

## Written evidence submitted by Anonymous [RSH 056]

1.1 It is good to see Parliament seeking evidence in shortfalls within Housing Regulation. Below covers the following three issues within the terms of reference in relation to social housing rent and service charges.

1.1.1 Is the current regime for regulating social housing fit for purpose?

1.1.2 Do the Regulator and Ombudsman have sufficient powers to take action against providers?

1.2 The Regulator of Social Housing fails to protect tenants from overcharging and allows the taxpayer as well as public purse to be overspent. It has a "Setting rents for social housing Addendum to the Sector Risk Profile 2019" which outlines what actions it would take where it sees these failures in charging but does not do so.

1.3 The Regulator is so weak that in all cases it just downgrades Housing Associations from G1 rating to G2 (this it's the governance rating which the Regulator keeps a table in how Housing Associations have performed in terms of its board oversight, managing risks and administration of a landlord.

1.4 In one example the Regulator found that a Housing Association called Housing 21 had overcharged social and affordable rent tenants by £9.7million. Originally the Regulator thought it was £2.8million. The Regulator failed to spot this because it overlooked the statistical data return (SDR). The SDR allows comparisons to be made by the Regulator in data that is submitted in previous years to the current year.

1.5 For example within the Rent Standard it states what rents can be increased by Housing Associations for social and affordable tenants. So, say next year it will be CPI plus 3.1%. Let us say that for some reason the Housing Association has submitted within its SDR its average rents which in fact have overall increased by 6%.

1.6 The Regulator should spot this overcharging hypothetically of this 6%. But it fails because it doesn't compare data being submitted or make comparisons with other submissions for consistency. One example is the Financial Forecast Return (FFR), the Regulator should compare between the two to look for consistency and accuracy.

1.7 Even when the Regulator found Housing 21 to overcharge by £9.7million for social and affordable rent, how can the Regulator just downgrade Housing 21 from a G1 and G2. There is not even an acknowledgement in the seriousness of this. The Regulator just serves a Regulatory notice and then carries out something called reactive engagement.

1.8 The Regulator claims it must act in a way which minimises interference and be proportionate. However, this does not even give rise to what is a legitimate expectation. In fact, it encourages Housing Associations to see if it can get away with what it can. There are no fines, no strong enough sanctions and brings the sector into complete disrepute.

1.9 The Regulator's addendum states as per 2.7 which outlines what it would do (Appendix 1). Its far from effective and as per appendix 2, Housing 21 states serious past mistakes.

1.10 What would it take for the Regulator to prevent these continuously occurring with many Housing Associations. It's allowed to happen because the Regulator is weak and ineffective. Not just to quality and living standards but to our citizens being overcharged.

1.11 The only remedy currently for the Regulator's failings is judicial review. However the Regulator does not require what's called In Depth Assessments of Housing Associations to be made public. It gives the most limited informatio for breaches, as little as two paragraphs from notices.

1.12 The Regulator knows that some Housing Associations can conceal its practices. For example at Shepherds Bush Housing Association, it was downgraded by the Regulator for breaching the Tenancy Home standard. Shepherds Bush Housing failed because its data mangement was so bad it didn't realise it was meant to carry out electrical, gas and asbestos safety checks.

1.13 Shepherds Bush Housing Association has further over recent years submitted incorrect data to the Regulator within its Statistical Data Returns (SDR). The information submitted to the Regulator hasn't been picked up and only limited comparisons have been made by the Regulator.

1.14 For example the Regulator allowed Shepherds Bush Housing to submit within the SDR that its formula rent increased by 2.7%? How did the Regulator allow Shepherds Bush Housing to get away with this and why did the Regulator not recognise that Shepherds Bush Housing has a serious systematic failure with its data management and administration? The Regulator is tolerating overcharging and not doing the checks it is meant to do.

1.15 Appendix 3 and 4 shows the failures of Shepherds Bush Housing.

1.16 The Regulator of Social Housing is not fit for purpose, it doesn't protect the public purse nor the consumer. A new form of wider regulation is required so that some Housing Associations will not take risks in the appalling way it manages and deals with data.

*In anonymous capacity but if called to give evidence to the Select Committee then will do so and can go into the detail of where could assist you in helping our citizens.*

[Appendices not published]

*December 2021*