

Erimus Housing

Erimus Housing submits this response to the call for evidence based upon the two primary questions.

Our response has taken into account the objectives of the review which we summarise as:

- To maintain the provision of high quality affordable housing and services;
- To protect public spending and ensure that it is spent in the prescribed way;
- To meet the governments objectives as regards the provision of social housing;
- To consider the role of residents in the regulation process;
- To address the current situation where the allocation of grant for new homes does not take into account the management performance associated with the organisation;
- To consider the balance between regulation and the increasing use of private finance in social housing;
- The governments desire to reduce levels of public spending and increase private investment. Account needs to be taken of the assurances that funders require, some of which they get from the Housing Corporation regulation. Reduction in regulation could result in increased risk to funders;
- To consider that fact that some elements of RSL work, as regards investing in communities and neighbourhoods is not regulated by the HC.

Question 1

How do we identify the option for defining a regulatory framework which best meets the objectives set out?

There are three options set out;

- To retain or reform the current framework
- Self regulation
- Licensing or contract based regulation

To select between the above or consider another alternative is perhaps less important than the level or weight of the regulation. The current regulation could be seen to include elements of all three:

- Direct regulation which includes information gathers, meetings and assessment
- Self regulation in the form of the annual compliance assessment
- Individual contracts in the format of the development “green traffic light”

RSLs are also subject to inspection by the audit commission controls by the Charity Commission and close scrutiny by funders.

The ideal option would be to develop a regulation process that is appropriate for the size and risks of the individual organisations. Self regulation supported by intervention or inspection if deemed necessary would seem to be appropriate.

In light of the merger of English Partnerships and the Housing Corporation it would be appropriate for that new body to be responsible for development.

We consider that there is no need for Audit Commission inspection of RSLs and would like to suggest that regulation only be developed, with a high focus on self assessment.

Question 2

How do we develop a detailed design for the implementation of that framework.

The design of a new framework should take into account the key elements of regulation which would give the assurance to stakeholders that RSLs are complying with a code of practice across a range of relevant subjects. The key stakeholders would normally be; residents, funders, and the government sponsored body which administers grants. The process would be required to be appropriate for organisations that deliver services to tenants and should include private developers. If developers decide that they want to manage as well as build homes then it is appropriate for them to follow the same registration and inspection processes as traditional RSLs. The establishment of not for profit arms could address this. Alternatives would be for existing RSLs to be managing agents. There is risk associated with social housing being delivered by organisations where the main objective is to make profit.

Key performance indicators, audited accounts and self assessment against a code of practice should provide sufficient information for an annual assessment for normal RSLs.

Erimus Housing would welcome a greater level of self regulation with the appropriate level of external scrutiny. The protection of tax payers and private

funders investment as well as the involvement of customers in the development of services could be key parameters.

We consider that the delivery of social housing should be tenant focussed and that private developers, should they choose to participate, should comply with the same requirements.

We look forward to the outcome of the review and would be pleased to participate further in the debate.

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