
Registering West Berkshire Council as a Registered Provider - Summary Report

Committee considering report:	Executive
Date of Committee:	24 November 2016
Portfolio Member:	Councillor Hilary Cole
Date Portfolio Member agreed report:	13 October 2016
Report Author:	Mel Brain
Forward Plan Ref:	EX3205

1. Purpose of the Report

- 1.1 To seek approval for the Council to register as a Registered Provider (RP) with the Homes & Communities Agency (HCA).

2. Recommendation(s)

- 2.1 It is recommended that the Council applies to become a RP - Please see the Part II report for further information.

3. Implications

- 3.1 **Financial:** Please see Part II report.
By becoming a RP, the Council would be required to adhere to the national rent formula for social tenancies and this would mean a rent reduction of 1% a year until 2019/20.
- 3.2 **Policy:** RPs are regulated by the HCA. Economic Standards would not be applicable to Local Authorities but the Consumer Standards would be applied. It is for the Council to determine the best way in which to meet the Standards and given the low numbers of stock held by the Council, light-touch regulation would be applied, which means that the HCA are only likely to step in if there is a risk of, or actual, serious harm or detriment to a tenant.
- 3.3 **Personnel:** There are no staffing implications.
- 3.4 **Legal:** Legal advice has been sought and there are not thought to be any significant legal issues in terms of registering. Please see Part II report. Legal input would be required for the purchase of Fountain Gardens.
- 3.5 **Risk Management:** As regulation for RPs with less than 1000 units is light-touch, and given that only the Consumer Standards apply, the risk to the Council if becoming a RP is considered to be low.

3.6 **Property:** Please see Part II report. All current temporary accommodation stock would be subject to the RP status.

3.7 **Other:** n/a

4. **Other options considered**

4.1 Please see Part II report.

5. Executive Summary

- 5.1 Please see Part II report for further information.
- 5.2 It has been suggested by the HCA that the Council becomes a Registered Provider to facilitate purchase of additional property for the purposes of providing temporary accommodation to meet statutory homeless duties.
- 5.3 RPs are subject to regulation by the HCA. Regulation must be delivered in a way that minimises interference and is proportionate, consistent, transparent and accountable.
- 5.4 RPs are expected to meet seven Regulatory Standards, which fall under the headings of 'economic' or consumer'. The Economic Standards cover the Governance and Financial Viability Standard, the Value for Money Standard and the Rent Standard. Economic standards apply to all registered providers *except for local authorities* because the regulator has no power to set economic standards for local authorities
- 5.5 The Consumer Standards cover the Tenant Involvement and Empowerment Standard, the Home Standard, the Tenancy Standard and the Neighbourhood and Community Standard. The purpose of Consumer Standards is to ensure delivery of quality social housing, provide tenants with an opportunity to be involved in the management of their housing and hold their landlords to account and to encourage RPs to contribute to the environmental, social and economic well-being of the areas in which the housing is situated. It would be for the Council to determine the most appropriate way to meet the Standards bearing in mind the type of tenancies offered.
- 5.6 Providers which own fewer than a thousand social housing units collectively account for less than 5% of the sector's total assets, turnover and debt and are subject to a lower level of regulatory engagement. West Berkshire Council, should it choose to become a RP, would fall into this category and would therefore be subject to light-touch regulation i.e. the regulator would only step in if they considered that there was actual or potential risk of serious detriment or harm to tenants.
- 5.7 Other issues that have been considered include:
- (1) Right to Buy, which would not be applicable;
 - (2) Rent reduction, of 1% a year until 2019/20, which would need to be applied;
 - (3) Creation of a Housing Revenue Account – it is believed that we would not need to re-create a HRA and assets could continue to be held in the General Fund
 - (4) Registration with the Housing Ombudsman - the HCA have advised that we would remain with the Local Government Ombudsman.
- 5.8 Overall, therefore, it would appear that the risk to the Council of becoming a RP is relatively low. Becoming a RP is a status, rather than an entity. It would not require a management structure, have staffing implications or require a strategic approach, other than we would already have in place as a Housing Service.

6. Conclusion

- 6.1 In conclusion, the risk to the Council of taking this step appears to be low-risk and it is therefore recommended that the Council applies to become a RP. Please see Part II report for further information.

7. Appendices

- 7.1 Appendix A - Supporting Information
- 7.2 Appendix B – Equalities Impact Assessment