

Response on behalf of Gateshead Council to Government's (Secretary of State MHCLG) call for evidence on Social Housing Regulation

Policy Context

1. The current regulatory framework for social housing is set out in the Housing and Regeneration Act 2008 (as amended).
2. The 2008 Act created the social housing regulator (since Oct 2018, a standalone public body The Regulator of Social Housing; RSH) and gave it power to set standards for registered providers (only those persons on the Register are subject to regulation) in respect of the social housing that they own. These standards may be in relation to:
 - i. Consumer Standards: the nature, extent and quality of accommodation, facilities and services provided by them in connection with social housing.
 - ii. Economic standards: financial and other affairs.
3. The current regulations provide that the consumer standards that the regulator sets may incorporate rules in relation to the following matters:
 - a) criteria for allocating accommodation,
 - b) terms of tenancies,
 - c) levels of rent (and the rules may, in particular, include provision for minimum or maximum levels of rent or of increase or decrease of rent),
 - d) maintenance and repair,
 - e) procedures for addressing complaints by tenants against landlords,
 - f) methods for consulting and informing tenants,
 - g) methods of enabling tenants to influence or control the management of their accommodation and environment,
 - h) policies and procedures in connection with anti-social behaviour,
 - i) landlords' contribution to the environmental, social and economic well-being of the areas in which their property is situated, and
 - j) estate management.
4. Economic matters may include:
 - a) the management of financial and other affairs
 - b) efficiency in carrying on financial and other affairs
 - c) levels of rent
5. The regulations provide that in setting standards, the Regulator must have regard to the desirability of registered providers being free to choose how to provide services and conduct business.

Background

6. The call for evidence was issued alongside the Government's consultation on the Green Paper "A new deal for social housing" with the aim of gathering evidence to inform a review of the regulatory regime for social housing, to ensure the regime is able to deliver the objectives set out in the Green Paper.
7. The rationale is that private registered providers of social housing will continue to require access to public and private funding, and the Government wishes to ensure providers are

well run, use their assets effectively and manage risk well, in a way that encourages investment into the sector and the delivery of new homes for future residents.

8. The Government is planning to strengthen The RSH, with its consumer standards being enforced in a similar way to economic standards; a proactive rather than reactive approach, including the monitoring of performance. It is also asking whether the Regulator should have greater powers to scrutinise councils, as well as arm's length management organisations (ALMO).
9. The consultation period ran for 8 weeks, until 9th Oct 2018. This necessitated a response to the consultation being submitted in advance of Cabinet, however, Housing and Economy, Portfolios were consulted on the draft response.

Gateshead Council's response

10. There are 8 questions in the call for evidence; the response submitted on behalf of Gateshead is set out in the attached annex. The call for evidence is available on the Government's web site <https://www.gov.uk/government/consultations/review-of-social-housing-regulation-call-for-evidence>

Implications of Recommended Option

11. Resources:

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms there are no financial implications arising directly from this report.
- b) **Human Resources Implications** – No human resources implications.
- c) **Property Implications** – No property implications.

12. **Risk Management Implication** – No risks associated with the consultation.

13. **Equality and Diversity Implications** – No equality and diversity implications

14. **Crime and Disorder Implications** – No crime implications.

15. **Health Implications** – No health implications.

16. **Sustainability Implications** – No sustainability implications directly arise from this report

17. **Human Rights Implications** - No human rights implications.

18. **Area and Ward Implications** – The detail of this consultation would impact on all Ward Areas.

Review of Social Housing Regulation – Call for evidence

Questions:

Principles of Regulation

Question 1.

We would welcome information on whether the current statutory objectives, and monitoring and enforcement powers are right, whether they need amending, and if so, how?

Gateshead's response:

- The proportionality of the regulatory regime is key. It must ensure good quality service provision; however, it is vital that regulation does not further discourage registered providers from meeting the housing needs of the most vulnerable tenants with complexities of support needs.
- Clarity would be welcomed on the scope and capacity of the Regulator in ensuring anti-social behaviour associated with tenants of registered social provider is addressed effectively and in a timely way. This is not just a general neighbourhood and community matter, but property specific issue; there are cases where local authorities are being required to take anti-social behaviour action against the tenants of registered providers when the anti-social behaviour may have been better addressed through the Registered Providers own support services, or through anti-social behaviour action by the Registered Provider with powers that were provided to RPs by the Anti-social Behaviour crime and Policing Act 2014; should this be a matter for the Regulator, and are the roles and referral mechanisms between local authorities, the Housing Ombudsman and the Regulator clear?

Question 2. We would welcome information on whether the “regulated self-assurance” approach to regulation of social housing is the right approach. If not, how should it be changed?

Gateshead's response:

- Clarity would be welcome on the role of the Housing Ombudsman and its links with the Regulator.

Economic Regulation

Question 3. We would welcome information on the effectiveness of the current approach to economic regulation.

Gateshead's response:

- No comments

Question 4. We would welcome information on any areas of the economic regulatory framework which might not work effectively or provide sufficient oversight when meeting the challenges of the evolving sector.

Gateshead's response:

- We have no indication of issues within Gateshead

The Regulatory System as a Whole

Question 5. We would welcome information on any specific issues that we should be aware of as the review progresses, to ensure that we retain a coherent regulatory framework.

Gateshead's response:

- Local authorities currently self-regulate, it would be excessively onerous if their housing revenue accounts were to be otherwise regulated.
- There should be recognition of the potentially disproportionate impact of regulation on smaller providers; this could drive more mergers, loss of diversity, loss of local connection and accountability.

Question 6. We would welcome information on any risks arising from improving the approach to consumer regulation enforcement

Gateshead's response:

- There has to be understanding of the full impact on business viability and additional burdens on revenue resources.

Relationship with the Hackitt Review

Question 7. What are your views on risks and opportunities presented by the regulatory regime suggested by Dame Judith Hackitt and how that should work with social housing regulation?

Gateshead's response:

- The Hackitt review highlights defects within the current Building Control system, and concludes that the introduction of competition within the Building Control regime through private Approved Inspectors may have resulted in a reduction in the Building Control standards.
- The Hackitt report highlighted high risk buildings and a need for a collective approach from designer, contractor, clients, Local Authority Building Control, and the Health and Safety executive in dealing with buildings of this nature. Whilst this approach would be supported, it would need to be recognised that significant additional resources would be required to enable local authorities to coordinate and contribute to the additional collective approach for high risk buildings and any subsequent social housing regime change.
- The Review highlighted that there should be a key person who would have overall responsibility during the building and refurbishment of buildings and that that responsibility should link through to the final operator/occupier of the building. This concern is supported; a lack of continuity through the life course of buildings has led to misunderstanding of safety solutions put in place and the risks associated with any subsequent changes or alterations made to a building. Any social housing regime should reflect the need for continued responsibilities during any works and the subsequent handover of properties.
- The Hackitt report's concern of a skill shortage within the BC profession and a need for a quality assured process with accountability is recognised locally in Gateshead. There is a need for experienced knowledgeable staff, with adequate resources and training.

Any Other Suggestions for Improvement

Question 8. We would welcome any further information that might inform the review of the regulatory framework.

Gateshead's response:

- No additional comments