

# The Social Housing Regulator

Business as usual -

All change

TSA

THE SOCIAL  
HOUSING  
REGULATOR

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## We are the social housing regulator

We have five strategic priorities to April 2012:

- Ensure we realign our regulatory policies to implement the Government's new approach to social housing regulation
- Ensure our continued economic regulation is effective and maintains the confidence of lenders
- Ensure we deliver change and cost savings in a way that is fair to staff and ensures the regulatory functions are properly resourced within the context of a future fee regime
- Ensure we continue to work with key stakeholders in a co-regulatory way
- Ensure we work collaboratively with HCA and CLG on the transition programme

## Social Housing Regulation - the next 15 months

- We will continue to review financial information from providers and publish our quarterly analysis of the sector and engage with the people that we regulate
- We will continue to be an intelligent regulator taking account of the wider economic environment in which providers operate



## Background – review of social housing

- Our economic and consumer regulation functions to be transferred to a statutory regulation committee within the HCA
- This committee will be legally separated from HCA's investment functions
- Maintaining lender and investor confidence, and protecting taxpayers remains vital
- The role of consumer regulation will focus on setting clear service standards for social landlords



## The Legislation - Localism Bill

- The Bill received its second reading in the House of Commons on 17 January 2011
- The Localism Bill will implement the changes recommended by the review as well as:
  - o Reforms to allocations policy - greater powers for local authorities to decide
  - o Greater flexibility of tenancies - shorter, fixed term tenancies, from two years in length
  - o Powers of the HCA in London transferred to the Mayor and GLA

## Economic regulation

- We have a clear track record of strong economic regulation and despite a challenging environment, this will continue
- Delivering new homes: there are new challenges for how we support the delivery of new homes
- We will work with the sector to develop a greater focus on how providers deliver value for money for the taxpayer

## Affordable rent

- Core product for the HCA's 2011-15 Affordable Homes Programme with c £1.8bn of funding available
- RPs entering into delivery agreements allowed flexibilities to manage existing stock to support new supply e.g. converting a proportion of vacant social rent units to AR
- TSA is consulting on changes to Tenancy Standard to:
  - o Confirm AR is social housing
  - o Allow rents to be set at up to 80% of market rent
  - o Allow AR to be let on tenancies with a minimum occupancy period of 2 years





## Affordable rent

- TSA will review proposals to ensure viability is maintained and they are capable of delivery
- Early liaison and consultation with Local Authority partners is key to successful delivery of the Programme
- Framework document to be launched in the next few weeks



## Consumer regulation

- It will be for boards to decide how best they meet the new localism agenda but they will need to consider how they engage positively with and resource effective partnerships with local government and their tenants
- Providers will continue to work with tenants to ensure co-regulation continues to flourish in local communities
- There was near-universal support from providers in submitting Annual Reports for tenants
- Good examples of co-regulation and local co-operation between providers, tenants and other agencies



## Consumer regulation

- Development of new Tenant Panels
- Democratic filter –Complaints will continue to be dealt with by providers in the first instance with an increased advocacy role for MPs and Councillors
- Enhanced role of the Ombudsman
- We are committed to collaborative working to establish what does 'serious failure' looks like
- Local Offers in place by April 2011



## Difficult times, resilient sector

- Latest figures from the quarterly survey demonstrate that the social housing sector remains resilient in an uncertain economic environment
- The sector has remained attractive to funders as evidenced by over £1.5 billion worth of new facilities arranged in the 6 months to 30 September 2010
- The number of unsold low-cost home ownership (LCHO) homes continued to reduce for the 8th successive quarter and now stands at below 40% of the peak reported in January 2009

## Difficult times, resilient sector

- Providers continue to deliver new supply and business plans for the next 12 months based on prudent market assumptions
- The majority of respondents believe that finance and housing markets were unchanged over the quarter. However, a downward shift in sentiment was seen for the second quarter in a row with 24% respondents believing that the finance markets had deteriorated and 28% believing that housing markets had deteriorated (July, both 15%)

## Implications for providers – what we will do for you?

- We will maintain strong economic regulation with a continued focus on the viability and governance of private registered providers and a greater focus on value for money for the taxpayer
- We will develop and consult on proposals for fee charging arrangements
- We will work with Government and providers to realign our regulatory framework and standards to reflect the legislative proposals in the Localism Bill
- We will work with the sector to support providers and local authorities to build on the co-regulatory arrangements embodied in local offers and to strengthen tenant involvement and empowerment at a local level

## Implications for providers – what does this mean for you?

- Boards and Councillors must be ready to accept major new responsibilities
- Strong engagement with the regulator from providers will be important as the regulatory framework changes



## Conclusions

- We are changing ourselves to be a more intelligence led, more focussed regulator
- You will have fewer but more focussed engagement with the regulator
- Together we will maintain a healthy, resilient, value for money social housing environment for tenants, providers and lenders





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