

The Social Housing Regulator & Housing Co-operatives

Blase Lambert
CCH Conference 2016



The Economic Standards

Registered Provider housing co-operatives are regulated by the Homes and Communities Agency – their Regulatory Framework is split into 2 parts (Economic and Consumer)

The Economic Standards are:

- Governance
- Financial Viability
- Rent
- Value for Money

Governance Standard - Outcomes

Effective, transparent and accountable governance arrangements that ensure the housing co-operative:

- Adheres to all relevant legislation
- Complies with its governing documents and all regulatory requirements
- Is accountable to tenants, the Regulator and relevant stakeholders
- Safeguards taxpayers' interests and the reputation of the sector
- Has an effective risk management and internal controls assurance framework
- Protects social housing assets

Governance Standard - Expectations

- Adopt and comply with a relevant Code of Governance
- Manage the co-operative's affairs with an appropriate degree of skill, independence, diligence, effectiveness, prudence and oversight
- Communicate with the Regulator in a timely manner regarding areas of non-compliance
- Appropriate, robust and prudent business planning, risk management and control environment
- Annual assessment and statement of compliance in audited accounts
- The Code of Practice

Financial Viability Standard

Housing co-operatives shall manage their resources effectively to ensure their viability is maintained while ensuring that social housing assets are not put at undue risk.

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

- There is 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

Financial Viability Standard

Housing co-operatives shall 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 have recourse to 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

The Consumer Standards

- Co-Regulation
- Tenant panels and scrutiny
- Serious Detriment
- Home
- Tenancy
- Neighbourhood and Community
- Tenant Involvement and Empowerment

Home Standard

1 Quality of accommodation

- Ensure that homes meet the Decent Homes levels
- Meet the standards of design and quality that applied when the home was built / refurbished if higher
- Ensure that local offers are not below

2 Repairs and maintenance

- Provide a cost-effective repairs and maintenance service to homes and communal areas and have the objective of completing repairs right first time
- Have a prudent planning approach
- Meet all applicable statutory requirements that provide for the health and safety of tenants

Tenancy Standard

1 Allocations and mutual exchange

- Let homes in a fair, transparent and efficient way
- Demonstrate how lettings:
 - ✓ make the best use of available housing
 - ✓ are compatible with the purpose of the housing
 - ✓ contribute to local authorities' strategic housing function and sustainable communities
- Clear application, decision-making and appeals processes
- Enable tenants to gain access to mutual exchanges by way of internet-based services

2 Tenure

- Offer the most appropriate tenancy agreement

Neighbourhood & Community Standard

- 1 Neighbourhood management
 - Keep the neighbourhood and communal areas associated with the homes clean and safe
- 2 Local area co-operation
 - Co-operate with relevant partners to help promote social, environmental and economic wellbeing
- 3 Anti-social behaviour
 - Work in partnership with other agencies to prevent and tackle anti-social behaviour

Regulation – The Future

- Deregulation from the public sector – consents for disposals and constitutional change; removal of council control over a Registered Provider
- Voluntary Right to Buy
- Future rent setting
- Review of *small provider* regulation and enforcement
- The role of self assessment and assurance frameworks
- Current review of the HCA – will there be a regulator in the future?
- What are the pros and cons for your co-op of having a regulator?
- Deregistration criteria and repayment of grant

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