

Press release: Social housing regulator to charge fees from October 2017

The regulator of social housing has confirmed that it has listened to the sector and will delay the introduction of fees for social housing regulation to October 2017. Providers will pay 50% of the annual fee for 2017 to 2018.

The regulator was granted powers to charge fees under the Housing and Regeneration Act 2008. It set out initial proposals in a discussion paper in 2014 and held a further statutory consultation at the end of 2016.

Following the outcome of the consultation, the regulator will introduce:

- a one-off flat-rate registration fee of £2,500 for successful registration with the regulator
- a fixed annual fee of £300 for providers with fewer than 1,000 social housing units
- an annual per unit fee of £4.72 for large providers with 1,000 or more social housing units – with the fee charged at group level rather than for each individual entity on the register.

Taking account of points raised in the consultation responses, the regulator has also committed to:

- waive fees for 2017 to 2018 for providers with fewer than 60 social housing units, where a complete de-registration application is made by 1 September 2017 and it has a reasonable chance of being completed by the financial year end
- a cap on the maximum increase to total income raised from fees to 1% per annum until the end of current Spending Review period in 2020 from a base of £12.5 million
- introduce a Fees and Resources Advisory Panel alongside existing stakeholder arrangements publish an annual fees statement in addition to the transparency information it already publishes.

Julian Ashby, Chair of the HCA Regulation Committee said:

Thank you to everyone who participated in the consultation and our various discussions around fees. I'm pleased to see a high level of support for our proposals, which were described as fair, simple, transparent and practical. In our approach to implementing fee charging we have carefully considered the impact on existing budgets and business planning for 2017 to 2018 and noted the affordability challenges raised by some of the very small providers.

Introducing fee charging complements the HCA review conclusion to

establish the regulator as a separate legal entity. We're committed to keeping our costs low and therefore the fee level reasonable and proportionate, while maintaining effective regulation. We will establish a Fees and Resources Advisory Panel to ensure that there is accountability for fees charged.

A decision statement which outlines an analysis of the consultation responses, has been published on the [fees consultation page](#) of the Gov.uk website.

There were 169 responses to the statutory consultation which ran from 25 November 2016 to 9 January 2017. The regulator also consulted extensively with sector representative bodies.

The case for charging fees was supported by many respondents as the best way of maintaining the effectiveness and independence of the regulator. Many confirmed regulation to be essential to enable the sector to continue to access the investment it needs on attractive terms.

Funding for some aspects of the regulation function such as reactive regulation, including consumer regulation, will be continued through government grant in aid.

The Homes and Communities Agency is the single, national housing and regeneration delivery agency for England, and is the regulator of social housing providers. As regulator, its purpose is to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs. It will do this by undertaking robust economic regulation, as enshrined in legislation, focusing on governance, financial viability and value for money that maintains lender confidence and protects the taxpayer.

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