being used to develop improvement plans to help drive the changes that are needed.

Improvement plans for each of the seven chapters of the white paper are being created and we are collating evidence in the areas of where we assess ourselves of meeting the requirements, and areas where we need to explore further. This action plan is being monitored by our Housing Operations Manager and our Director of Housing and Public Protection is receiving regular updates.

- 12.1 The passing of the Social Housing Regulation Bill may change some of the areas, they may not all appear in the final Bill, so we are monitoring the pilots and government amendments to the bill closely to ensure we are in the best position to meet new regulation and are in regular contact with Bernicia Homes who are part of the formal inspection pilot.

For example, the government on the 7<sup>th</sup> February 2023, has tabled amendments to the Social Housing Regulation Bill to introduce “Awaabs Law” which will require landlords to fix reported health hazards within specified timeframes. The new rules will form part of the tenancy agreement so tenants can hold landlords to account by law if they fail to provide a decent home.

In August 2021, a comprehensive review of the Housing Service was carried out led by the Improvement and Innovation Service. One of the findings was that the service was surviving, not thriving and part of this was due to insufficient capacity from the Management Structure downwards to deal with the additional pressures that will be placed on the service due to these regulatory changes.

As a result, funding has been identified within the Housing Revenue Account Medium Term Financial Plan 2023-24 to restructure parts of the service as failure to invest in service provision will expose the council to greater risk of intervention by the Regulator whilst also reducing the ability as a landlord to provide the services that our tenants, not only pay for, but have the right to expect.

## **13 Conclusion**

- 13.1 The White Paper has given housing organisations an informed steer on the new direction the government and the regulator will be taking in the future and the sector awaits the new Social Housing Regulation Bill. Until the regulators pilots and further consultations are complete then final detail about the inspection regime is still uncertain, but we are confident that we are in a strong position following the work completed.

It is anticipated that the Social Housing Regulation Bill will gain royal assent by the Spring 2023 and the new approach to be implemented from April 2024.

## Implications

<b>Policy</b>	Not applicable
<b>Finance and value for money</b>	Not applicable at this stage. Although it will be a future requirement to be able to demonstrate best value under the new statutory arrangements
<b>Legal</b>	None at this stage
<b>Procurement</b>	None
<b>Human Resources</b>	<p>To ensure compliance by the proposed April 2024 implementation date, a working group of senior officers has been established and leads assigned. An initial gap analysis has taken place to ensure that the areas that require additional resource and time commitment to ensure compliance are prioritised.</p> <p>Social housing providers will have to ensure that all their staff - from neighbourhood housing officers to senior management - have the right skills, experience, and knowledge to deliver a high-quality service for residents. This will be set out and enforced by the regulator to increase ensure housing staff are better equipped to support tenants, deal effectively with complaints, and make sure homes are good quality.</p>
<b>Property</b>	None
<b>Equalities</b> (Impact Assessment attached)  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>	The proposal within this report do not adversely impact on any member of staff, or public due to individual or multiple protected characteristics
<b>Risk Assessment</b>	N/A
<b>Crime &amp; Disorder</b>	None
<b>Customer Consideration</b>	None
<b>Carbon Reduction</b>	None

<b>Health and Wellbeing</b>	None
<b>Wards</b>	All of those where NCC own and manage housing as part of the Housing Revenue Account

**Background papers:**

None

**Report sign off.**

***Authors must ensure that officers and members have agreed the content of the report:***

	Full Name of Officer
Monitoring Officer/Legal	Ashley Turkington
Executive Director of Finance & S151 Officer	Jan Willis
Relevant Executive Director	Janice Rose
Chief Executive	
Portfolio Holder(s)	Colin Horncastle

**Author and Contact Details**

Susan Ogle, Housing Operations Manager, [susan.ogle@northumberland.gov.uk](mailto:susan.ogle@northumberland.gov.uk)