



Regulator of
Social Housing

Ensuring a Robust and Well-Regulated Social Housing Sector

Social Housing Financial Management Conference

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Sector Risk Profile - key risks



Building Safety and Health and Safety



Quality of homes/stock, net zero carbon



New supply in an uncertain economic environment



Increased reliance on debt



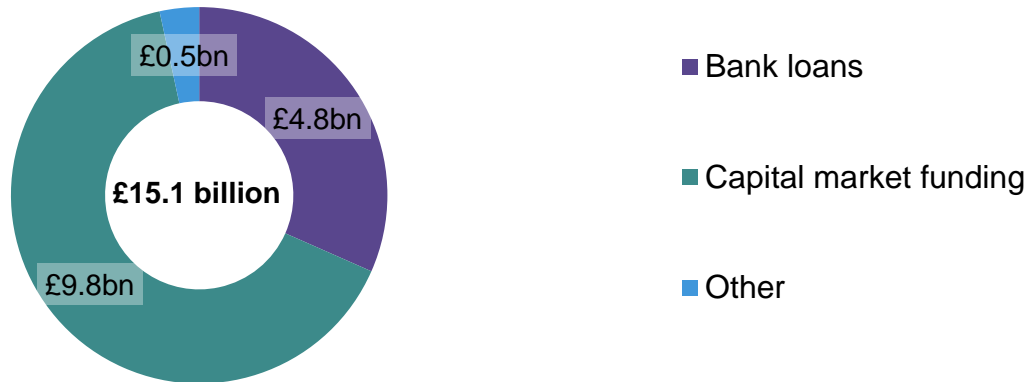
Service delivery and accountability to tenants



Reputation; Resilience; Diversity

Sector finances

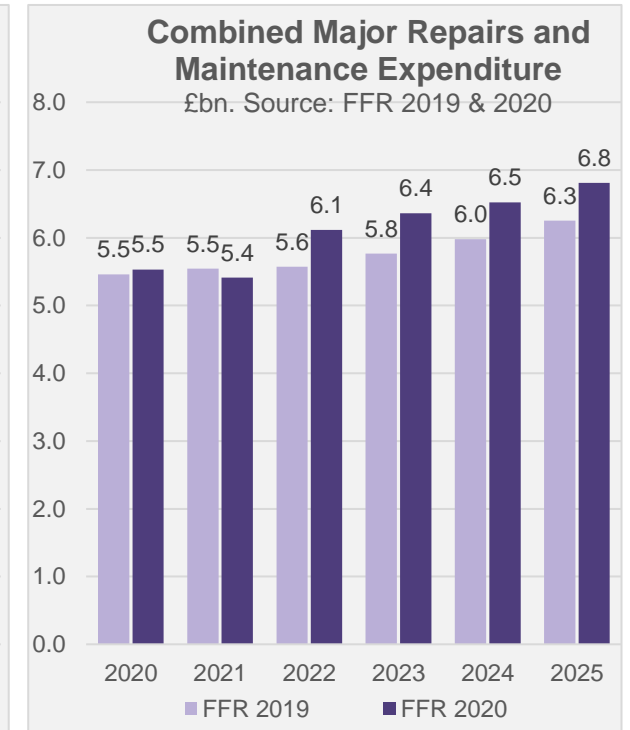
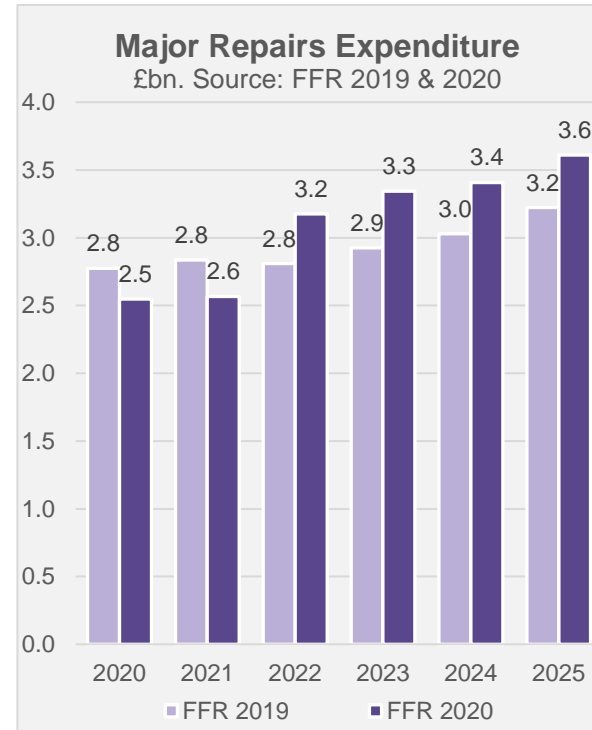
New facilities in 2020/21 (£ billions)



- Sector remains strong with good access to finance

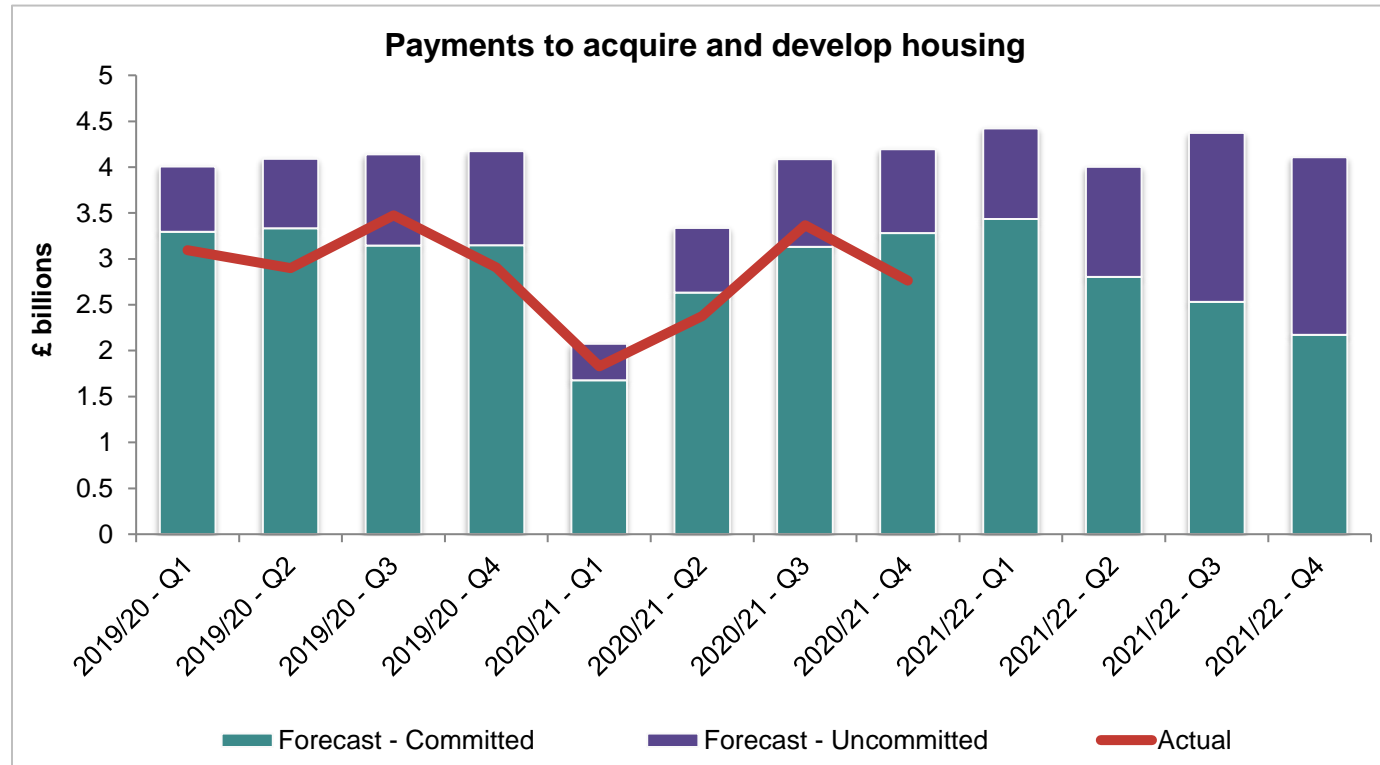
Stock quality and safety

- Building Safety and fire safety
- Zero carbon
- Stock Quality
 - Decent Homes Standard
 - Repairs and maintenance service
 - Reputation/trust?
- Housing is a long-term asset
- Understanding stock/baseline – underpins investment planning



- 2021 major repairs and maintenance expenditure impacted by COVID-19
- 2022 to 2025 forecast spend on existing stock has increased in aggregate

Development

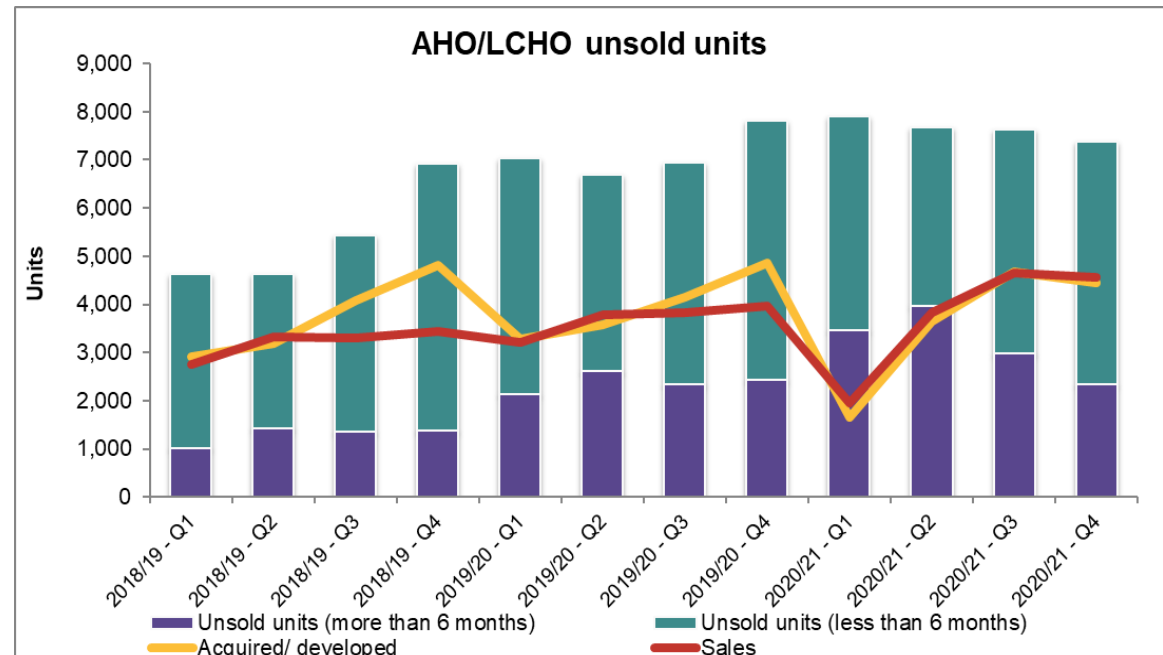
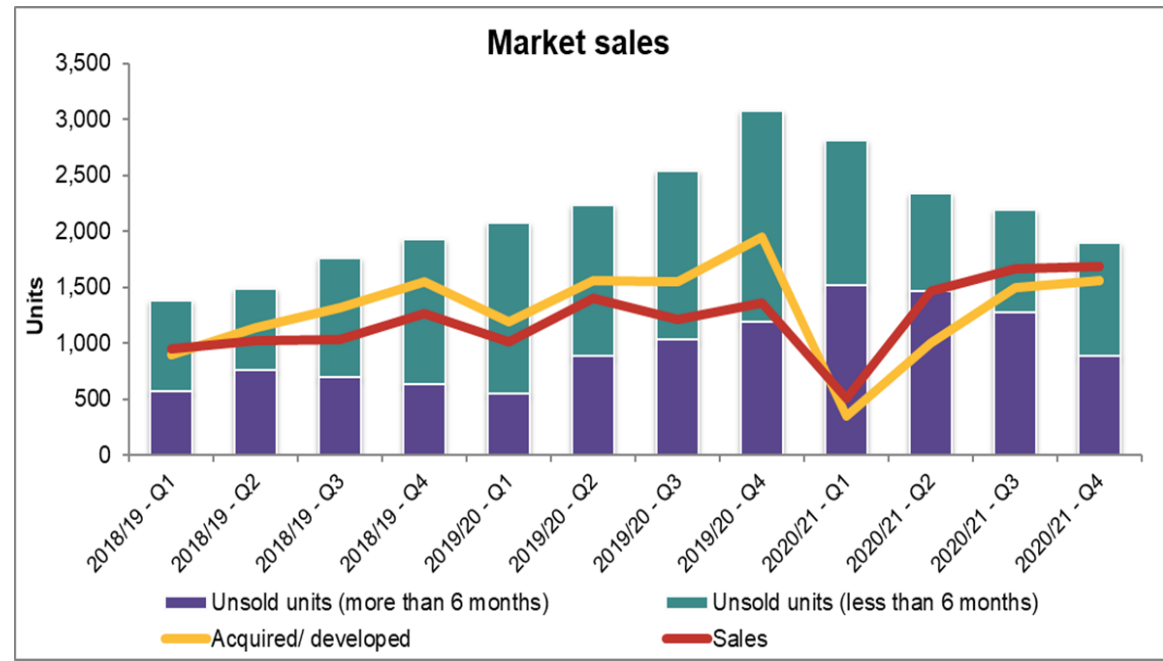


Q4 QS

- Annual Development spend down in 2020/21 - £10.3bn vs £12.4bn in 2019/20
- But forecasts (£16.9bn) returning to pre-pandemic levels (and FFRs?)
- Policy changes and funding parameters
 - Right to shared ownership
 - Planning White Paper

AHO and market sales

- Total asset sales (current and fixed) in 2020/21 - £5.9bn (highest recorded)
- But margins down from 30% (previous 2 years) to 24%
- Market sale and AHO sales strong – pent up demand and SDLT holiday?
- Market and AHO unsold units continued to fall – but include conversions to other tenures



Pressures? (and mitigations?)

- Increased reliance on debt
 - What do you need?
 - Understand products on offer (Board)
 - Finance availability (finance vs economics)
 - ESG
- Reductions in interest cover?
 - Covenant compliance
 - (Early) conversations with lenders
- Interest rates?
- Changes in housing market?
- Incomes/arrears (post-Covid/furlough)
- Reputational impacts?

- Evidenced discussions with the board
- Articulation of risk appetite?
- Will mitigations be available in a period of stress?
 - will the organisation realistically be able and willing to take necessary actions?



Homes &
Communities
Agency

GOVERNANCE AND FINANCIAL VIABILITY STANDARD

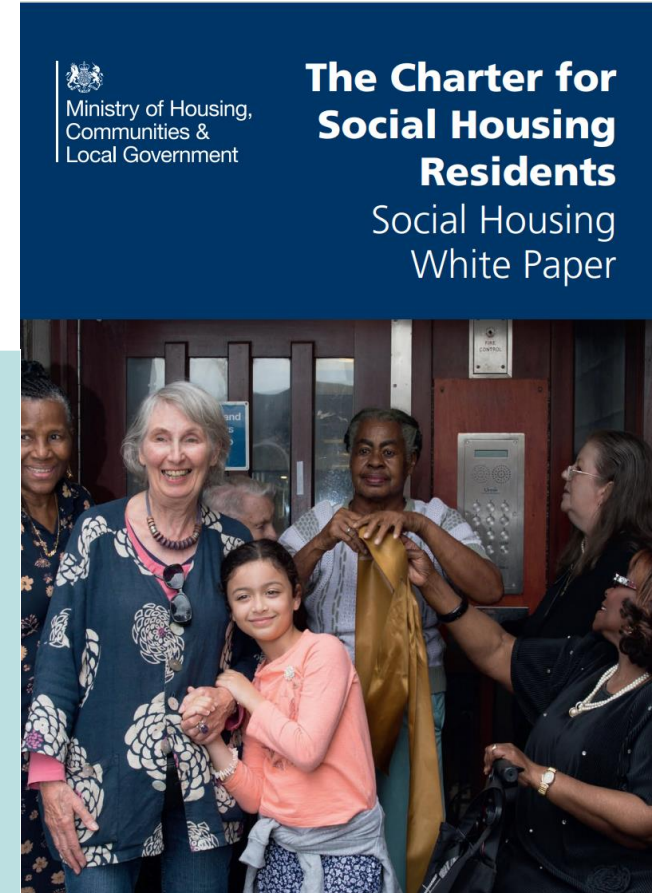
April 2015

The Social Housing White Paper: Changing role of consumer regulation

The charter for social housing residents commits to expanded consumer regulation through:

- Removal of the serious detriment test and introduction of proactive regulation
- Increased transparency on performance with the introduction of tenant satisfaction measures
- Review of the Consumer Standards
- Transparency and safety added to RSH's fundamental objectives
- New enforcement powers

1. **To be safe in your home.** We will work with industry and landlords to ensure every home is safe and secure.
2. **To know how your landlord is performing,** including on repairs, complaints and safety, and how it spends its money, so you can hold it to account.
3. **To have your complaints dealt with promptly and fairly,** with access to a strong Ombudsman who will give you swift and fair redress when needed.
4. **To be treated with respect,** backed by a strong consumer regulator and improved consumer standards for tenants.
5. **To have your voice heard by your landlord,** for example through regular meetings, scrutiny panels or being on its Board. The Government will provide help, if you want it, to give you the tools to ensure your landlord listens.
6. **To have a good quality home and neighbourhood to live in,** with your landlord keeping your home in good repair.
7. **To be supported to take your first step to ownership,** so it is a ladder to other opportunities, should your circumstances allow.



Strategic priorities

- Governance and viability – means to an end?
- Good quality homes and services – current and future tenants
- Housing is a long term asset – providers and boards are the custodians



- Clarity of purpose
- Articulate strategic priorities
 -and trade offs
- Transparency/engagement with stakeholders
 - tenants, local and national government, investors and lenders
- Political and reputational risk (incl diversity)
- Confidence, trust
- Good governance



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The Regulator of Social Housing regulates registered providers of social housing to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs.



July 21