

## Consumer standards consultation - Reshaping consumer regulation

### Response from the Northern Housing Consortium

#### About us

The Northern Housing Consortium (NHC) is a membership organisation based in the North of England. We are the 'Voice of the North' working with councils, housing associations and ALMOs to develop insight, influence and solutions to create better homes and places.

#### Summary of Key Points

1. The revised and more demanding Consumer Standards with more meaningful tenant involvement will drive better outcomes for tenants.
2. The continuation of a co-regulatory approach is welcome with the setting of outcomes and expectations enabling landlords to develop systems appropriate for their local area.
3. The proposed Safety and Quality Standard sets the right expectations and while safety is immutable, achieving "*an accurate record at an individual property level of the condition of their stock*" will require a review of asset management for many and should be recognised as part of an improvement journey.
4. As part of that improvement journey, registered providers are already adapting their services and developing strategies to ensure compliance, and while the standard is not prescriptive, there is also a need for further guidance on the type of evidence that will satisfy the compliance criteria.
5. The roles and responsibilities of different organisations in an area requires further guidance, especially when complying with the Neighbourhood and Community Standard. This would help to set realistic expectations.
6. Realistic expectations are relevant in neighbourhood work. Local authorities are the lead partner for most place-based approaches and are typically looked to first to resolve any local issues. It is felt that further guidance and definition of the neighbourhood standard is required when assessing compliance.
7. The circumstances in local areas and the levels of local deprivation will influence the achievement of outcomes. Anti-social behaviour is often concentrated most heavily in areas facing deprivation and poverty leading to some concerns about parity in regulating the standard.
8. A common challenge in meeting the new standards will be how to demonstrate compliance or proficiency when there are limited resources and availability of suitably skilled/qualified staff to perform some competencies. Additionally, many are on an

improvement journey and recognition of this process with a level of proportionality is needed.

9. Landlords have policies to deal with under/over-occupation and work together to support strategic housing functions and meet local housing needs. However, there is not enough social housing available to implement policies effectively and the absence of effective national policy to deliver higher levels of social housing is an important factor outside our members' control.

We have consulted our membership which includes councils, housing associations and ALMOs who own or manage more than 9 out of 10 socially rented homes in the North. Our response is informed by discussion with our members on the challenges and opportunities in delivering the new standards.

The Northern Housing Consortium's detailed responses to the consultation questions are below.

### **Consultation question 1**

*Overall, do you agree that the proposed Safety and Quality Standard sets the right expectations of landlords?*

#### **AGREE**

The revised standard sets a high expectation for the quality and condition of homes, as well as requiring compliance with the new Decent Homes Standard and updated HHSRS and this sets the right standard to future-proof our existing homes.

Sub-standard housing conditions are always unacceptable, and our members are aiming to provide decent quality homes in all cases with a redoubling of efforts to develop comprehensive understanding of the condition of housing stock.

Our members have told us that they invest heavily in stock surveys and additional stock condition reports but that the requirement for "*an accurate record at an individual property level of the condition of their stock*" will require a review of existing asset management approaches and data management. Even so, members could meet all reasonable expectations for the frequency of stock surveys, and supplement this with additional checks, but due to the dynamic nature of homes, this data can only ever be truly accurate on the day it was collected.

We have heard members describing an aim for a 'gold standard,' one which eliminates errors and adopts a more proactive approach to the management of risk, including the prediction of areas of risk.

However, many are still on a journey and have queried the extent to which there will be recognition of the 'work in progress' of the improvement journey when assessing compliance.

We agree that the Decent Homes Standard should be included in the compliance on quality and safety. The existing standard is out of date and does not align with current practice or policy, especially relating to energy efficiency. As the updated standard emerges to reflect modern expectations and the country's Net Zero ambitions, there is a need to discuss with

Government the speed of implementation and the funding available to meet higher levels of decency.

The use of data to understand housing stock can be enhanced and this will underpin an understanding of the performance and condition of housing stock, especially when analysed across the organisation using repairs and maintenance performance, TSMs and complaints.

Many landlords have already introduced, or are introducing, new types of data management including advancements in monitoring of health and safety. This is a process that typically aims to achieve integration of systems, and it involves investing heavily in new data systems or dedicating significant staff time. Regulation should recognise this is an ongoing strategy.

To ensure data is robust, increased investment in stock surveys is to be expected and many members have informed us that they are carrying out stock condition surveys on 100% of their stock. The unintended consequence of this is that the demand for surveyors is currently very high when there is already an existing shortage of surveyors in the building control sector - vital in ensuring compliance with building regulations and safety standards.

Finding the right balance between an adequate level of stock surveys and not disrupting peoples' lives too much will be important in complying with the standard. Full stock condition surveys can be disruptive for people, but anything less than a full survey may not be worthwhile. People will also see their homes being upgraded to maintain current levels of decency under the Decent Homes Standard and to meet future changes to the standard. Energy efficiency measures are also being retrofitted to many social homes. Together these bring benefits for people's homes but also disruption to people's lives and this balance needs to be a consideration. Members anticipate there may be difficulties gaining access to properties for increased levels of surveying in this context.

## **Consultation question 2**

*Overall, do you agree that the proposed Transparency, Influence and Accountability Standard sets the right expectations of landlords?*

### **AGREE**

Our members have demonstrated a commitment to being more accountable and transparent, and we believe that the proposed standard represents a natural progression of the work the sector has been doing. Compliance with this standard should be straightforward for registered providers.

Engagement with tenants is a key requirement and our members have told us that they are reviewing and enhancing their systems and processes to achieve more meaningful resident engagement, which ultimately creates a culture of openness.

The proposed outcome and expectations will support tenant involvement in decision-making and it is right that tenants should be involved early enough to be able to contribute to decisions.

Some concern was expressed around proportionality in the involvement in decision-making, particularly on management arrangements and the level of support, training and guidance required when providing meaningful opportunities for the inclusion of tenants in decision-taking and formal governance structures. Whilst tenants' and residents' voices are important

in decision-making, this needs to be balanced with the expertise, judgement and technical knowledge of housing professionals.

Some members queried the sensitive nature of some of the data that will be required to be held when meeting expectations for a deeper understanding of their tenant profiles and furthermore, how this could be deployed within data guidelines to validate compliance. Recognition should be given to the fact that some tenants may not provide their information.

Some local authority members said they are reviewing their governance arrangements but due to the nature of local authority structures, there will not be consistent or uniform governance structure. Also, decision making in a political environment holds different challenges for participatory models.

Local authority members noted that tenants experience of the local authority as a whole will influence the feedback they receive on housing services. The multitude of services provided affects the views of residents who don't see the council's role as limited to being their landlord and will likely be reflected in their overall experience with services provided outside the Housing Revenue Account – such as waste collection or highway maintenance.

### **Consultation question 3**

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

#### **AGREE**

We believe that the tenant involvement direction has been accurately reflected in the Transparency, Influence and Accountability Standard.

The government's consultation on the direction provided helpful clarification around what may be required and that this information would be a useful addition to the Code of Practice to provide some examples of how assurance could be provided by registered providers.

### **Consultation question 4**

*Overall, do you agree that the proposed Neighbourhood and Community Standard sets the right expectations of landlords?*

#### **AGREE**

We support the proposed outcome and expectations of the Neighbourhood and Community Standard however, compliance with the standard will not be without challenge.

There are critical policy areas that pose threats to better outcomes for the neighbourhoods.

Firstly, the circumstances in local areas and the levels of local deprivation will influence potential outcomes. We know that anti-social behaviour is often concentrated most heavily in areas facing deprivation and poverty leading to some concerns about parity in regulating the standard.

The regeneration of places is a key factor in the government's levelling up programme and the neighbourhood standard is set within the context of varying levels of deprivation and

conflicting needs on mixed tenure estates where social housing will be in a better state of repair than the surrounding properties.

Also, anti-social behaviour cases can be protracted if they involve the criminal justice system, with cases taking considerable time to pass through the courts. This can lead to dissatisfaction within neighbourhoods but is out of the control of a landlord and this acknowledgement is needed in regulating compliance. Anti-social behaviour can be an indicator of possible domestic abuse and guidance in the Code of Practice could recognise this.

Secondly, the role of a local authority in neighbourhoods will differ to that of a housing association and also relationships between housing associations, local authorities and partner agencies will vary from place to place. Many housing associations work across multiple local authorities.

As an organisation representing local authorities, ALMOs and housing associations, the NHC recognises the distinct role of local authorities as the lead partner for most place-based approaches is important. Elected councillors are directly accountable to local people in relation to the community offer. Councils are well-placed to take a joined-up approach. Many local authorities over recent years have changed their internal structures in order to support place-based working – but this has sometimes involved dedicated housing departments being phased out or their functions dispersed across the authority. Local councils also recognise the neighbourhood activities delivered by housing associations, which often complement the council's services and bring communities together.

The standard should take account of the many statutory functions of local councils in leading communities, and which influence the perceptions held of roles and responsibilities within communities. Dissatisfaction from residents with tackling anti-social behaviour can often relate to circumstances beyond the control of a housing provider and this should be acknowledged when assessing compliance with the standard.

Finally, place-based approaches will have resource and workforce implications. The Code of Practice will be helpful in guiding an understanding of the limits of shared responsibility when local budgets and local accountability are not shared.

Our feedback emphasised that to avoid duplication and rationalise evidence for compliance, it is vital that each partner organisation has up-to-date strategies to be able to demonstrate the promotion of social, environmental and economic wellbeing. We have been told that members are revising and improving their policies that support cooperative work and help them to be more alert, for example, to spot signs of domestic abuse.

Issues around place-based coordination have been a key aspect in new research for the Northern Housing Consortium on Pride in Place. This study will be launched in November 2023, with recommendations for housing associations, local authorities, UK Government and its agencies to consider.

We would be happy to facilitate a roundtable discussion on this ambition with the Regulator and local authorities and housing associations in the North.

### **Consultation question 5**

*Overall, do you agree that the proposed Tenancy Standard sets the right expectations of landlords?*

## **AGREE**

We support the proposed standard which retains the tenure requirements from the existing Direction from government (around the offer of tenancies).

Allocations policies may need to be reviewed in light of the revised standard. For example, some registered providers may have limited data on the types and locations of adapted properties, which could make complying with the standard challenging.

Local authorities will cooperate on their strategic housing functions but housing associations may work across different local authority boundaries with varying systems. Also, some smaller landlords with limited stock may not necessarily be involved by the local authority as a key partner and homelessness strategies may not be co-produced in all cases.

Achievement of the standard will be influenced by local housing market context. Allocations systems cannot overcome under/over-supply in an area.

Landlords may already have policies to deal with under/over-occupation and have demonstrated a willingness to work together in support of councils' strategic housing functions and help to meet local housing need. However, providing suitable housing is still the main problem, with waiting times in some areas causing tension.

Insufficient supply of social housing means that in the North, almost 5% of social rented<sup>1</sup> households are too crowded and there is not enough social housing available to implement policies effectively. According to our analysis, Northern regions have experienced an 81.2% shortfall in the delivery of social rent units over a 5-year period, when comparing delivery against independently assessed needs.<sup>2</sup>

Nationally, local authority stock is one and a half times more likely to be overcrowded than housing association stock, reflecting different dynamics in supply in recent decades. Welfare reform policies have also impacted on lettings and demand for certain types of stock.

The sector is awaiting issue of a new Direction on tenure and quality of accommodation in due course, alongside any changes made through the Renters' Reform Bill.

### **Consultation question 6**

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

## **AGREE**

The mutual exchange direction has been accurately reflected in the Tenancy Standard.

The government's consultation on the direction provided helpful clarification around what may be required, and that this information would be a useful addition to the Code of Practice to provide some examples of how assurance could be provided by registered providers.

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<sup>1</sup> Northern Housing Monitor 2021 (based on English Housing Survey social rented sector)

<sup>2</sup> Northern Housing Monitor 2021 (based on DLUHC Affordable housing supply statistics 2019-20 Table 1006aC)

## **Consultation question 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?*

### **AGREE**

The revised Code of Practice will help registered providers to understand how compliance with specific expectations and outcomes can be achieved from April 2024.

Our members welcomed the same co-regulatory, risk-based principles being applied to the consumer standards as those applied to economic standards.

There are some areas where more explicit guidance in the Code would support and demonstrate how registered providers can reasonably assure their compliance with the standard.

For example, in complying with the neighbourhood standard we would welcome more explicit guidance about of the forms local co-operation could take, and on roles and responsibilities where compliance will range across policing, social services, mental health services and connectivity between strategies for health and wellbeing, public health and housing.

The standard is set against a background of other agencies who can be struggling with capacity, having had their resources stretched. This has made it challenging for all parties to provide the full extent of services to neighbourhoods. This means that social landlords can be expected to step in to provide support, which is an expansion of their remit.

With the additional inclusion of tackling domestic abuse, anti-social behaviour can be an indicator of possible domestic abuse and guidance in the Code of Practice could recognise this.

Where partner organisations are in scope of the standard, but capacity of these organisations is strained, this could pose a challenge in achieving compliance.

The sector's capacity is finite, for example, local authorities are empowered to have a clear community leadership role, responding to the diverse and changing needs of their areas but there will be an impact of constrained local authority budgets on capacity and resources to deliver effective and quality community services.

Difficult decisions lay ahead for all social landlords to fund priorities for decarbonisation, building safety and to expand the supply of much-needed new affordable housing.

By continuing the pilot work, the Regulator will help registered providers with further examples which can support them delivering across all of the standards.

## **Consultation question 8**

*Do you agree with our conclusions in the draft Regulatory impact assessment?*

## **AGREE**

We agree that the costs should be manageable and proportionate in the main because landlords have been evolving their processes and practices over recent years and are primed to shift up a gear to higher standards on each of the requirements.

### **Consultation question 9**

Do you agree with our conclusions in the draft Equality impact assessment?

## **AGREE**

The Equality Impact Assessment appropriately reflects the impacts of the proposed consumer standards on groups protected by equality laws.

For further information about this response, please contact:

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