

Training session 02

The standards your landlord needs to meet

June 2025

These notes are part of a series of 10 training sessions

- 01 Know your social housing rights
- 02 The standards your landlord needs to meet
- 03 Your landlord and the law
- 04 Equality and diversity in social housing
- 05 Your landlord and your money
- 06 Awaab's Law – making your home safer, faster
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The Regulatory Framework

This guidance outlines the key areas of the Regulatory Framework that Registered Providers need to ensure they are compliant.

Overview

The Regulatory Framework in England is made up of:

- Requirements – what Registered Providers need to comply with;
- Codes of Practice – amplifying an Economic or Consumer Standard to assist Registered Providers in understanding how compliance might be achieved;
- Guidance – providing further explanation on requirements and detailing how the Regulator carries out its regulatory duties.

Economic Standards

The Regulator of Social Housing proactively seeks assurance that Private Registered Providers are meeting the Economic Standards. These apply to all Registered Providers, except for local authorities because the Regulator of Social Housing only has power to set the Rent Standard for them.

The 3 Economic Standards are:

- Governance and Financial Viability – how well is the organisation run and is it financially viable;
- Value for Money – does the organisation make the best use of the resources it has to meet its objectives;
- Rent – are rents set in accordance with Government policy on social housing rents.

The Regulator of Social Housing maintains judgements on how well Registered Providers are meeting these Standards and using a grading system identifies those that are non-compliant or in danger of being so.

Consumer Standards

The Regulator of Social Housing also sets Consumer Standards. Following the introduction of new powers within the Social Housing Regulation Act 2023, the Regulator will actively assess compliance for all Registered Providers through inspections referrals and information that it receives. The Regulator of Social Housing will publish judgements on how well Registered Providers are meeting these Standards and using a grading system will identify those that are non-compliant or in danger of being so.

The 4 Consumer Standards are:

- Safety and Quality – ensuring that homes are safe, that the quality of homes is maintained and that effective repairs services are provided to residents;

- Transparency, Influence and Accountability – ensuring that residents are treated with fairness and respect, that landlords provide information about resident rights and service delivery, that they address complaints effectively and ensure fair outcomes for residents in a way that reflects their diverse needs;
- Neighbourhood and Community – ensuring that communal areas are safe, that landlords co-operate with local partners to promote residents' wellbeing and tackle domestic abuse and that action is taken to prevent and tackle anti-social behaviour and hate crimes;
- Tenancy – ensuring that properties are allocated and exchanged fairly, that landlords offer residents the most appropriate form of tenancy and that they work with residents to support them in maintaining their tenancy and offer them appropriate advice when their tenancy ends.

Economic Standards

Governance

There must be effective, transparent, and accountable governance arrangements that ensure that Private Registered Providers:

- Adhere to all relevant legislation;
- Comply with their governing documents and all regulatory requirements;
- Are accountable to their residents, the Regulator of Social Housing and relevant stakeholders;
- Safeguard taxpayers' interests and the reputation of the sector;
- Have an effective risk management and internal controls assurance framework;
- Inform the Regulator of Social Housing of any significant change of control, such as multiple changes within its governing body;
- Protects social housing assets.

To achieve compliance, it is expected that Registered Providers will:

- Adopt a relevant Code of Governance, undertake an annual compliance self-assessment and report on that assessment in their annual accounts;
- Manage their affairs with an appropriate degree of skill, independence, diligence, effectiveness, prudence and oversight;
- Communicate with the Regulator of Social Housing in a timely manner regarding areas of non-compliance;
- Adopt appropriate, robust and prudent business planning and risk management strategies and maintain appropriate control environments;
- Undertake an annual assessment and publish a statement of compliance in audited accounts;
- Adhere to requirements of The Code of Practice 2015.

Financial Viability

Registered Providers are required to manage their resources effectively to ensure their viability is maintained while ensuring that social housing assets are not put at undue risk.

They must ensure that they have an appropriate, robust, and prudent business planning, risk and control framework so that:

- They have access to sufficient liquidity at all times;
- Financial forecasts are based on appropriate and reasonable assumptions;
- Effective systems are in place to monitor and accurately report delivery of their plans and the implications of risks to the delivery of plans are considered;
- They can monitor, report on, and comply with their funders' covenants.

To achieve compliance, it is expected that Registered Providers will assess, manage and where appropriate address risks to ensure their long-term viability, including ensuring that social housing assets are protected. They shall do so by:

- Maintaining a thorough, accurate and up to date record of their assets and liabilities and particularly those liabilities that are secured against social housing assets;
- Carrying out detailed and robust stress testing against identified risks and putting in place appropriate mitigation strategies;
- Before taking on new liabilities, ensuring that they understand and manage the likely impact on current and future business and regulatory compliance.

Rent

Social housing rents must be set in accordance with Government policy on rent setting. The Rent Standard was updated in 2020 to enable Registered Providers to increase rent by Consumer Price Inflation (CPI) + 1% per year until 2025. This was extended until 2030 and in the 2024 October budget.

The requirements of the Rent Standard are:

- Compliance with Government directives on social housing rents and affordable rents;
- “Affordable rents” – are set at 80% of gross market rents – where valuations are done to RICS standard;
- This does not apply to a “high income social tenant” (HIST) households earning £60,000 or more, where the Registered Providers can charge market rent, and other forms of housing than low-income rental housing;
- Explanation of how rents and service charges are set must be provided to residents.

Value for Money

Registered Providers must:

- Clearly articulate their strategic objectives;
- Have an agreed approach to achieving value for money in achieving their objectives;
- Articulate their strategy for delivering homes that meet a range of needs;
- Ensure that optimal benefit is derived from resources and assets and that they optimise economy, efficiency, and effectiveness in the delivery of their objectives.

To achieve compliance, it is expected that Registered Providers will:

- Have a robust approach to achieving value for money;
- Give regular and appropriate consideration of potential value for money gains;
- Consider value for money across the entire organisation;
- Put targets in place for measuring performance in achieving value for money;
- Publish an annual performance report against value for money targets and metrics;
- Adopt measurable plans to address underperformance.

Value for Money Metrics

The Regulator of Social Housing has set a series of Metrics that all Registered Providers must measure and report against; these are laid out and explained below. The information needed to calculate each of these metrics can be drawn from the Registered Provider's annual accounts.

1 Reinvestment

This measures the total amount spent each year on new and existing homes as a percentage of fixed assets. It is calculated by:

Expenditure on developing and buying new homes and capital works to existing homes divided by the value of the organisation's homes.

2a New Supply (Social Housing Units)

This measures the number of new social housing homes a Registered Provider has built each year as a percentage of its total number of homes. It is calculated by:

Number of new social housing homes build and bought divided by the total number of social housing homes.

2b New Supply (Non-Social Housing Units)

This measures the number of new non- social housing homes a Registered Provider has built each year as a percentage of its total number of homes. It is calculated by:

Number of new non-social housing homes build and bought divided by the total number of homes.

3 Gearing

This measures the amount of debt a Registered Provider has as a percentage of its fixed assets. It is calculated by:

Total debt divided by the value of the organisation's homes.

4 EBITDA MRI Interest Cover

This measures the net income of a Registered Provider each year as a percentage of the interest it paid. It is calculated by:

Total operating surplus, amortised grant, capitalised major works costs and depreciation divided by interest and financing costs.

5 Headline Social Housing Cost

This measures the per property cost of providing housing management services. It is calculated by:

Total expenditure divided by the number of social housing homes.

6a Operating Margin (Social Housing Lettings)

This measures the surplus that a Registered Provider creates each year as a percentage of its income from social housing lettings. It is calculated by:

Total operating surplus divided by social housing income.

6b Operating Margin (Overall)

This measures the surplus that a Registered Provider creates each year as a percentage of all its income. It is calculated by:

Total operating surplus divided by total income.

7 Return on Capital Employed

This measures the surplus that a Registered Provider creates each year as a percentage of its current value. It is calculated by:

Total operating surplus divided by total assets less current liabilities.

Consumer Standards

Safety and Quality

Registered Providers are required to maintain the quality of the homes they own and manage by:

- Maintaining accurate and up to date evidence of the condition of their homes;
- Ensuring that homes meet the standards set out in the Government's Decent Homes Guidance;
- Taking all reasonable steps to ensure the health and safety of residents in their homes and communal areas;
- Provide effective, efficient and timely repairs, maintenance and planned improvements to homes and communal areas;
- Assisting residents seeking housing adaptations to access appropriate services and support.

Transparency, Influence and Accountability

Registered Providers are required to:

- Treat residents and prospective residents with fairness and respect;
- Take action to deliver fair and equitable outcomes for residents;
- Consider residents' opinions when making decisions about how landlord services are delivered and inform residents how this has been done;
- Provide information to residents so they can access services, understand what to expect from their landlord and hold their landlord to account;
- Collect and provide information to enable residents to effectively scrutinise landlord performance;
- Operate a fair, effective, and prompt complaints procedure.

Neighbourhood and Community

Registered Providers are required to:

- Work co-operatively with residents, other landlords and organisations to ensure the safety of shared and communal spaces;
- Co-operate with relevant partners to help promote the social, environmental and economic wellbeing of their residents;
- Work in partnership with other agencies to prevent and tackle anti-social behaviour and hate crimes;
- Co-operate with relevant partners to tackle domestic abuse and to enable residents to access appropriate support and advice.

Tenancy

Registered Providers must operate allocations and lettings processes that:

- Contribute to local authorities' strategic housing function and sustainable communities;
- Are compatible with the purpose of the housing;
- Seek to address issues of under-occupation and overcrowding in their homes;
- Provide access to a fair, reasonable, simple, and accessible appeals process.

Registered Providers must:

- Prevent and tackle tenancy fraud;
- Support residents to maintain their tenancies and where their tenancies end, offer them advice and assistance;
- Offer the most appropriate tenancy agreement to all residents;
- Support relevant tenants living in eligible housing to mutually exchange their homes.

Tenant Satisfaction Measures

The Regulator of Social Housing published the Tenant Satisfaction Measures in September 2022 and reporting on them is a regulatory requirement as part of the Transparency, Influence and Accountability Standard. Registered Providers must undertake Tenant Perception Surveys and collate internal data which must be submitted to the Regulator of Social Housing every year.

For small providers there is no requirement to submit data to the Regulator of Social Housing but it must be published to residents; the Tenant Perception Survey could be run every 2 years.

There are 22 measures as outlined below that should either be assessed through a Tenant Perception Survey or drawn from core landlord data.

Overall Satisfaction

TP01 Overall Satisfaction – Tenant Perception Survey

Keeping Properties in Good Repair

TP02 Satisfaction with repairs - Tenant Perception Survey

TP03 Satisfaction with time taken to complete most recent repair - Tenant Perception Survey

RP01 Homes that do not meet the Decent Homes Standard - Landlord Data

RP02 Repairs completed within target timescale - Landlord Data

Maintaining building safety

TP04 Satisfaction that the home is well maintained - Tenant Perception Survey

TP05 Satisfaction that the home is safe to live in - Tenant Perception Survey

BS01 Gas safety checks - Landlord Data

BS02 Fire safety checks - Landlord Data

BS03 Asbestos safety checks - Landlord Data

BS04 Water safety checks - Landlord Data

BS05 Lift safety checks - Landlord Data

Respectful and helpful engagement

TP06 Satisfaction that the landlord listens to tenant views and acts upon them - Tenant Perception Survey

TP07 Satisfaction that the landlord keeps tenants informed about things that matter to them - Tenant Perception Survey

TP08 Agreement that the landlord treats tenants fairly and with respect - Tenant Perception Survey

Responsible neighbourhood management

TP10 Satisfaction that the landlord keeps communal areas clean, safe, and well-maintained - Tenant Perception Survey

TP11 Satisfaction that the landlord makes a positive contribution to neighbourhoods - Tenant Perception Survey

TP12 Satisfaction with the landlord's approach to handling of anti-social behaviour - Tenant Perception Survey

NM01 Anti-social behaviour cases relative to the size of the landlord - Landlord Data

Effective handling of complaints

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| TP9 | Satisfaction with the landlord's approach to handling of complaints - Tenant Perception Survey |
| CH01 | Complaints relative to the size of the landlord - Landlord Data |
| CH02 | Complaints responded to within Complaint Handling Code timescales - Landlord Data |

How the Regulator of Social Housing Works

The Regulator of Social Housing outlines its approach to regulation in its publication 'Regulating the Standards.'

Parliament has given the Regulator of Social Housing two fundamental objectives: an economic objective and a consumer objective.

The Economic Regulation Objective is:

- to ensure that Registered Providers are financially viable and properly managed and perform their functions efficiently and economically;
- to support the provision of social housing;
- to ensure that value for money is obtained from public investment in social housing;
- to ensure that an unreasonable burden is not imposed on public funds;
- to guard against the misuse of public funds.

The Consumer Regulation Objective is:

- to support the provision of social housing that is well-managed and of appropriate quality;
- to ensure that residents and prospective residents have an appropriate degree of choice and protection;
- to ensure that residents have an opportunity to be involved in the management of their homes and to hold their landlords to account;
- to encourage Registered Providers to contribute to the environmental, social, and economic wellbeing of the areas they have homes in.

The Regulator of Social Housing also has a duty to exercise its functions in a way that is proportionate, consistent, transparent, and accountable.

Co-regulation

Mindful of its duty to minimise interference, the Regulator takes a co-regulatory approach which means that:

- it regards Board Members and Councillors as responsible for ensuring that the Registered Providers they govern are managed effectively and that they meet all relevant regulatory requirements;
- Registered Providers must support residents to shape and scrutinise service delivery and to hold Boards and Councillors to account;
- the Regulator of Social Housing operates a risk and assurance-based approach where the onus is on Registered Providers to demonstrate and provide evidence that they comply with all relevant regulatory requirements.

The Regulator of Social Housing undertakes its role based on its view of risk; the higher the level of risk, the greater the level of scrutiny and the stronger the actions it takes will be. It is particularly concerned with risks that threaten:

- the safety and quality of residents' homes;
- the financial viability of the landlord;
- how well run a landlord is, which impacts its ability to manage risk and deliver services;
- transparency and accountability to residents.

The Approach to Regulation

The approach is different for large landlords (those that own 1,000 or more social homes) and small landlords (those that own less than 1,000 social homes). The Regulator of Social Housing forms judgments about how a landlord is delivering the outcomes of its Standards; for large landlords it issues gradings. The Regulator of Social Housing judges performance by:

- inspecting landlords – it carries out a series of programmed inspections of large landlords;
- reviewing information between inspections – such as quarterly surveys, Tenants Satisfaction Measures, annual accounts and statistical returns;
- responsive engagement – where it receives information about landlords from resident referrals, other stakeholders (including the Housing Ombudsman) and whistleblowers;

Where the Regulator of Social Housing judges that there are serious failings in a landlord; it will hold them to account. Initially it will work with such landlords so they can make self-improvements; however, should this approach fail to deliver the required change, the Regulator of Social Housing has a range of Regulatory Powers that it can deploy.