

Guidance

# Our role and approach to regulating landlords

What we do and how we approach regulating landlords.

From: [Regulator of Social Housing \(/government/organisations/regulator-of-social-housing\)](/government/organisations/regulator-of-social-housing)

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**Applies to England**

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## Our role

We regulate for a viable, efficient, and well governed social housing sector able to deliver quality homes and services for current and future tenants. We regulate at the landlord level to drive improvement in how landlords operate.

By landlord we mean a registered provider of social housing. These can either be local authorities, or private registered providers (other organisations registered with us such as non-profit housing associations, co-operatives, or profit-making organisations). We set standards which state

outcomes that landlords must deliver. The outcomes of our standards include both the required outcomes and specific expectations we set. Where we find there are significant failures in landlords which we consider to be material to the landlord's delivery of those outcomes, we hold them to account. Ultimately this provides protection for tenants' homes and services and achieves better outcomes for current and future tenants. It also contributes to a sustainable sector which can attract strong investment.

We have a different role for regulating local authorities than for other landlords. This is because we have a narrower role for local authorities and the Governance and Financial Viability Standard, and Value for Money Standard do not apply. Further detail on which standards apply to different landlords can be found on our [standards page](https://www.gov.uk/guidance/regulatory-standards) (<https://www.gov.uk/guidance/regulatory-standards>).

The terms social housing and registered provider of social housing are both defined in the Housing & Regeneration Act 2008. Social housing includes low-cost rental accommodation (such as social rent and affordable rent) and low-cost home ownership accommodation (such as shared ownership).

## **Our fundamental objectives**

Our approach to regulation is driven by our statutory objectives as set out in the Housing and Regeneration Act 2008.

Parliament has given us two [fundamental objectives](https://www.gov.uk/government/organisations/regulator-of-social-housing/about#our-role-and-fundamental-objectives) (<https://www.gov.uk/government/organisations/regulator-of-social-housing/about#our-role-and-fundamental-objectives>): an economic regulation objective and a consumer regulation objective.

We also have a range of [statutory duties](https://www.gov.uk/government/organisations/regulator-of-social-housing/about#our-statutory-duty) (<https://www.gov.uk/government/organisations/regulator-of-social-housing/about#our-statutory-duty>) that we must consider when doing our job.

## **Principles of our regulation**

### **We regulate at the landlord level**

We regulate at the landlord level. This means that we look at how well the landlord is delivering the outcomes of our standards overall. Boards and councillors of landlords are responsible for ensuring their organisations are delivering the outcomes of our standards. They remain responsible for ensuring the outcomes are delivered regardless of how their homes are managed or who by.

We aim to drive improvements across the sector and within landlords so that landlords

- provide good quality homes and services to all tenants
- make best use of their resources to deliver what they are required to as landlords
- consistently fix things promptly and effectively if they go wrong

We look at the processes and controls a landlord has in place to deliver the outcomes of our standards. We also look at how they monitor that they are delivering the outcomes, and we seek evidence which gives us assurance that they are taking appropriate action where there are failures to deliver the outcomes.

The Housing Ombudsman deals with individual complaints. When individual complaints are referred to us, we investigate if we consider that the issue may be material to a landlord's delivery of the outcomes of our standards.

## **We are co-regulatory**

Landlords are independent organisations, overseen by boards and councillors. Our co-regulatory approach is important in ensuring that boards and councillors continue to be responsible for their organisations and are held to account for how they are run and the outcomes that they deliver. It helps drive improvements within landlords, with the landlord having the right skills and expertise to carry out their role. This results in a more effective and resilient sector where there is a positive relationship between landlords and tenants. Ultimately this delivers better outcomes for tenants.

We consider that:

- Boards and councillors of landlords are responsible for ensuring their organisations are managed effectively and that they deliver the outcomes of our standards
- Landlords are responsible for providing evidence to us, when we ask for it, that they are delivering the outcomes of our standards
- Landlords must be open and transparent with us and tell us in a timely way about any material issues that might result in their failure to deliver the outcomes of our standards
- Landlords must provide tenants with information so they can understand how well their landlord is performing and enable them to shape and scrutinise service delivery

We hold landlords to account for any material failures to deliver the outcomes of our standards and may decide to take appropriate action where they do not. Where landlords are not delivering the outcomes of our

standards, or where they are not open and transparent with us, we may decide that a different approach to co-regulation is appropriate.

## **We are risk based**

We regulate based on our view of the level of risk. This means that we may look at both how likely it is that a poor outcome will happen and what impact it would have if it does happen.

The higher we think the level of risk is, the greater our level of scrutiny and the stronger our actions are likely to be. This helps us to focus our resources where they are most needed and fulfil our duties to be proportionate and minimise interference in landlords' activities.

This principle underpins our regulatory approach, including

- when we are designing our standards
- how we carry out our inspections
- how we respond to issues of concern that arise
- when we make decisions about how well a landlord is delivering the outcomes of our standards
- when we make decisions about whether we should use an enforcement power.

We consider risks that apply to all or groups of landlords as well as risks that individual landlords face. We are particularly concerned about risks that threaten:

- the safety or quality of tenants' homes
- the financial viability of the landlord
- how well run a landlord is, which impacts on how well it delivers its services
- how well run a landlord is and their ability to effectively manage risks
- transparency and accountability to tenants

We are likely to seek more detailed evidence from landlords on their delivery of the outcomes of the standards where they relate to these areas.

Our view of the level of risk may also depend on circumstances. For example, we might consider some landlords present as higher risk because they carry out a wide range of activities that need to be well managed in order for the landlord to be financially viable. Another example is where we might consider the risk to be higher because the impact of a risk occurring

might affect a large number of tenants, or tenants who are vulnerable or be so serious it may put tenants' health and safety at risk.

## **We are assurance based**

Landlords are responsible for showing us, with evidence, that they are delivering the outcomes of our standards.

In forming our judgement about a landlord, we look at relevant evidence from the landlord. We may also look at evidence from other sources. We may follow up with a landlord where there are gaps and/or conflicting evidence. We then come to a view about the level of assurance we have about the landlord's delivery of the outcomes of our standards. Where landlords do not provide the evidence that gives us the assurance we need, we also reflect this in our judgements (<https://www.gov.uk/guidance/how-we-approach-regulatory-judgements-and-gradings>).

## **We focus on delivery of outcomes**

We expect all landlords to deliver the outcomes of our standards (<https://www.gov.uk/guidance/regulatory-standards>) that apply to them. Landlords must decide for themselves the best ways to deliver the outcomes for their organisation and their tenants. The outcomes of our standards include both the required outcomes and specific expectations we set.

## **Carrying out our regulation**

Our approach to regulating landlords is different for large landlords (those who own 1,000 or more social homes) and small landlords (those who own fewer than 1,000 social homes). Our regulation of landlords allows us to form a judgement which is our view about the how well a landlord is delivering the outcomes of our standards. For large landlords we also issue gradings.

### **Find out more about**

Regulatory judgements and gradings (<https://www.gov.uk/guidance/how-we-approach-regulatory-judgements-and-gradings>).

## **Inspecting landlords**

We carry out programmed inspections (<https://www.gov.uk/guidance/our-approach-to-inspections>) of large landlords. We can also carry out inspections

of landlords that are not programmed if we judge it is appropriate. This may include for example inspections of small landlords.

Programmed inspections allow us to look at how well a landlord is performing in the round against the outcomes of our standards.

### **Find out more about**

[Our inspections of landlords \(https://www.gov.uk/guidance/our-approach-to-inspections\)](https://www.gov.uk/guidance/our-approach-to-inspections)

## **Reviewing information between inspections**

In addition to reviewing information about a landlord as part of an inspection, we also gather and review a range of information between programmed inspections. This helps us to identify any risks the landlord might face in delivering the outcomes of our standards and help us target our work. This information also helps us build a picture of risks faced by the sector as a whole. Stability checks, and our quarterly survey provide us with evidence on the financial strength of private registered providers, [the tenant satisfaction measures \(https://www.gov.uk/guidance/information-required-from-registered-providers#tenant-satisfaction-measures\)](https://www.gov.uk/guidance/information-required-from-registered-providers#tenant-satisfaction-measures) give important management information and tenant insight. We also review information we collect about small landlords. This includes financial returns which provide us with evidence on the short and longer term financial strength of landlords and any referrals we receive.

### **Find out more about**

[Our regular reviews between programmed inspections \(https://www.gov.uk/guidance/regular-reviews-between-programmed-inspections\)](https://www.gov.uk/guidance/regular-reviews-between-programmed-inspections).

## **Responsive engagement**

We receive information about landlords from a range of different sources. For example, [referrals we receive from tenants or other stakeholders \(https://www.gov.uk/guidance/information-for-social-housing-tenants\)](https://www.gov.uk/guidance/information-for-social-housing-tenants), whistleblowers, notifications or issues flagged through our [regular reviews \(https://www.gov.uk/guidance/regular-reviews-between-programmed-inspections\)](https://www.gov.uk/guidance/regular-reviews-between-programmed-inspections).

We focus our responsive engagement on those issues which we consider to be material to the landlord delivering the outcomes of the standards. We are particularly concerned where a landlord is, or there is a risk that the landlord is, significantly failing to deliver the outcome of our standards. We work on a case by case basis. For example, in some cases we may decide to seek

further evidence from the landlord about a particular issue. In other cases, we may decide that the issue is best looked at as part of an inspection, whether as part of a programmed inspection or an inspection which is not programmed.

### **Find out more about**

[How we handle referrals made to us](https://www.gov.uk/guidance/information-for-social-housing-tenants)

[\(<https://www.gov.uk/guidance/information-for-social-housing-tenants>\)](https://www.gov.uk/guidance/information-for-social-housing-tenants)

[Our responsive engagement \(<https://www.gov.uk/guidance/responsive-engagement-with-landlords>\)](https://www.gov.uk/guidance/responsive-engagement-with-landlords)

## **Investigating and intervening**

Where we judge that there are serious failings in a landlord delivering the outcomes of our standards, we hold them to account. We aim to work with landlords so that they make self-improvements and address relevant failures. However, we also have a range of powers available to us which we may decide it is appropriate to use. For example, we may decide to use our powers where we consider a landlord is unwilling or unable to deliver the outcomes of our standards.

### **Find out more about**

[How we investigate and take action on serious failings](https://www.gov.uk/guidance/investigating-and-taking-action-on-serious-failures-in-landlords)

[\(<https://www.gov.uk/guidance/investigating-and-taking-action-on-serious-failures-in-landlords>\)](https://www.gov.uk/guidance/investigating-and-taking-action-on-serious-failures-in-landlords)

[How we use our specific legal powers relating to intervention and enforcement \(<https://www.gov.uk/guidance/statutory-guidance-under-s215-of-the-hra-2008>\)](https://www.gov.uk/guidance/statutory-guidance-under-s215-of-the-hra-2008)

## **Quality assurance**

To support us in making sure that our regulatory processes and decisions are fair and in line with our statutory duties, we carry out internal quality control and quality assurance.

This includes:

- Setting out internal procedures for our different regulatory processes, for example inspections
- Using an internal panel to support judgements and gradings before making our final decisions, where appropriate

- Delivering regular training for staff on our regulatory procedures
- Supporting regulatory staff to participate in appropriate continuous professional development.

These measures provide checks and balances to support consistent, and evidence-based decision making, while providing enough flexibility for our regulatory decisions to reflect the individual circumstances of the landlord as well as changing circumstances in the social housing sector.

## **Analysing social housing sector performance**

We publish a range of information which helps people to understand how the sector is performing as a whole. This includes information about emerging trends and risks across the whole social housing sector and for different parts of the sector. The information also helps us and stakeholders to see where the sector is generally delivering the outcomes of our standards well and where they may not be. They are a useful source of intelligence for our regulatory work.

Find out more on our [publications section \(https://www.gov.uk/search/news-and-communications?organisations\[\]=regulator-of-social-housing&parent=regulator-of-social-housing\)](https://www.gov.uk/search/news-and-communications?organisations[]=regulator-of-social-housing&parent=regulator-of-social-housing).

### **More on this topic**

- [How we regulate \(https://www.gov.uk/government/collections/how-we-regulate\)](https://www.gov.uk/government/collections/how-we-regulate)
- [Glossary of terms \(https://www.gov.uk/guidance/regulating-the-standards-glossary-of-terms\)](https://www.gov.uk/guidance/regulating-the-standards-glossary-of-terms)

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