



## **Reshaping consumer regulation**

**SNG's response**

**October 2023**

## **About us**

SNG (Sovereign Network Group) was formed in October 2023 through the merger of Sovereign and Network Homes.

We are a housing association, providing over 82,000 homes and investing in communities across London and the South of England, as well as aiming to create thousands of new affordable places for people to live every year.

Our purpose is to provide quality affordable homes and places, that people love for generations.

Everything we earn, we invest so that our customers - now and in the future - have a sustainable home that they love, in a thriving community.

## Introduction

We welcome and support the new standards and the additional responsibilities and scrutiny they will confer on landlords. While most housing associations do a good job most of the time, we recognise that sometimes the level of services we provide drops below what tenants ought to expect, and we believe these standards will serve to ensure that as far as possible, we are held accountable for the services we provide.

It has long been an anomaly that the governance and viability standards are each enforced proactively, with housing associations needing to both *be* compliant and *demonstrate* compliance, whereas the consumer standards, that arguably are even more important to the people we serve, are regulated only in cases when they result in serious detriment, with little or no demonstration of compliance required by the regulator until that time. These new standards and approach rectify this problem, and our **customers will benefit as a result of these changes**.

We also welcome the entirely new standard on transparency and accountability. Customers up and down the country cite provision of relevant and accessible information as a key concern and will be pleased to see this being applied to all housing associations. The standardised TSMs (Tenant Satisfaction Measures) will also serve as a great way to benchmark landlords against one another, and we look forward to reporting our own first results in the coming months.

SNG's [Homes and Place Standard](#) overlaps with, and often exceeds, some sub-standards within the regulator's new standards. As well as meeting the regulator's standards, we will also continue to meet our own internal standards where applicable.

While we support the outcomes-based approach common across most standards, we are concerned that some are left open to significant interpretation that could change over time. Therefore, we would appreciate further clarity on the role of housing associations in several instances (which have been addressed throughout our response) as well as clarity on what would lie *outside* of our remit of responsibility in these cases, as a way of understanding and consolidating what is considered reasonable. We are concerned that if this is not clarified there is a potential for an over-extension of our role as a landlord, whereby we could be expected to oversee or undertake responsibilities which would otherwise fall under the duty of other parties or organisations.

While we want our customers to thrive in all areas of life, we note that **we should not be asked to make up for a lack of funding for other services**, including the police, adult social care, civil courts, local authorities, and other organisations.

It is also important to note that whilst there will be a general increase in costs associated with meeting the expectations of these standards, our rental income is restricted to the current rent settlement formula and so does not provide for any corresponding increase in income in order to fund this - particularly where some of the costs are unquantifiable or as yet unknown (e.g. changes to the Decent Homes Standard). Due to our relatively fixed income streams, compliance to new expectations detailed within the standards will have a proportionate impact upon the resource allocated to the delivery of services we currently deliver.

Furthermore, we note that the standard says it will explicitly exclude licensees and shared owners where they are intended to be excluded, but does not seem to do this. In several instances, the level of involvement and responsibility that we have differs based on tenure type, and this needs to be adequately reflected within the standards.

***Q1: Overall, do you agree that the proposed Safety and Quality Standard sets the right expectations of landlords?***

Yes. We welcome the increased regulatory focus on the quality and safety of our housing stock.

However, we believe there are certain cases where we would welcome clarity on the expectations and responsibilities of housing associations. These are detailed below.

**Stock Quality**

We welcome the requirement for physical inspections of all homes, at the individual property level, as we believe that this is the best way by which housing associations can have accurate, up to date and evidenced understanding of the condition of their customers' homes.

We understand that a new format of inspection assessment will be required to meet the expectation as laid out in this standard. Therefore, we ask for clarity on what this assessment should contain. On this point, however, we do not believe that the frequency of the programme should be prescribed (i.e. every five years) and would instead support a flexible programme of inspection, which would be dependent on the nature of the individual stock (i.e. age, condition etc.). Much of the data collected at stock inspections relates to the components inside the home, like kitchens and bathrooms. These tend to have lifespans of several multiples of five years, and without malfunction or deliberate damage (both of which are likely to be reported by the resident), will age predictably. On this basis there may be little to be gained from checking up on them every five years.

We also note that there currently exists a significant lack of planned surveyors compared to the demand expected; if the requirement of a five-year programme of surveys is mandated, depending on the level of information required, in the medium term some housing associations may find it hard to comply.

While we are supportive of the ambition to reduce cloning, some landlords could struggle with physical inspection of each home and would instead find it better value for money to clone in some circumstances – especially with new builds. Moreover, the cost of surveyors, given the lack of skills across the sector, could be high for some housing associations.

We also recognise that our customers have the right to quietly enjoy their home. If physical assessments were to occur much more frequently (especially when considered in tandem with the other mandatory servicing) they may at best feel a little put upon, and at worst simply refuse access. We would therefore also want confirmation, within the standards, that whereby a customer does not give us access to their home (and we have adequate proof of an attempt being made) our assessed compliance would not be affected. Notably, there is no legislation in place to give us a right to enter the home for assessments of this nature.

**Repairs, maintenance and planned improvements**

SE2: The right first time metric is a valuable measure and a useful indication of good service provision – and we therefore question why it is not being retained. Whilst we understand that the metric has historically been measured in different ways across the sector, we instead think the standards provide an opportunity to redefine the metric and clarify how it should be measured as opposed to removing it.

Regardless of whether or not it is formally retained, we will continue to measure against it ourselves, and this intention has very much been supported by our customers.

SE5: In conjunction with point 21 of the Code of Practice, we would welcome further clarity of which types of stock this relates to.

Moreover, whilst we accept that we have a reasonable level of interest and responsibility over our customers – even in respect to communal spaces that have been contracted out to a third party – the contractual arrangement would need to be consulted, in or to clarify whether we can hold third parties to account when standards are not met.

We are unsure that *holding to account* is useful wording here. For managing agents or contractors that we ourselves employ, it is us who are ultimately accountable. Whereas for agents we do not have any contractual authority over, we do not have the ability to truly hold them to account. The standards and the Code of Practice should enable us to enforce the rights that we have, and to advocate on behalf of our customers, but not expect us to enforce accountability where we are unable to do so.

### **Adaptations**

SE2: We recognise and accept our role in ensuring our customers receive the adaptations that they need. However, we think that the standard should be clearer over the lines of responsibility here, in respect to housing associations and local authorities. This is especially necessary as there has been increasing requests, from local authorities to housing associations, to undertake adaptation works that would go beyond our function, and there especially needs to be clear delineation with local authorities' statutory role in relation to disabled facilities grants.

When considering alternative options, alongside point 23 of the Code of Practice, the regulator must take into account that housing associations do not usually have the authority to arrange an appropriate move if that is in the best interest of the tenant, sometimes leading to inappropriate adaptations that can offer poor value for money.

### **Decency**

As we are still unaware of what changes will be implemented within the Decent Homes Standard (following its review launched this year), and therefore what *decency* means in relation the consumer standards, we are at this moment unable to adequately comment upon this requirement. However, it is important to note that as there is potential for significant change to the DHS, and if this did occur, then immediate compliance on 1 April 2024 is unlikely for much of the sector and it would therefore need to be phased in.

We also wish to highlight that it is important that any revisions to the DHS do not serve to contradict or hinder local innovation which is often developed in conjunction with customers and their needs (such as SNG's Homes and Place Standard).

***Q2: Overall, do you agree that the proposed Transparency, Influence and Accountability Standard sets the right expectations of landlords?***

Yes. It is right that this new standard is added to our regulatory regime.

However, we are concerned that the open nature of the outcomes and expectations could lead to inconsistent or changing application over time.

Some areas for concern are highlighted below.

**Diverse Needs**

SE1: We agree that meeting tenants' needs, and reasonably adjusting services for those that require it, should be informed by the collection of tenant data. However, transparency is important in retaining a good relationship with customers, and it is our concern that collecting large amounts of personal data (particularly in relation to certain protected characteristic data) that we do not have a clear and precise use for could lead to distrust from our customers and potentially could see customers withholding information. It also goes against the principles of GDPR to collect and store data that we do not actively use.

We therefore believe that the standard should go further, in that housing associations should be expected to undertake analysis, following the collection of characteristic data, with the purpose of understanding differential experiences of customers (across characteristics/groups). Findings should then be used to inform the delivery of services that are fair, accessible and equitable for groups. The use of data in this way should be explained to customers at the point of collection.

On this point, whilst we think that data-driven analysis is a powerful tool for improvement, the extent of provisions we are expected to make to services, should be subject to a reasonability test. Clarity is required over what is meant by *additional support needs*. This is also necessary as there needs to be a line as to what is suitable for us to know as a landlord about our individual customers and this should not extend to knowing what is going on behind every door of every home we own, which would be paternalistic overreach. Kate Dodsworth, Chief Regulation Officer at the regulator, remarked to the NHF Housing Summit that we ought to have a "deep knowledge of who was living behind the door," which we think is perhaps too far.

In a similar vein, we think that there should be a reasonability test for into SE1(b), in relation to what would not be practicable for housing associations (given our available resources, capacity and responsibility) when attempting to achieve equitable outcomes.

The standard also needs to be clearer over the requirement to collect this data, and explicitly recognise that tenants have the right to decline sharing personal data and that this should not be a reflection on our compliance (as long as we can demonstrate that we have asked for it).

**Information about landlord services**

SE4: We would appreciate further clarity over who had responsibility for compliance with the standards – i.e. whether this should be one individual across the four standards or multiple people.

**Performance information**

We would emphasise that whilst we recognise the TSMs (which are based on perception) are an important indicator of a housing association's performance, it should not be regarded as the

principal or paramount reflection of this, and rather it should be considered alongside other measures, including transactional surveys.

There have also been remarks on the requirement to segment TSM results based on the likes of protected characteristic groups. Clarity on what analysis is expected with TSM data should be made clear within this sub-standard.

***Q3: Do you agree that the proposed Transparency, Influence and Accountability Standard accurately reflects the government's ['Tenant involvement direction'](#) to the regulator?***

Yes, we agree.

***Q4: Overall, do you agree that the proposed Neighbourhood and Community Standard sets the right expectations of landlords?***

Yes. These standards broadly adequately reflect the ways we should be held accountable to customers.

However, we are concerned that the open nature of the outcomes and expectations could lead to inconsistent or changing application over time.

We also note that whilst we have a clear stake in improving the life outcomes of customers and supporting their neighbourhoods to be the best they can be, the greater part of our responsibilities to residents ends at the demise of the homes and spaces we own or manage. We are not a substitute for a well-funded local authority, police force, or law courts.

Some areas for concern are highlighted below.

**Maintenance of shared spaces**

Whilst we would accept that we should liaise with other parties to *ensure* (as stated in point 52 of the Code of Practice) the maintenance of shared spaces whereby the party involved is our own contractors, we cannot *ensure* the outcome is achieved when it comes to other actors, such as local authorities or external partners – where we do not have the contractual rights (as will also be the case in some buildings we don't own).

Ensuring that local authorities contribute to the upkeep and safety of shared spaces would also be dependent on the level of collaboration, engagement and resource that they dedicate to the space - and we do not have formal ability to influence this. Therefore, the expectation around the responsibility of housing associations in relation to other parties liaising appropriately need to be managed. There also needs to be a reasonability test, as to how far we are expected to maintain these spaces.

**Local cooperation**

As with previous responses, under SE1(b) we would expect there to be clarity that the expectation does not go beyond what is reasonable and viable when working with others. We invest very strongly in our local areas, and work well with local partners, but we are concerned that there could be a shift over time to housing associations taking ever greater responsibility on behalf of others.

Notably, the 'Customers' and 'Places' Standard within our Homes and Places Standard goes further in its commitments than what is detailed under this sub-standard. We will also invest up to £100 million over ten years in a community foundation which will enable customers to have more influence in their communities.

Our customers welcomed a focus on landlord involvement in promoting the social, environmental and economic wellbeing of their areas, and especially the fact that it should be informed by tenant views. However, we think it should go a step further, in that local cooperation is proactively co-created with customers.

**Anti-social behaviour**

This is another instance whereby we would suggest a reasonability test - whilst we will take appropriate action, within our means, we are concerned that over time expectations could over-



estimate the role of housing associations and most importantly, we are not equipped to make up for a lack of government funding in these areas. We would also welcome a definition of what is considered ASB.

### **Domestic abuse**

We are pleased to see a focus on domestic abuse, and this is echoed by our customers.

SE2: Greater collaboration and coordination between local authorities is needed to have a more standardised approach to domestic abuse, across all local authorities (as opposed to bespoke strategies tailored to each local authority, which we do not have the capacity for).

***Q5: Overall, do you agree that the proposed Tenancy Standard sets the right expectations of landlords?***

Yes, we agree. However, again, we would welcome further clarity on what is considered 'reasonable' by housing associations. This is especially the case for Tenancy sustainment and evictions SE1, as we should not be expected to sustain tenancies where it is not practicable to do so.

***Q6: Do you agree that the proposed Tenancy Standard accurately reflects the government's ['Mutual exchange direction'](#) to the regulator?***

Yes, we agree.

***Q7: 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?***

No.

Although there are useful elements to the Code of Practice, overall feedback from operational colleagues is that it remains too open to interpretation, especially in the future when the original intention may be lost.

The current structure, in which there are two parts to each sub-standard (required outcome, and specific expectations) as well as a separate code of practice, does not aid clarity. Furthermore, in certain cases the Code of Practice adds something which is not stated within the sub-standards (i.e. the five-year requirement for stock assessments), and because of this, could be interpreted as the prescribed elements to be delivered – potentially limiting the actual implementation of the standards themselves. If the Code of Practice was purely explanatory that could be helpful, but nonetheless, the standard needs to be able to stand alone.

Moreover, once published, the Code of Practice must not be subject to change without consultation, as this risks non-compliance inadvertently.

***Q8: Do you agree with our conclusions in the draft Regulatory impact assessment?***

Yes, we agree.

***Q9: Do you agree with our conclusions in the draft Equality Impact Assessment?***

Yes, we agree.

For more information, please contact:

**Tania Bedi**

Research and Policy Officer  
Sovereign Network Group  
[tania.bedi@sng.org.uk](mailto:tania.bedi@sng.org.uk)