

Response to TSA consultation – Jan 2010

Question 1: Does our approach to co-regulation as expressed through our ten principles seem a reasonable basis on which to develop the new framework from 1 April 2010?

Yes the ten principles seem a reasonable basis for co-regulation. However, for principle V. we are keen to explore the practicalities of reporting performance in areas where stock numbers are low and for VII. we believe that the TSA needs to give guidance on the scope of independent validation, audit and benchmarking.

Question 2: Does our approach to setting national and local standards appear reasonable for the requirements that will apply from 1 April 2010?

Yes, publishing our plan of how we will develop local standards with our residents and Boards is reasonable.

Question 3: Does it seem reasonable to extend the same approach to those providers owning less than 1,000 properties, taking into account their size and risk profile in a proportionate approach to compliance?

Yes, the principle of proportionality must be considered for smaller providers, but the same approach should apply because residents have the same issues regardless of the size of their landlord.

Question 4: Do our proposals on how we will approach the regulation of local authorities appear reasonable?

We believe that there must be as much parity as possible, as soon as is possible. We consider that the financial affairs restrictions are really the only key area where differences cannot be overcome quickly and therefore we anticipate that parity is enacted within the first year.

Question 5: Does the proposed text for the following standards:

- address priorities for tenants whilst taking into account our duty to have regard to the desirability of registered providers being free to choose how to provide services and conduct their business?
- express requirements of providers in a way that is clear, succinct and as outcome focused as possible?

5A. Involvement and Empowerment

We have concerns about the TSA's expectations around the word 'empowerment' in that we believe it suggests a level of power that most tenants don't want.

Conducting business as a Group which provides many benefits to residents is not always conducive to empowering all residents, nor do they all want to be empowered. We have to rely on representation because of our size and because these are the wishes of the majority of our tenants.

Despite these concerns, the Group does already empower many residents by involving them in strategic decision making within our business.

With relation to the specific standards 2.5 we already have an effective approach to agreeing tenant membership on governing bodies and we would see little benefit in asking all our residents every three years how many representatives should apply. Therefore we would urge that this standard be changed to "Registered Providers will consult their tenant Board members and other members of the governing bodies about how many tenant members there should be on governing bodies..."

5B. Home

In terms of the definition of “right first time”, we believe that flexibility and balance needs to be given to suit our tenant’s needs and wants and to ensure value for money. For example a tenant will require flexibility of appointment times and from an RPs point of view we need to ensure the right service is provided balanced with costs and satisfaction with complex jobs done properly.

5C. Neighbourhood and Community

One of the Group’s RPs, Wherry, is involved in a local pilot for a village based anti social behaviour initiative involving tenants and owner occupiers and three other providers in Norfolk, for which we will be providing the TSA with update reports.

5D. Tenancy

The Group has the only Registered Provider run Mutual Exchange scheme in the country, “House Exchange”, which we will be very pleased to promote more widely in conjunction with the TSA. We would also be pleased to discuss the mobility ideas in order to make best use of our successful national approach on mutual exchange.

Around 100 landlords are currently signed up to House Exchange from across the UK and is available to 750,000 households free of charge. In addition we have an additional website called houseexchangedirect.org which allows tenants whose landlord is not signed up to our site to look for mutual exchanges. We estimate that we help around 1200 tenants a month move home with over 109,000,000 direct matches available to tenants.

The Group has concerns about the definition of choices in 1.2. We are piloting three options for under occupation and over crowding and would be happy to be involved in further discussions with the TSA. However, we feel that the caveat of “within the resources available to them” should follow the offer of choices wording in the “requirement” section.

Under standard 1.7 we do not believe that minimising the time properties are empty is necessarily the best solution for our tenants. This must be balanced against satisfaction with the process, the property being ready to let and costs. We would recommend that as well as taking into account the circumstances of the tenants who have been offered the properties, the standard should include minimising the time between lettings balanced against the cost and satisfaction with the process and property.

5E. Value for Money

Under standard 1.2 the Group does not see any merit in having a local standard for service charge delivery. Arrangements for influencing the services and costs set at a national level would of course entail consulting tenants about their individual service charges and therefore a local standard would not be necessary.

5F. Does the proposed text for the Governance and Financial Viability standard: - allow registered providers to choose how to conduct their business whilst ensuring the security of social housing assets for current and future tenants? - express requirements of providers in a way that is clear, succinct and as outcome focused as possible?

The open wording allowing associations the opportunity to select a code of governance that is appropriate for them is welcomed. We believe that this will allow the development of governance arrangements to fit the circumstances of the Group structure. We welcome, the ability to outline areas of non-compliance with a code and provide the reasons for it should allow the development of a Code of Governance within the Group that represents very best practice in all areas.

In terms of the Financial Viability standard, we would like to add that appropriate and effective controls and procedures require the judgement of each individual RP. These need to be appropriate to each unique business and differing activities of RP across the sector. A one size fits all approach for the sector is not a useful test of financial viability and a consultative, judgement based approach will provide focus and clarity.

Question 6: Does our approach to monitoring and compliance against the standards and regulatory requirements seem a reasonable basis for 'how' we regulate in 2010-11?

Yes, in principle, but we note that there needs to be further consultation about use of information generally, which we wholly support and would wish to be involved in. We support the "used and useful" principle for all performance information and therefore would ask that "data already available" is not published for 2009/10 just because it is available, since it is no longer useful. More robust data should be accepted from providers who are using up to date methodology e.g. more recent satisfaction data.

In the same vein, we would expect the TSA to ensure that they consider more "used and useful" data available from providers, to make their judgements about regulation and inspection.

Through our 'Questback' system, the Group is compiling real time satisfaction data for the three key satisfaction PIs which is provided monthly for Boards, tenant Groups and senior management teams. Statistics can be supplied to the TSA far more regularly than the annual TSA PIs at present. We believe that giving residents the opportunity to view data 'real time' is advantageous as it encourages competition within the sector which has benefits for tenants. We would be happy to discuss this further with the TSA to explain our methodology and the success of our current approach.

Monitoring and reporting against the standards must be in the format agreed by residents and Boards, to ensure true co-regulation. After the initial publication of how we will meet the national standards, published between 1/4/10 and 1/10/10, we would anticipate that the annual report, by 1/7/11 the first year, will streamline our approach and focus more on performance information.

Question 7: Does our approach to dealing with complaints seem reasonable?

We are uneasy as a Group about the proportionality of individual complaints in the TSA's regulatory approach. It does not seem proportional to log all complaints, even those not to be investigated, against a provider, conduct analysis of these and use them to inform regulatory activity. Either the complaint is to be investigated or it is not, and where it is not, no record should be used in further regulation work.

We would like more guidance on how this will link into the current Housing Ombudsman service as we believe currently works well.

Question 8: Is our general approach to using our formal regulatory and enforcement powers reasonable?

We note that there is a supplementary document for this question, which we will respond upon separately and that there will be further supplementary guidance on some powers, which is not yet available. We also note that these are powers mostly included in statute; therefore our views may be immaterial.

We agree with the principle that the TSA offers help to providers that are failing on the agreed standards.

Question 9: Do our proposals for establishing registration and deregistration criteria seem reasonable?

In the main yes. However this section is poorly written and contradicts itself in points. It becomes clearer when you reach point 14.26 that the TSA intends to treat organisations registered with the TSA in the same way as future registrations.

Some specific points;

14.9 – We would suggest that evidence of land ownership and planning permissions or loan or other financing arrangements is incorrect. We think that you need both to satisfy the conditions and that perhaps it should be reworded to “you would need evidence of land ownership and planning permissions and loan or other financing arrangements”.

14.10 - We think that this process seems confusing and potentially bureaucratic, we would suggest it may be better to resubmit applications if needed if the criteria cannot be met. We believe that the flexibility it will send out to potential providers will create an atmosphere whereby housing providers on the margins of the social housing sector can be encouraged in at a whim to meet business needs rather than being serious about providing good quality social housing.

14.31 - 14.33 - This section is slightly ambiguous. 14.31 deals with voluntary applications and the next point outlines the process to protect tenants. We believe that clarity is required as to what will happen in terms of forced deregulation.

Question 10: Does our approach to issuing directions on Accounts and the Disposal Proceeds Fund seem reasonable?

Accounting Direction - By and large this is a sensible approach – it makes it easier for the readers of accounts to understand them – provides consistency with other information sources and removes things which may be unhelpful or confusing. The last circular on HC requirement was in 2006 – the comments that the TSA make in having a review in due course would be beneficial.

Disposal Proceeds Funds – Yes, however, the last circular on requirements was in 2008 – the comments that the TSA make in having a review in due course would be beneficial.