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HACT- NED Network Fortnightly Meeting

“In conversation with Kate Dodsworth”

17 January 2021

Introduction

This session explored Kate Dodsworth’s experience in the first six months of her new role as Director of Consumer Regulation at the Regulator of Social Housing (RSH). Kate opened the discussion by delivering a presentation on what the Regulator is planning in the coming year, the progress of the new consumer standards and the [consultation on the introduction of tenant satisfaction measures](#).

What is the RSH doing and what can you expect from the regulator?

Just over a year ago the Social Housing White Paper (the White Paper) was published following the horrendous tragedy at Grenfell. The sector was ready to grasp the White Paper’s vision and ethos and a cultural shift was arguably long overdue. We need to aim for better housing services, better quality homes and more respectful relationships between landlords and tenants. It signalled a move from reactive to proactive consumer regulation. Boards, tenants and executives all have a role to play in this. It will not just be regulation that helps us achieve this change, it will require a mindset shift. The legislation will be there as soon as is practicable, (Inside Housing mentioned it would be enacted in March 2022). The consultation on tenant satisfaction measures (TSMs) is taking place first as legislation is not needed, and landlords will need time to get used to them. The consultation closes in March. The RSH used the White Paper as a framework and developed the measures in collaboration with landlords and tenants. Tenants said that communication needs to be improved and there is concern that the TSMs could be gamed. TSMs should not be used on their own, they should be set in the wider context to deliver better services. The RSH are also developing a framework for consumer standards and considering how to get assurance against them. We have set three assurance tests: everything must make a meaningful difference to tenants, the RSH must be able to regulate it, and landlords must be able to deliver it.

The operational environment: what are the risks and how do they join up with proactive consumer regulation?

The RSH sector risk analysis published last year showed that the usual risks are still there but there are also new entrants, such as skills, material and supplies shortages. Board members need to consider what they are doing to anticipate trouble ahead. The last few years have shown that it is imperative, that HAs can run an effective repair service. Boards should be thinking about how to iron out blocks to doing this. Boards should also remember to focus on their core purposes. Over the last years there has perhaps been a feeling on many Boards that the operational side of their organisations is not strategic enough to discuss at board level.



In the last six months the operational has become strategic through reputation. Boards must understand their tenants by demographics such as ethnicity, age, and geography. Otherwise, how can they know that what they are doing to improve the organisation is working. It is imperative that boards also understand their stock quality data. There is a real need for Boards to understand the diversity of tenants, as we develop proactive consumer regulation. Boards need to demonstrate that tenants are at the heart of the business. Do Board members understand what it is like for tenants to interact with the organisation. What is it like if they only have a single interaction all year for a repair? How is this influenced if English is their second language? How does the experience of the interaction differ for different age groups? There have been high profile cases such as the Clarion Housing Group's Eastfields Estate case (a Learned Lessons report has been produced) and an L&Q racism case. Boards should learn from these issues, read the reports and collaborate with others to prevent such things from occurring again.

Q&A session

- 1. We are facing an energy crisis, and housing associations are under further strain due to retrofitting and decarbonisation. The economic impact of retrofitting properties could have a severe impact on tenants depending on how it is geared. How will the RSH pick this up from a regulatory point of view?*

The RSH take a coregulatory approach. The primary relationship is between landlord and tenants. The RSH will not prescribe how boards should approach this, but it should be proportionate, and risk based. They understand that boards will have many trade-offs to make. This includes new supply versus investment in current stock, and investment in building safety and decarbonisation. The role of a board member is currently incredibly complex because of the quantity of trade-offs, but the outcomes have to be right for tenants .

- 2. Boards are grappling with a shortage of operatives to carry out work. What is the RSH's position on trying to influence at a national level a change in this situation so that housing associations are not chasing a limited supply pool?*

Pre-pandemic and as a CEO, Kate received a letter from RSH, outlining the risks of Brexit regarding supplies, skills, parts etc. Then the pandemic hit, and Boards had to divert their focus to that. However, those problems still exist. Boards are going to have to give some time to these issues as the skills shortage is not going away quickly. Where there is difficulty delivering repairs HAs need to be clear and transparent with tenants. Such shortages were a new entry in the sector risk analysis this year.

- 3. How are those trade-offs turned into fair and informed discussions when considering the composition of the Board? Boards need to account for diversification of character and experience otherwise how can Boards ensure they understand the real-life implications for tenants?*

The challenge is how Boards cope with the strategic elements but also their understanding of what it is like for tenants in their organisation. If a Board is not satisfied that they understand this, then they need to think about what else they can do. Much will be data driven. Proactive



consumer regulation is coming but Boards should not wait for this, they should be asking those questions now.

- 4. Community Investment activity is very important for some organisations. However, in the past this has been classed as an extra. When there is a trade-off, organisations have been told to focus on providing housing. Given the increased focus on TSMs, has the RSH's position on this shifted?*

It is still imperative to focus on the financial side but there is space for all types of organisations. In terms of core purposes, it is important that Boards understand what is best for them. The White Paper has given us all an opportunity for a cultural shift.

- 5. What is the RSH's view of the trade off between economic regulation and consumer regulation? How much weight is consumer regulation going to have when housing associations are still monitored and regulated to an economic standard, particularly with IDAs?*

When Kate was a CEO, she hoped that RSH would take on the proactive regulation outlined in the White Paper so housing associations would not be faced with lots of regulators working at cross purposes. It is good news that it is sitting within an established regulator. Economic and consumer regulation are not mutually exclusive, it is possible to fulfil the principles of economic regulation, using money for the best interests of the tenants, in a way that works to the principles of proactive consumer regulation. Developing good services and having respectful relationships with customers should arguably be no more expensive. The RSH are being careful not to create lots of different regimes and the two sit neatly together.

- 6. Will an IDA be the same now as it was three years ago, in terms of the emphasis on consumer regulation?*

Even if proactive consumer regulation was not coming down the line, Kate would still not expect an IDA focus to be exactly the same as three years ago as the risks have changed: Brexit, zero carbon targets, the pandemic. Whilst she cannot be drawn on exactly how RSH will get assurance we know we will, for example, triangulate information from TSMs, and the Housing Ombudsman. The RSH will not make things overly complicated, but you should not wait to start putting into place assurances on the White Paper aims.

- 7. When considering tenants voices, should we be considering current tenants or thinking about future tenants?*

The focus should be on existing tenants and how you can demonstrate that you are making a meaningful difference to them when considering consumer regulation.

- 8. Could there be a time when we apply the same kind of disciplines attached to looking at impact on finances- economic/ viability stress testing etc. – to considering impact on tenants.*

On the consumer side you want to know what patterns are causing issues. Look at your stock condition surveys and your surveys of repairs and consider what patterns are emerging. How does this relate to age, vulnerability, ethnicity, and geography? Whilst in the past the focus has been on easily tested financial motives; Boards need to develop their data on the



consumer side to get assurance. One of the tricks Boards have learnt during the pandemic, is that if they do not understand where vulnerability is in tenant groups then they are not going to be able to deliver services

9. Will the results of tenant satisfaction measures be published? Will there be a data website similar to that already used by the Scottish regulator?

This is all up for grabs. Kate encouraged everyone to get involved in the consultation which ends in March and to encourage your tenants to give their views too.

10. How do boards drive cultural shift?

Board members might want to develop a dashboard. This is not easy, but it is crucial. Seek the opinions of front-line colleagues who are dealing with issues that the board do not see on a day-to-day basis. Think about how to interrogate complaints data. Things can shift dramatically when front-line teams are not getting enough support. As a board member you need a sense of the pressure points in the organisation.

Attendees noted that ‘taking the pulse’ of their organisations has become harder during the pandemic. They used to check in by standing in reception and listening to how tenants are dealt with. They could go into the office and speak informally with the team. It is harder for those conversations to happen now. Some boards have started to encourage board members to sit in on customer service calls for insight. Another suggestion was asking for random selections of repairs complaints so that Board members can do their own internal deep dive. It was agreed that it was important to mitigate any loosening relationships caused by home working.

11. What role does the regulator have in developing resources, expertise or examples of best practice for Boards? Or is that the role of trade associations?

It is not for the regulator to put out good practice. However, this session has demonstrated that the sector has much expertise and good will, it is about harnessing that and sharing knowledge.

12. What is the regulator doing to improve their expertise?

The feedback the RSH received from the IDA process was that people are reasonably happy. They will be using the feedback to develop their expertise. The trick is recruiting the necessary people at the right time.

13. A lot of criticism of the RSH has focused on its inability to get involved with high profile cases, especially in contrast to the Housing Ombudsman. How will the RSH and Ombudsman seek to address some of those criticisms?

This isn't binary. Something can be a dreadful case, but it may not be a breach of current reactive consumer regulatory remit. It is incumbent on Boards and the RSH to make sure that the complaints process and route to the Ombudsman is clear. Proactive consumer regulation will ensure greater tenant input.



Next Session

Next meeting: 31st January 4pm
Register here

The role of data ethics and implications for board members

We're delighted to be welcoming Matthew Gardiner, Non-executive Director of Complete Technology Group who will be discussing how data ethics is fundamental to reputation management and looking at some of the implications it has for board members looking to improve the level of trust they receive from their residents.

Book your free place [here](#) or learn more about the NED network at hact.org.uk

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