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Championing better homes and communities

Consumer Standards Consultation

NFA response

17 October 2023

Introduction

The NFA (National Federation of ALMOs) is the trade body which represents arms-length management organisations across England. All are not-for-profit bodies wholly owned by their parent councils, created to manage council-owned housing and deliver housing-related services.

The NFA represents 21 ALMOs across the country managing around 250,000 local authority-owned properties. They also build and acquire new stock. They devise and deliver support services for tenants and their wider communities. Some administer their parent council's Housing Revenue Accounts on their own and others jointly with their parent councils. All are engaged in discussions around stock investment and asset management and lead in tenant consultation on housing services for their parent councils.

Summary

The NFA believes that the proposed consumer standards are broadly what we expected and that they cover the right areas and set the right expectations of landlords. We are happy with the outcome focused approach as well as the RSH continuing to commit to a co-regulatory regime.

We welcome the strengthening of some of the existing standards and making some expectations explicit which were implicit previously.

We are very supportive of the focus on tenant engagement and ensuring that a culture of respect and support for tenants is embedded across all social housing services.

Overall comments

Member organisations and engaged tenants who are part of the NFA Tenant Advisory Panel are all agreed that how the Regulator regulates these standards is as important as the standards themselves and the NFA would like the RSH to commit to a review after a set period of using them to proactively regulate the sector so that lessons can be learned, and the process and standards tweaked as necessary to ensure the right outcomes for tenants. NFA members are also concerned that however much they will want to meet all of these standards in the future there are some serious concerns about the ability of individual Housing Revenue Accounts to be able to fund the necessary repair and capital works as well as provide the service levels required to meet the new consumer standards.

We understand that the financial viability of council housing departments is outside the Regulator's remit but believe that in order to make a real difference for tenants, it will be necessary for the regulator to be able to make a judgement about whether it is poor management of existing finances that is partly to blame for any failures or the lack of finances despite good management that is the cause. This could be done as part of conversations with its the sponsoring department, DLUHC in terms of additional financial support required to individual councils in terms of flexibilities around rent levels, RtB receipts, additional government grants for capital projects or reduced costs in terms of PWLB interest rates etc.

The NFA also thinks that even though the RSH has confirmed in meetings that RPs can ensure that these requirements are met via a management agreement with an ALMO or a contract with another third party it would be helpful to have that made explicit against all the standards. It is specifically mentioned in the code of practice in relation to communal areas and although this may be intended to refer to mixed tenure and mixed ownership blocks of flats, a possible reading of it is that the other standards need to be provided directly by the RP, which we know is not the case.
As this has been a misunderstanding of some of our parent councils already as well as a stated reason for looking to close down ALMOs over the last year or so, a paragraph acknowledging the different ways in which RPs can fulfil these requirements, specifically referring to ALMOs would help clarify the expectations for our members and their parent councils.

We note that the RSH is committed to outcomes and sets out what each of those is in relation to each standard. However, we don't think the wording of the "required outcome" is quite right. They all say RPs "must" do the various things, but the actual outcome is surely that they just "do the required thing". We therefore recommend taking out the "musts" from the outcome but retaining it in the specific expectations as this was something tenants were happy about and liked the clarity provided. For example, on fairness and respect the required outcome should be "RPs treat all tenants with fairness and respect" not "must treat all tenants with fairness and respect".
Our engaged tenants also wanted to ask that all the RSH judgements are accessible and easy to understand, using plain English, and also translating for different languages.

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Questions

1. **Overall, do you agree that the proposed Safety and Quality Standard sets the right expectations of landlords, as set out in Chapter 6 of the consultation document?**

The NFA agrees that the proposed Safety and Quality Standard sets the right expectations of landlords. We are pleased the standard sets out the specific expectations making it explicit that landlords are to ensure that their homes meet the Decent Homes Standard and comply with all relevant health and safety legislation. We think it is helpful that the code sets out the specific expectations on repairs, maintenance and planned improvements and this should help all landlords to ensure they are delivering a minimum standard of both home and service delivery.

We are pleased that adaptations are included in the standard and that there is an expectation that landlords co-operate with tenants, local authorities and other agencies so that outcomes for tenants are improved. However, we want to draw the Regulator's attention to the fact that councils must find all the money required from an already very stretched Housing Revenue Account, unlike housing associations or private landlords or homeowners who are able to apply for a Disabled Facilities Grant.

Although a provision was made for expenditure in the HRA as a 'Disabled Facilities Allowance' in the 2012-13 self-financing settlement, there have been many changes to the rent settlement agreed at that time since then including 4 years of rent reductions and increases in expenditure requirements through additional building safety requirements and the need to improve energy efficiency in tenants' homes. Members also report that the demand for large scale adaptations requiring major capital works and/or extensions has significantly increased within the sector over the past decade making it increasingly difficult to meet the need of tenants within their existing budgets.

2. **Overall, do you agree that the proposed Transparency, Influence and Accountability Standard sets the right expectations of landlords, as set out in Chapter 7 of the consultation document?**

The NFA agrees that the proposed Transparency, Influence and Accountability Standard sets the right expectations of landlords. We are pleased that treating tenants with fairness and respect is a required outcome of this standard and agree that RPs should be taking action to deliver fair access to and equitable outcomes of housing and landlord services for all tenants.

The only reservations we have in regard to this standard is the extent and type of data that tenants are happy to tell their landlord and have kept on record and ask that the RSH bear in mind tenant preferences for privacy and how their data is used across the organisation.

We are pleased to see the tenant engagement section in this standard strengthened and made clear. We believe that this will improve tenant engagement across the sector and make it more meaningful for tenants. The NFA is especially pleased to see the requirement for an RP that is considering a significant change in management to consult its affected tenants at a formative stage and take those views into account in reaching a decision.

We would ask that the Regulator provide some examples of what they regard to be a "material issue" in the standards or the code of practice to help clarify when someone should self-refer. The problem is that councils, who have not previously been proactively regulated by the RSH are still unclear where that line is drawn, especially since the serious detriment test was removed.

3. **Do you agree that the proposed Transparency, Influence and Accountability Standard accurately reflects the government's 'tenant involvement' direction to the regulator?**

Yes

4. **Overall, do you agree that the proposed Neighbourhood and Community Standard sets the right expectations of landlords, as set out in Chapter 8 of the consultation document?**

The NFA agrees that the proposed Neighbourhood and Community Standard sets the right expectations of landlords.

However, members have expressed concern that this is the most difficult standard to assess and regulate as so many issues are outside of a landlord's control.

Engaged tenants have also expressed concerns about how this standard will be regulated and from their perspective would like to be assured that the Regulator is able to make sure that landlords have a robust method of working with all local partners in relation to things like ASB.

The NFA thinks that the wording of the standard is about right at the moment but again how it is regulated will be significant and it will be necessary to fully understand the local context, the willingness of other partners in the area to engage as well as the RPs own policies and actions to get an accurate feel for what is reasonable or not.

We therefore think it would be helpful to have some examples of what a good policy looks like on ASB in the code of practice.

On domestic abuse we would suggest that the wording is amended slightly to change "co-operate with" to "work proactively with" other agencies and for SE1 – "have an effective policy" and SE2 "must work proactively with appropriate local authority departments…."

5. **Overall, do you agree that the proposed Tenancy Standard sets the right expectations of landlords, as set out in Chapter 9 of the consultation document?**

The NFA agrees that the proposed Tenancy Standard sets the right expectations of landlords. We are pleased to see the requirement for RPs to assist local authorities with their homelessness duties made explicit in this standard and hope to see a change of allocations and lettings policies and practices from some providers on the back of this. This should help reduce numbers of families and children in temporary accommodation across the country.

6. **Do you agree that the proposed Tenancy Standard accurately reflects the government's 'mutual exchange direction' to the regulator?**

Yes

7. **The proposed Code of Practice is designed to help landlords understand how they can meet the requirements of the standards. Do you agree that the proposed Code of Practice meets this aim?**

The NFA agrees that the Code of Practice helps landlords understand how they can meet the requirements of the standards and is a very useful addition to the consumer standards document.

As mentioned previously the part on self-referral could spell out what a material issue is and include examples to help councils make the right call. The part on ASB could also include some good practice examples to help set out expectations.

8. **A draft regulatory impact assessment has been produced to help in understanding the costs, benefits and risks of introducing a revised set of consumer standards and code of practice. Do you agree with our conclusions in the draft regulatory impact assessment?**

We do not think the impact assessment fully covers the position for councils and ALMOs who will be subject to proactive inspection and regulation for the first time in over a decade. We appreciate it is difficult at the moment to identify all of the costs of a full implementation of the new regime but think this has underestimated them, particularly on an ongoing basis.

There is a concern in our sector that the fees being proposed are considerable and will have a disproportionate impact on councils. We believe the proposed fees are too high for councils and will be saying that in our submission to that consultation.

There have been new standards introduced and existing ones beefed up. There has to be increased monitoring and assurance due to the bar being lifted from serious detriment and this will cost RPs more.

We agree it is the right thing to do and fully support the new regime but feel that the cost to councils and therefore tenants hasn't been properly assessed. We would ask for a review a couple of years into the regime to understand if it is delivering value for money and achieving its objectives.

9. The draft equality impact assessment looks at what effects introducing the consumer standards might have on members of groups that are protected by equality laws. Do you agree with our conclusions in the draft equality impact assessment?

Given the data available at the moment we broadly agree with the draft equality assessment.

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