



Regulator of
Social Housing

Fees for social housing regulation

Guidance for registered providers

Updated February 2020



OFFICIAL

Contents

Background	3
Initial registration fees	3
Initial registration fee approach	3
Initial registration fee level.....	3
Annual fees	4
Annual fees approach	4
Units definition.....	4
Annual fee level for providers owning 1,000 units or more.....	4
Annual fee level for providers owning fewer than 1,000 units	5
Approach to groups.....	5
Registration / de-registration	6
Practical arrangements	7
Invoicing and collection	7
Annual fees statement	8
Fee increases.....	8
Variation in costs.....	8
Fees and resources advisory panel	9
Non-payment and queries	9
Finance contact details	9

Background

1. This publication sets out the principles of the Regulator of Social Housing's fee-charging scheme and practical guidance about its operation. The regulator's fee-charging powers are set out in Section 117 of the Housing and Regeneration Act 2008 and the introduction of fees followed a statutory consultation¹ in 2016. Fees fund those costs related to regulating all providers. Non-routine regulation, including consumer regulation and the majority of initial registration costs are funded by grant-in-aid.

Initial registration fees

Initial registration fee approach

Principle 1: A fixed fee applies to all successful applications for initial registration.

2. The initial registration fee is payable by those organisations whose application to be registered² by the regulator as a provider or intending provider of social housing is successful. It is not payable by local authorities that are subject to compulsory registration.
3. No fee is currently required to be paid on registrations resulting from:
 - a. statutory amalgamations, or transfers of engagement made using the powers in the Co-operative and Community Benefit Societies Act 2014
 - b. registered providers changing their legal form (e.g. from a company to a registered society or from an unincorporated charity to a charitable incorporated organisation).
4. Regardless of registration timing, all organisations will be required to pay the annual fee for the whole year in which they register (see paragraph 18).

Initial registration fee level

5. The registration fee payable upon registration with the Regulator of Social Housing is £2,500.
6. The current registration fee was set by the regulator in 2017. The level of the initial registration fee is subject to periodic review with any material changes subject to consultation.

¹ <https://www.gov.uk/government/consultations/consultation-on-introducing-fees-for-social-housing-regulation>

² <https://www.gov.uk/guidance/registrations-de-registrations-and-notifications>

Annual fees

Annual fees approach

Principle 2: The annual fee payable by a registered provider is set by reference to the number of social housing units owned by that provider.

7. The annual fee payable by registered providers is based upon the number of social housing units owned by that provider. For the 2020/21 financial year, this is based on the number of social housing units owned on 31 March 2019 as recorded in the provider's Statistical Data Return³ (SDR). In determining fees charges we have also taken account of any group or structural changes we have been statutorily notified of and any associated registration decisions that have occurred since 31 March 2019.

Units definition

8. For the purposes of fee calculation, units are defined as social housing where the private registered provider is the owner. The term social housing is defined in the Housing and Regeneration Act 2008 (sections 68-77) and further information on the relevant SDR definitions can be found on the NROSH+ system.⁴ This is a web-based portal for providers to submit their regulatory returns and supporting documentation which is required to enable economic regulation.
9. The regulator annually collects data on the number of social housing units each private registered provider owns as at 31 March via the SDR return. Registered providers should always check the information to be submitted in the SDR carefully.

Annual fee level for providers owning 1,000 units or more

10. The per-unit fee, which applies to those providers owning 1,000 units or more, is reviewed annually as explained in paragraphs 29 and 30. The fee level for 2020/21 is £5.42 per social housing unit.

³ <https://www.gov.uk/government/collections/statistical-data-return-statistical-releases>

⁴ <https://nroshplus.regulatorofsocialhousing.org.uk/>

Annual fee level for providers owning fewer than 1,000 units

Principle 3: A fixed fee should apply to all providers owning fewer than 1,000 units.

11. A fixed fee of £300 applies for all providers owning fewer than 1,000 social housing units. The fee level was set by the regulator in 2017. It is subject to periodic review after this with any material changes subject to consultation.
12. Providers that are not within a group and have no social housing units will still be liable for the £300 per annum fee. This includes providers that have notified the regulator that they have disposed of their social housing units but have not applied for voluntary de-registration.

Approach to groups

Principle 4: For groups owning 1,000 social housing units or more where the parent is registered, the annual fee should be set at group level rather than for each individual entity on the register.

13. Where providers are in group structures with a registered parent, a single fee at the group parent level is charged. Group structures owning 1,000 units or more in aggregate are charged on a per-unit basis. As such, the numbers of units of each registered entity in the group are aggregated to determine a single fee.
14. In many groups some of the entities, either the parent or subsidiaries, may have fewer than 1,000 units. In such cases, see the fee calculation examples below for clarity on how the principle should be applied.
15. Where the group parent is unregistered, the fee is collected from each individual entity in the group. This is because we do not gain regulatory assurance on compliance with our standards at group level. In addition, group structures with a registered parent, owning fewer than 1,000 units as a group, are charged the single fixed-rate fee for small providers for each registered entity. This is because we will carry out the small provider checks for each entity.
16. Some charitable providers are linked by a direction (formerly called a 'uniting direction') from the Charity Commission. Such providers must nevertheless each pay a separate fee to the regulator for as long as they remain separate entities on our register (and subject to our rules about group structures). We do not consider that Charity Commission linking directions create a group structure or effect a merger.
17. Where one registered provider acts as the corporate trustee for another registered provider, a separate fee will still be due from each of the providers (subject to our rules about group structures).

Fee calculation examples

Example A – A group has 3,000 units comprised of a registered parent with 2,000 units and two subsidiaries with 500 units each. This means the fee will be £16,260 (3,000 x £5.42).

Example B – A small group has a registered parent with 500 units and subsidiary of 200 units. The group would pay a fee of £600 (£300 for each registered entity).

Example C – A registered group parent with zero units has two registered subsidiaries of 10,000 units each. The group would pay £108,400 in regulation fees (20,000 units x £5.42).

Note: The calculation examples given above are based on charging at the 2020/21 fee levels.

Registration / de-registration

Principle 5: Providers must pay the full cost of the annual fee for the year that they are on the register when they register or de-register.

18. Providers must pay the full cost of the annual fee for the year in which they either register or de-register (see paragraphs 2-6 for further details in relation to initial registration).
19. A significant proportion of de-registrations are due to restructurings and mergers. Where this is the case, we would not make another annual fee charge for the newly registered or restructured entity. Those who de-register without a consequential new registration will pay for the full year regardless of the timing of de-registration.
20. De-registration is subject to the provider meeting the de-registration requirements⁵ published on our website. It should be noted that a provider that no longer has any social housing assets, but is still on the register, will still be charged fees until they have completed the de-registration process.

⁵ <https://www.gov.uk/guidance/registrations-de-registrations-and-notifications>

Practical arrangements

Invoicing and collection

21. In relation to the annual fee, we will calculate the fee charged based on the number of social housing units owned as submitted by providers through the SDR. An invoice based on this will be sent out in March each year. For 2020/21, fees will be based on the number of social housing units owned as at 31 March 2019 (updated to reflect any group/structural changes and associated registration decisions) and invoices will be sent in March 2020.
22. Providers were required to state a specific contact for the purposes of fees when submitting their SDR which is editable on the NROSH+⁶ system. This contact will be used for invoicing purposes. It is the responsibility of providers to keep their contact details in NROSH+ up to date and accurate. It is essential that all providers do this. Failure to do so may result in fees invoices and other information being sent to incorrect recipients or not being received by the organisation on a timely basis.
23. For 2020/21 the invoices issued in March 2020 will be based on the entities that exist, according to the regulator's records, as at 31 January 2020 (the 'cut off' date). Invoices will be sent to the fees contacts, as recorded in NROSH+. Where email addresses are recorded in NROSH+ these will normally be used. In cases where we have not been able to contact providers using the email address provided an alternative contact will be used such as the Financial Director or Chief Executive Officer. Where no email address has been provided on NROSH+ invoices will be sent to the relevant postal address.
24. Annual fees must be paid in a single payment annually within 30 days of issue of invoice. However, smaller providers with cash flow considerations in relation to fees may request to pay their annual fees in quarterly instalments. Any request to pay in instalments should include the reasons why an alternative payment arrangement is necessary and will be considered on a case by case basis.
25. Initial registration fees will be invoiced in full following successful registration and will also be due for payment within 30 days of issue of invoice. Newly registered providers will be invoiced for the annual fee at the same time as invoicing for initial registration.
26. Bank transfer is the preferred method of payment but cheques will be accepted. It is important that providers follow the instructions for making payment given on the invoice. In particular, it is essential that the customer account number is used when providers make a payment. Without the account number it may not be possible to match the payment made to the provider's account. In such cases registered providers will be treated as having fees outstanding until such point as they can prove that they have paid the fee.

⁶ <https://nroshplus.regulatorofsocialhousing.org.uk/>

Annual fees statement

27. We publish an annual fees statement which includes the following:
- Business planning priorities – This will set out the headline regulatory priorities for the year ahead including information on how we are prioritising our work and how we are working to ensure our regulatory approach is as effective as possible.
 - Regulatory budget – This will include a breakdown of budgeted costs and the amount to be funded by grant-in-aid. It will also include information on the costs of key functions and apportionment of corporate services costs.
 - Fee level – The annual statement will include the fee level per unit for the year ahead based on the regulatory budget.
28. The 2020/21 annual fees statement will be published once the regulator's budget has been confirmed by the Ministry of Housing, Communities and Local Government.

Fee increases

29. For 2020/21 the overall level of fee income will be £14.743 million. The budget for the regulator includes grant-in-aid in addition to this for those functions that are not covered by the fees.
30. Fees levels will be reviewed annually to ensure that fees align with the costs of providing the service. The per-unit fee will fluctuate between years depending on the number of overall units in the sector as recorded in the SDR.

Variation in costs

31. As there may be some variation in costs from year to year (e.g. due to staff vacancies) it is possible that excess income might be collected from charges in any one year. This will be refunded to private registered providers once the regulator's year end accounts have been laid before Parliament. Small providers paying the fixed fee of £300 will not receive a refund as all such providers cost at least £300 to regulate and maintain on the register.
32. We will write to all large providers at group parent level to advise that a refund will be issued using the fees contact details provided on NROSH+. Where two large providers merge between payment of the fee for a year and the issue of a partial refund for that year, we will refund the newly merged provider at group parent level. Prior to receipt of the refund, the provider will receive a credit note and remittance advice.

Fees and resources advisory panel

33. The regulator introduced a Fees and Resources Advisory Panel (FRAP) in 2017 alongside our existing stakeholder engagement arrangements to enable a specific focus on fees with a range of stakeholders. The Panel's terms of reference⁷ are published on our website. The FRAP is an advisory body to the regulator and has no decision-making powers.

Non-payment and queries

34. Registered providers are legally required to pay fees for social housing regulation. In cases of non-payment of invoices, our usual approach is to send written reminders and to chase up outstanding invoices by telephone. In cases of persistent non-payment, a warning letter would be sent before any other action is instigated. We may take enforcement action in cases where there is non-payment of fees.
35. Any invoicing errors brought to our attention will be resolved by Homes England's Finance Department.

Finance contact details

36. Fees are collected by Homes England on behalf of the Regulator of Social Housing. The relevant contact details are provided below:

Finance team
St George's House
Kingsway
Team Valley
Gateshead NE11 0NA

Email: ARBilling@homesengland.gov.uk
Tel: 0191 497 7592

⁷ <https://www.gov.uk/government/publications/fees-and-resources-advisory-panel-terms-of-reference>



© RSH copyright 2020

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at: www.gov.uk/rsh

Any enquiries regarding this publication should be sent to us via enquiries@rsh.gov.uk or call 0300 124 5225.

or write to:

Regulator of Social Housing
1st floor – Lateral
8 City Walk
Leeds LS11 9AT

RSH regulates private registered providers of social housing to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs.