



Championing better homes and communities

On the doorstep of regulation

An NFA briefing for members

April 2024

Introduction

Clarity on how RSH will regulate

The Regulator of Social Housing has now published full information about its new [regulatory regime](#)ⁱ which came into force on 1 April 2024. This explains how it will regulate; how it will inspect and enforce; and what is asked of landlords by the new Consumer Standards and Code of Practice.

The approach the Regulator has set out is

- **co-regulatory;**
- **risk-based;**
- **assurance-based;**
- **outcomes-focused;** and
- **takes place at the landlord level.**

In essence, the Regulator expects landlords to assure them that they are delivering the Consumer Standards; specifically that they have the processes and controls needed to deliver the outcomes the standards demand, and effective ways of monitoring they are doing this.

Local authorities with ALMOs:

- must deliver all the outcomes of the Consumer Standards and Rent Standard;
- must publish Tenant Satisfaction Measures (TSMs) data and submit this to the Regulator in line with the Regulator's [instructions](#)ⁱⁱ;
- will be subject to programmed inspections – with the aim of an inspection at least every four years – leading to a Consumer Standard grading (C1-4).

Tenant voice and its core role

The voice of tenants is key to the new regulatory regime. Local authorities will have to meet the new [Transparency, Influence and Accountability Standard](#). They must *demonstrate* that they listen to and act on tenants' views, and treat all tenants with fairness and respect.

Evidence is key; the Regulator wants strong, verifiable proof that the landlord is meeting the Consumer Standards.

The new performance ratings

All landlords should be aiming for a C1 on the new Consumer Standards performance rating scale. Where performance is judged to show some weaknesses that require improvement (C2) the Regulator will actively engage with the landlord and will expect to see an explicit improvement plan. Serious failings that demand significant improvement (C3) will prompt 'intensive' engagement from the Regulator. Serious failures requiring fundamental change (C4) is likely to trigger enforcement.

Inspection

The inspection process

The Regulator has clearly set out its [approach to inspection](#)ⁱⁱⁱ. For local authorities, inspections will focus on:

- **Service outcomes:** specifically, areas including 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.
- **Transparency, influence and accountability:** demonstrable proof that the landlord treats all tenants with fairness and respect; takes action to meet diverse tenant needs; offers meaningful opportunities for tenant-led engagement; collects and uses performance information from tenants; and handles complaints correctly.

The Regulator will usually give six weeks' notice of an inspection. Inspection begins with a call for documents which will be reviewed to assess what assurance they give of compliance and to help shape the on-site inspection.

The on-site programme will include a range of the below: meetings with executive leadership teams, councillors and board members; observation of one or more meetings; observation of forums which enable tenant-led influence and scrutiny; meetings with tenants to gather their insight. Although the local authority is the body subject to regulation, the Regulator has recognised the need to involve the ALMO.

A regulatory judgement will follow and although the Regulator has said they expect all landlords to be aiming for C1, they also understand the sector is on an improvement journey and they are anticipating some lesser gradings to start with. However, it is important for landlords to show the Regulator that they understand where they are and what steps they need to take to improve.

Insight from pilot inspections

The Regulator has shared the following learning from the pilot inspections.

- It is vital that landlords can **evidence** outcomes and compliance rather than only showing that they have policies and procedures in place.
- **Effective governance structures** are key to demonstrating outcomes.
- There is a need for **clarity of reporting, oversight and accountability**.

- **Good quality data** about stock, stock condition and tenants is vital.
- **Accountability mechanisms** need to be established, effective and evidenced.
- Landlords need to **make good use of performance data**.
- **How** landlords hear the voice of their tenants is critical.

Shropshire Council and STAR Housing case study

Shropshire Council and its ALMO Shropshire Towns and Rural Housing (STAR Housing) took part in the final phase of the Regulator's pilot inspections as the approach was being refined. This means that their experience is most like the live inspections that will begin this year.

Key learnings:

- The Regulator was looking for a clear, strong relationship with the council. To what extent was Shropshire Council assured about the performance of its ALMO and informed about its work? Could the Regulator follow the thread from ALMO senior officer decision-making through to council decision-making?
- On site, the Regulator spoke with a tenant board member; observed the council's decision-making board and the ALMO's board meeting; interviewed councillors and officers in the local authority; and met senior officers in STAR Housing.
- A well-run inspection on the day gives the right first impression of the organisation – you need to commit organisational resources to make sure the inspection runs smoothly.
- The council and ALMO were able to identify the areas that were weaker and demonstrate that the ALMO and local authority had a plan to improve. These were also the areas that the Regulator noted and this self-awareness was seen as a positive, showing that the organisation's monitoring and improvement processes work.
- The Regulator is interested in physical proof that provides them with assurance.
- The Regulator gave just two weeks' notice for the document submission, a resource-intensive process. Landlords will be best placed to respond if they have self-assessed against the Consumer Standards before an inspection is announced. Self-assessment will show what evidence or documents they have to show assurance, where documents are held and who is responsible for them. Most importantly, they will know whether the documentary evidence hangs together and identify any gaps.
- Demonstrating to the Regulator that you have a clear well thought-out and fully financed 30 year HRA business plan will demonstrate that the ALMO and the council have the resources available to deliver the requirements of the Regulator.

Learning from Tenant Satisfaction Measures

Demonstrating tenants are heard and their views acted on

ALMOs have traditionally had good tenant engagement and scrutiny arrangements (see NFA Best Practice reports [Tenant Voice](#)^{iv} and [Critical Friends](#)^v). However, they have been reviewing these arrangements to prepare for the new Consumer Standards.

Clearly, the Regulator will expect landlords to demonstrate that they have effectively used tenant scrutiny as a tool to understand and improve performance and triangulate this against other sources of data to really understand what is going on. They must be able to provide hard evidence of these processes.

ALMOs have now collected the first year of TSM data and have been monitoring how tenants scrutinise their landlord's performance against the TSMs through scrutiny panels, tenant forums, boards and sub-committees. They have also developed further systems to make sure TSM results drive better services to tenants.

Reviewing and evidencing tenant engagement – case studies

Examples include:

- **Barnet Homes** undertakes key driver analysis on perception surveys to identify the areas that are most important to tenants and those that require improvement; analyses themes in survey comments, and ties them to other information such as management TSMs and complaints data to determine service improvements.
- **Blackpool Coastal Housing** uses a process called 'Neighbour hub' to split stock into 53 neighbourhoods. Financial, performance and TSM data are analysed at neighbourhood level which connects tenant voice, performance and allocation of resources.
- **Stockport Homes** feeds all TSM survey response data into a Power BI dashboard (an online single-page visual summary of data highlights) which is updated daily. Feedback from customers is shared with the relevant service area and acted upon as required. Nominated TSM owners can review the survey dashboard and take action on a rolling basis. Performance teams are also able to feed relevant themes into the Continuous Improvement Group for review. TSM feedback themes are fed into policy reviews and service improvement projects to ensure customer voice is incorporated.
- **Wolverhampton Homes** uses insights from the TSMs to: identify key themes and priorities for improvement; engage stakeholders (tenants, staff and partners) to look at specific operations and processes; develop action plans for identified priorities; and implement change and improvement. The data also inform implementation monitoring, the communication of identified issues and improvement plans to tenants, and training and development plans for staff. The Customer Improvement Panel and other feedback groups are asked to comment. Overall, TSM data are being used to embed a culture of continuous improvement in the organisation

Using TSM data to drive improvement

Some examples from the NFA membership:

- One ALMO's analysis of comments showed that dissatisfaction was linked to tenants feeling they were not being listened to when they made specific requests, or that there were significant delays in processing requests. The ALMO has since developed better monitoring that flags up whether customer requests have been actioned within a set time limit. The system breaks down, by both service and team, the percentage of requests completed on time and these results are reviewed monthly by senior managers. Performance has significantly improved.
- TSM feedback is being included in service improvement action plans; for example, in a recent review of one ALMO's ASB policy.
- A complaints handling TSM score has been used by one ALMO to understand shortcomings and develop an improvement journey; this is now monitored in a quarterly complaints report to the ALMO Board and the Tenant Forum to demonstrate tangible action and improvement.
- TSM feedback has been used to improve delivery of an ALMO's repairs service through re-alignment of repairs business teams and development of a revised repair policy.
- In collaboration with one ALMO's customer scrutiny panel, TSM data have supported a review of the customer feedback process and changes to the 'no access' procedure. All customer feedback through TSMs is shared with relevant service areas for review and action at this ALMO.
- The data have led to the creation of a complaints panel – a group of customers who meet every two months to discuss how complaints handling can be improved; and development of training across the organisation so each member of staff understands their role in effective complaints handling. This ALMO has also developed better categorisation of complaints by root cause to identify likely solutions more accurately.

NFA members manage around 223,500 homes on behalf of their parent local authorities. First set up in the early 2000s to tackle poor quality housing in the council sector and make sure that tenant voices are heard, these council-owned companies are ideally suited to meet the new regulatory environment.

ALMOs are:

- wholly owned by the local authority, managing stock that remains in local authority ownership and control;
- governed by independent boards made up of tenants, councillors and independent members who oversee strategy and planning;
- a vehicle for excellent, specialised housing management services that give tenants a strong voice, with no loss of democratic accountability.

ⁱ <https://www.gov.uk/government/collections/how-we-regulate>

ⁱⁱ <https://www.gov.uk/government/publications/tenant-satisfaction-measures-standard/tsm-guidance-on-data-submission-accessible-version>

ⁱⁱⁱ <https://www.gov.uk/guidance/our-approach-to-inspections>

^{iv} <https://www.almos.org.uk/publications/tenant-voice-how-almos-listen-to-tenants-and-deliver-good-customer-services/>

^v <https://www.almos.org.uk/publications/critical-friends-what-tenant-scrutiny-brings-to-landlord-performance/>