

REPORT TO	ON
Scrutiny Committee	9 July 2020



TITLE	REPORT OF
Registered Provider (Housing Associations) Report	Director of Planning and Property

Is this report confidential?	No
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### PURPOSE OF THE REPORT

1. To provide scrutiny committee with an overview of the Registered Providers operating within South Ribble which shall summarise details relating to their stock ownership, governance arrangements and the regulatory framework that they work within.

### RECOMMENDATIONS

2. Members note the contents of the report and identify any further information or clarification that they require.

### EXECUTIVE SUMMARY

3. There are 10 main Registered Providers operating within South Ribble providing a mix of homes for Social Rent, Affordable Rent and Shared Ownership.
4. The 10 Registered Providers own and manage a total number of 5,276 dwellings with a further 56 dwellings in the pipeline through Section 106 obligations.
5. All bar one of the Registered Providers are not for profit organisations.
6. There are a range of organisational types and governance arrangements utilised by the Registered Providers.
7. In February 2020 South Ribble Borough Council registered with the Regulator for Social Housing with the intention to directly provide new homes within the Borough.

### CORPORATE OUTCOMES

8. The report relates to the following corporate priorities:

Excellence, Investment and Financial Sustainability	
Health, Wellbeing and Safety	

Place, Homes and Environment	√

Projects relating to People in the Corporate Plan:

Our People and Communities	√
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## BACKGROUND TO THE REPORT

9. Social housing over the years has moved from being owned, maintained and managed by local authorities to being owned and managed by a mix of social housing providers. Changes have taken place in the financing and management of social housing leading many local authorities to transfer their housing stock and housing management functions to arms-length management organisations (ALMOs), not for profit social landlords or housing associations (now generally termed Registered Providers of Social Housing (RPSH)).
10. A number of local authorities carried out large scale voluntary transfers (LSVTs) with the approval of their tenants as a result of financial restrictions that were placed on the Housing Revenue Account, limitations in local authority capital finance for housing and the requirement to bring all social housing up to the Government's Decent Homes Standard.
11. In 1994, South Ribble Borough Council transferred its housing stock and management function to New Progress Housing Association (now Progress Housing Group). Similarly, in 2007 Chorley Borough Council transferred their stock to Chorley Community Housing (now part of the Jigsaw Group) and in 2005 Preston City Council transferred their stock to Community Gateway Association.
12. The housing associations operating in South Ribble provide homes across a range of tenures such as Social Rent, Affordable Rent and Shared Ownership. Housing Associations own around 11% of the total dwellings in South Ribble which is below the national average of around 18%.
13. Homes available for Social Rent and Affordable Rent are let through the Councils Choice Based Lettings Scheme known as Select Move which is shared with Chorley and Preston Councils.
14. Not-for-profit housing associations are governed by appointed boards made up of non-executive and executive directors (and sometimes tenant representation) who provide direction and hold the organisation to account. Boards have the responsibility of ensuring that the governance framework for their organisation is effective, their roles include:
  - Create and monitor the strategic direction
  - Create and agree policies and a framework for control
  - Set targets for the company and monitor performance
15. From January 2018, the regulation of social housing providers in England is the responsibility of the Regulator of Social Housing (RSH). Prior to this, the regulation function sat with the Homes and Communities Agency (HCA) who also held the responsibility of administering grant funding to social housing providers. These two functions have now been separated with Homes England now delivering the grant funding function and the RSH in control of the

regulation function. As of 1st October 2018, the RSH became a stand-alone non-departmental public body of government.

16. All social housing providers in England are required to be registered with the regulator. This includes local authorities, housing associations, housing co-operatives and profit-making organisations.
17. The RSH has adopted a co-regulatory approach to the regulation of the housing sector and requires that housing associations must align to an appropriate code of governance, it is for the board to determine what is right for their organisation. Many housing associations adopt the National Housing Federation Code of Governance 2015. The regulator minimises interference through its co-regulatory approach meaning that the board is responsible to its tenants for ensuring business and services are managed effectively and that the provider complies with all regulatory standards. Onus is on the provider to demonstrate their compliance and assess themselves against the regulatory standards.
18. The RSH Regulatory Framework for social housing in England describes the standards that registered providers of social housing are required to meet and provides the vital components in achieving good governance. The regulatory framework requirements are made up of:
  - Regulatory requirements
  - Codes of practice in relation to certain standards
  - Regulatory guidance in relation to the regulatory requirements and how they will be regulated
19. The regulatory requirements comprise of three economic standards which include the Governance and Financial Viability Standard, Value for Money Standard and the Rent Standard and four consumer standards which include the Tenant Involvement and Empowerment Standard, Home Standard, Tenancy Standard and Neighbourhood and Community Standard.
20. Each social housing provider is given a rating based on viability (V1-3) and governance (G1-3). It is these standards that are of most concern to the regulator and of which the regulator is pro-active in its regulation.

## **PROPOSALS (e.g. RATIONALE, DETAIL, FINANCIAL, PROCUREMENT)**

21. The proposals set out in this report do not have any direct financial, legal or procurement implications for the Council.
22. An Affordable Housing Commuted Sums Policy was approved by Cabinet in 2016 through with Registered Providers can apply for funding towards schemes to deliver affordable housing providing the Council has the funds available
23. Registered providers are key stakeholders and partners to the Council in delivering the authorities wider housing and regeneration priorities.

## **CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION**

- 24 No consultations have been undertaken in relation to this report.

## **AIR QUALITY IMPLICATIONS**

- 25 There are no air quality implications associated with this report.

## COMMENTS OF THE STATUTORY FINANCE OFFICER

26 There are no financial implications as this report is for information only.

## COMMENTS OF THE MONITORING OFFICER

27 The report is for information purposes only – hence there are no issues that need to be raised from a Monitoring Officer perspective.

## OTHER IMPLICATIONS:

▶ Risk	Not applicable
▶ Equality & Diversity	Registered Providers are regulated by the Regulator for Social Housing and are required to evidence compliance with Equality and Diversity requirements as set out within the Consumer Standards.

## BACKGROUND DOCUMENTS

Please see background report at Appendix A

## APPENDICES

*Appendix A* – Background Report

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