

Inspections

**A summary of the new
requirements for social
housing providers.**

Dewbien Plummer

March 2024

(Social Housing Regulation Act 2023 England)



The Inspection Regime

background

On the 29th February, the Regulator for Social Housing (RSH) announced new standards for social landlords & how it will regulate them.

As part of these measures, the RSH will:

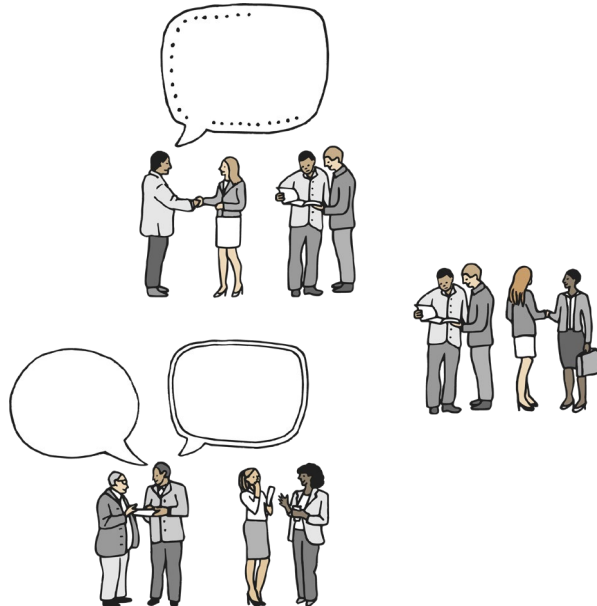
- inspect larger landlords regularly to check they are meeting the outcomes in the standards
- scrutinise data about tenant satisfaction, repairs and other relevant issues

The standards will apply to **all** social landlords, including councils & housing associations.



The Inspection Regime

overview



From when?

The changes will take effect from the **1st April 2024 onwards** and run in four-year cycles.

Who will be inspected?

Large landlords (more than 1000 units).

Frequency

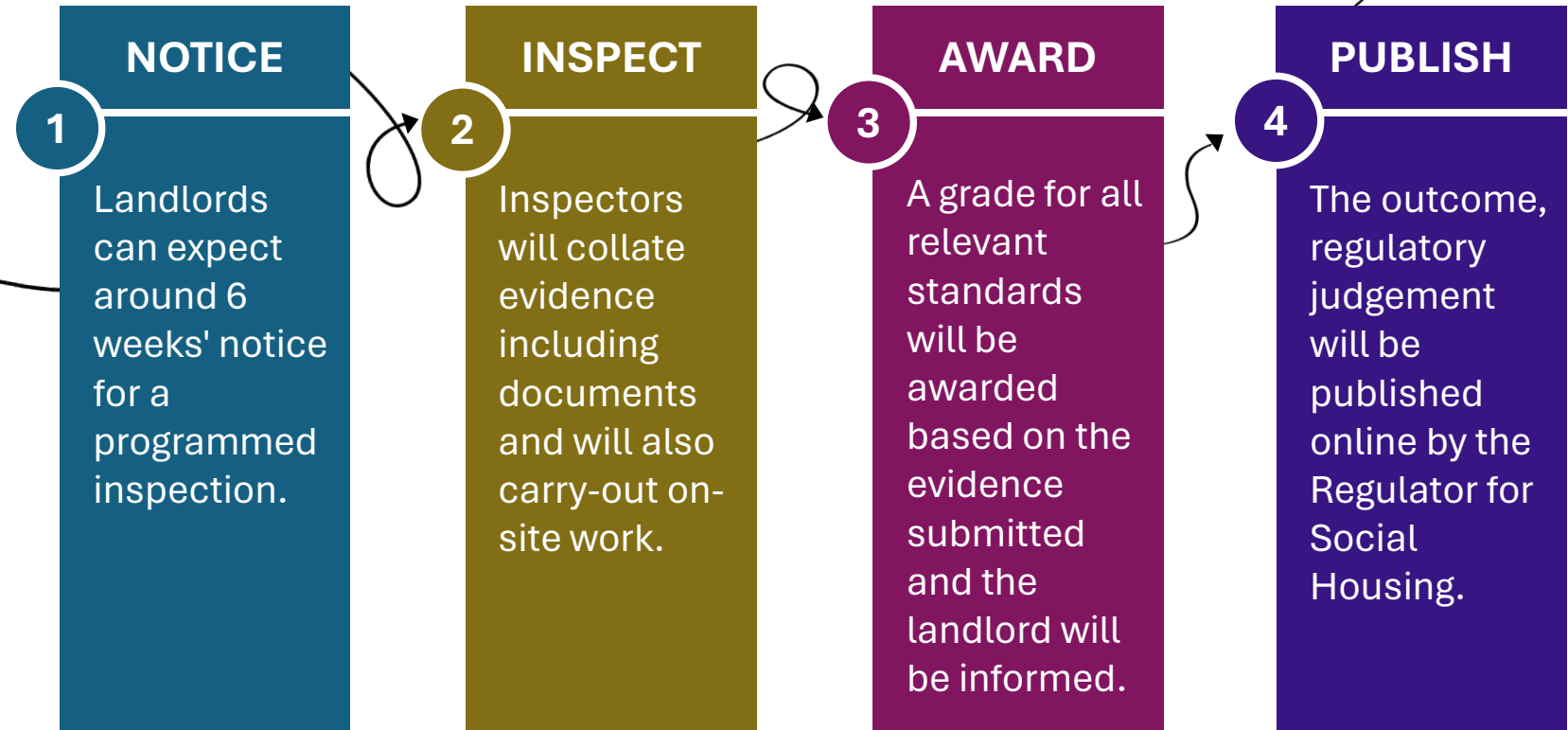
Programmed inspections - at least every 4 years. For landlords that are considered higher risk, this may be more frequent (2-3 years).

Non-programmed inspections will take place as needed; where they are investigating an issue or have been made aware of a risk.

The Inspection Regime

the process

This outlines the process of a planned inspection.



Regulatory Judgments

what they are and how they apply to different types of providers.

Regulatory judgements are the RSH's published view of how well a landlord is meeting the regulatory standards.

They are two categories of standards; economic and consumer.

- For **private registered providers** (e.g. housing associations), a regulatory judgement can cover the outcomes of any of the standards.
- For **local authority landlords** a regulatory judgement can cover the outcomes of the consumer standards and Rent Standard.

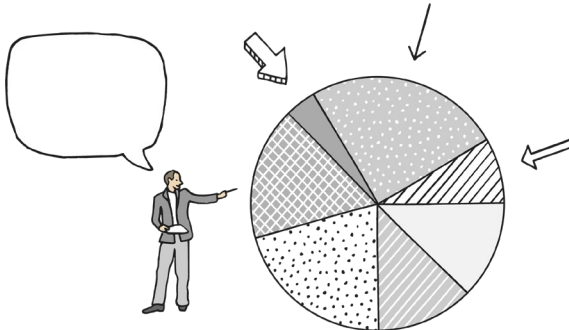


Regulatory Standards

consumer.

CONSUMER

- **Safety and Quality Standard** – which requires landlords to provide safe and good quality homes and landlord services to tenants.
- **Transparency, Influence and Accountability Standard** – which requires landlords to be open with tenants and treat them with fairness and respect so that tenants can access services, raise complaints when necessary, influence decision making and hold their landlord to account. This standard incorporates Tenant Satisfaction Measure requirements.
- **Neighbourhood and Community Standard** – which requires landlords to engage with other relevant parties so that tenants can live in safe and well-maintained neighbourhoods and feel safe in their homes.
- **Tenancy Standard** – which sets requirements for the fair allocation and letting of homes and for how those tenancies are managed and ended by landlords.



Regulatory Standards

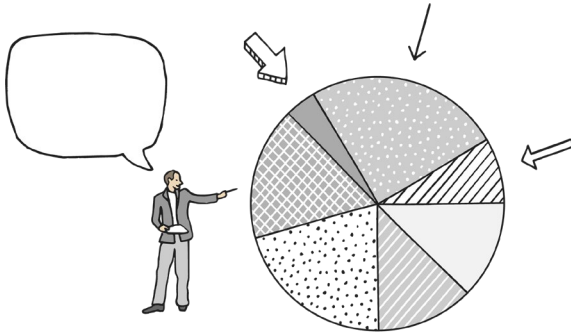
economic.

ECONOMIC

Governance and Financial Viability Standard – how well is the organisation run and is it financially viable

Value for Money Standard – does the provider make the best use of the resources it has to meet its objectives

Rent Standard – are rents set in accordance with Government policy for social housing rents.



Regulatory Judgments

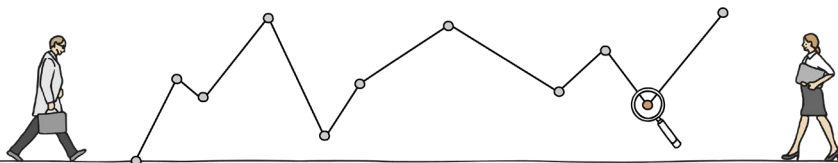
what they are and how they apply to different types of providers.

Judgments

Following a programmed inspection or if serious failings arise, the RSH will issue a grade to reflect the performance of the landlord.

The emphasis is co-regulation and the RSH expects landlords to be proactive and transparent about bringing concerns to the attention of the regulator.

Gradings will be familiar to housing associations but is a new requirement for local authorities, making housing management a statutory service, like homelessness.



Regulatory Judgments

how the grading system works.

Grading

The grading applies to the governance, viability and consumer requirements and is scored from 1 (meets requirements) to 4, (serious concerns).

The RSH have stated that they would expect providers to be aiming for a 1 rating in all areas.

- Grades range from G1 (meets governance requirements) to G4 (serious concerns, potential enforcement action) and V1 (meets viability requirements) to V4 (serious financial concerns).
- Consumer grades C1 to C4 reflect delivery of consumer standards.



Grading System

governance, viability and consumer grades.



Governance

- G1

Landlord meets governance requirements
- G2

Landlord meets governance requirements but needs to improve some aspects
- G3

Landlord does not meet governance requirements. There are issues of serious regulatory concern and the landlord is working to improve.
- G4

Landlord does not meet governance requirements. The landlord is subject to regulatory intervention or enforcement action.

Viability

- V1

Landlord meets viability requirements and has the financial capacity to deal with a wide range of adverse scenarios
- V2

Landlord meets governance requirements but needs to improve some aspects
- V3

Landlord does not meet governance requirements. There are issues of serious regulatory concern and the landlord is working to improve.
- V4

Landlord does not meet governance requirements. The landlord is subject to regulatory intervention or enforcement action.

Consumer

- C1

Landlord is delivering the outcomes of the consumer standards. The landlord has demonstrated that it identifies when issues occur and puts plans in place to remedy and minimise recurrence.
- C2

There are some weaknesses in the landlord delivering the outcomes of the consumer standards and improvement is needed.
- C3

There are serious failings in the landlord delivering the outcomes of the consumer standards and significant improvement is needed.
- C4

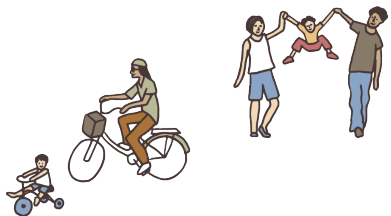
There are very serious failings in the landlord delivering the outcomes of the consumer standards. The landlord must make fundamental changes so that improved outcomes are delivered.

The Inspection Model

what the inspectors will
be looking at.

Inspectors will be looking at seven areas of the service when making assessments;

- ☐ **Strategy**
- ☐ **Structure**
- ☐ **Service Outcomes**
- ☐ **Risk Management**
- ☐ **Transparency, Influence & Accountability**
- ☐ **Financial Resilience**
- ☐ **Governance**



The Inspection Model

The components.

STRATEGY

The delivery of the landlord's short and medium-term priorities and its strategic approach to delivering value for money in meeting its objectives.

STRUCTURE

The corporate, financial and governance structures and the interaction between the landlord and the various organisations connected to it, and how risks flow between them.

SERVICE OUTCOMES

Delivery of outcomes relating to stock quality, repairs and maintenance, health and safety compliance, local co-operation, anti-social behaviour and hate incidents, the management of domestic abuse and tenancy sustainment.

RISK MANAGEMENT

The alignment of the landlord's risk appetite with the risks associated with delivery of its strategy. The board's assurance on key risks and compliance areas and the overall adequacy of the landlord's risk and control framework, including the quality of its stress testing and associated mitigation strategies.

TRANSPARENCY

Transparency, Influence & Accountability. How the landlord treats all tenants with fairness and respect, takes action to meet the diverse needs of tenants, provides meaningful opportunities for tenant-led engagement, collects, and uses performance information (including the TSMs), and handles complaints.

FINANCIAL RESILIENCE

The landlord's financial performance (its inherent financial strength); debt levels, sources of liquidity and future funding requirements; and its costs and the main drivers for those costs.

GOVERNANCE

The role of the board in ensuring delivery of strategic outcomes that promote the long term, sustainable success of the organisation. Alignment of leadership capacity and governance arrangements with the activities of the organisation and overall effectiveness of those arrangements.

References & Further Reading



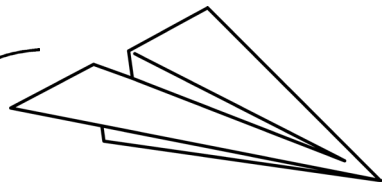
Regulator for Social Housing

- Guidance: Our approach to inspections. How we carry out inspections of landlords.
- Collection: How we regulate
- Guidance: Regulatory Standards
- Guidance: Reshaping consumer regulation: Our new approach

White Paper

- Time for Change. A review of the social housing sector and summary of the regulatory changes since Grenfell.

About the Author



Hello!



Dewbien Plummer (she/her), is a consultant and social housing expert with over 20 years' experience working for local authorities and housing associations and the supply chain.

Passionate about improving standards in social housing in the UK following the Grenfell tragedy, Dewbien now works with forward thinking organisations and writes about social housing, digital transformation and inclusion.

To work with me, get in touch [here](#)

