

Public Document Pack



**Service Director – Legal, Governance and
Commissioning**

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Tuesday 23 October 2018

Notice of Meeting

Dear Member

Economy and Neighbourhoods Scrutiny Panel

The **Economy and Neighbourhoods Scrutiny Panel** will meet in the **Council Chamber - Town Hall, Huddersfield** at **1.00 pm** on **Wednesday 31 October 2018**.

This meeting will be webcast live and will be available to view via the Council's website.

The items which will be discussed are described in the agenda and there are reports attached which give more details.

A handwritten signature in black ink, appearing to read "Julie Muscroft".

Julie Muscroft

Service Director – Legal, Governance and Commissioning

Kirklees Council advocates openness and transparency as part of its democratic processes. Anyone wishing to record (film or audio) the public parts of the meeting should inform the Chair/Clerk of their intentions prior to the meeting.

The Economy and Neighbourhoods Scrutiny Panel members are:-

Member

Councillor Rob Walker (Chair)

Councillor Bill Armer

Councillor Martyn Bolt

Councillor Judith Hughes

Councillor Richard Murgatroyd

Councillor Harpreet Uppal

Mark Mercer (Co-Optee)

Andrew Bird (Co-Optee)

Agenda

Reports or Explanatory Notes Attached

	Pages
1: Minutes of the Previous Meeting	1 - 6
<p>To approve the Minutes of the meeting of the Panel held on 10 October 2018.</p> <hr/>	
2: Interests	7 - 8
<p>The Councillors will be asked to say if there are any items on the Agenda in which they have disclosable pecuniary interests, which would prevent them from participating in any discussion of the items or participating in any vote upon the items, or any other interests.</p> <hr/>	
3: Admission of the Public	
<p>Most debates take place in public. This only changes when there is a need to consider certain issues, for instance, commercially sensitive information or details concerning an individual. You will be told at this point whether there are any items on the Agenda which are to be discussed in private.</p> <hr/>	
4: Green Paper - A New Deal for Social Housing Consultation and the Hackitt Review	9 - 128
<p>To provide members of the Economy and Neighbourhoods Scrutiny Panel the opportunity to provide comments to support the drafting of the Council's response to the Social Housing Green Paper: A new deal for social housing that relate to recommendations from the Hackitt Review.</p> <p>Contact: Helen Geldart, Head of Housing Services, Tel: 01484 221000</p> <p>The following documentation is included with the agenda for information:-</p> <ul style="list-style-type: none">• A New Deal for Social Housing, Green Paper, August 2018.	

- Review of Social Housing Regulation – Call for Evidence, August 2018
- Forward and Summary - Building a Safer Future, Independent Review of Building Regulations and Fire Safety: Final Report, May 2018

The full report is available online at :

<https://www.gov.uk/government/publications/independent-review-of-building-regulations-and-fire-safety-final-report>

5: Date of Next Meeting

To confirm the date of the next meeting as 7 November 2018.

Contact: Carol Tague, Principal Governance & Democratic Engagement Officer. Tel: 01484 221000.

Contact Officer: Carol Tague

KIRKLEES COUNCIL

ECONOMY AND NEIGHBOURHOODS SCRUTINY PANEL

Wednesday 10th October 2018

Present: Councillor Rob Walker (Chair)
Councillor Judith Hughes
Councillor Richard Murgatroyd
Councillor Harpreet Uppal

Co-optees Mark Mercer
Andrew Bird

Apologies: Councillor Bill Armer
Councillor Martyn Bolt

1 Minutes of the Previous Meeting

To approve the Minutes of the meeting of the Panel held on 7 September 2018.

Matters Arising:-

- A copy of the slide pack used in the recent Kirklees Economic Strategy refresh evidence session be forwarded to members of the Panel.
- A meeting with Housing officers and Councillors Armer and Hughes regarding the Open Age Policy and Local Letting Framework had taken place and a further meeting was to be scheduled.

RESOLVED - That the Minutes of the meeting of the Panel held on 7 September 2018 be approved as a correct record.

2 Interests

Councillor Murgatroyd declared a personal interest in Item 4 (Update on Social Value / Local Wealth Building / Inclusive Growth) as he was Chair of the Solidarity Economy Network which was a community wealth building project.

3 Admission of the Public

It was agreed that all agenda items would be considered in public session.

4 Update on Social Value / Local wealth Building / Inclusive Growth

The Panel received an update on the work being undertaken on social value and local wealth building, and links to inclusive growth, in line with the refresh of the Kirklees Economic Strategy.

In introducing the item, David Bundy, Corporate Policy Officer advised that Cabinet had asked for a refresh of the Council's social value policy, with local spend being seen as an important means to delivering social value outcomes locally. The Centre

Economy and Neighbourhoods Scrutiny Panel - 10 October 2018

for Local Economic Strategies (CLES) had been commissioned to provide support. This work had now concluded and a draft report produced.

Tom Lloyd Goodwin, Associate Director, Centre for Local Economic Strategies (CLES) informed Members that CLES were a leading independent member research organisation, committed to progressive economics for people and place.

The Panel were advised that parts of the Kirklees district were within the most deprived areas in the country and the Council was committed to boosting and improving social and economic opportunity to create an inclusive economy.

CLES' work had focused primarily on procurement and spend within the Council. Benchmarking had been accompanied by an analysis of the supply chain and gaps and potential opportunities identified. An analysis of the Council's suppliers and activity of other anchor institutions within the borough had also been undertaken and a number of number of detailed recommendations made.

The key areas of the Panel's discussion and responses to questions are summarised below:-

- Work with anchor institutions was welcomed, but it was also important to develop vehicles to encourage the growth of mutuals and cooperatives within the locality.
- It was vital to encourage alternative forms of supply, as the risk of relying on one major supplier could leave the economy in a non-resilient place if they withdrew.
- The co-production and co-commissioning of services had been referenced in CLES' report with recommendations as to how to move this forward.
- Social care was seen as a key service area and whilst budget constraints were recognised, there was a responsibility on commissioners to consider wider social value, such as good staff terms and conditions as well as cost and efficiency, when tendering and commissioning of services.
- Whilst funding for community groups had been reduced, funding was available through groups such as Power to Change. Opportunities could also be explored for groups within the sector to work together and provide peer to peer support.
- A report would be presented to Cabinet on 5 November 2018, and pending approval, plans would be put in place to shape the work programme and take the recommendations forward. Members were reassured that the recommendations within the report were ambitious and contained practical steps to deliver change.
- CLES' initial benchmarking had provided figures for spend at a regional and local level which would enable further analysis as to influencable spend.
- Brining anchor institutions together was key in accelerating progress and there was a willingness amongst partners, including private sector firms, to engage, share experience and drive forward. An example of this was the recent Picture of Kirklees event attended by partners in the business sector, NHS, schools, colleges and the University.
- It was important to ensure that Members were engaged and provided with updates as to activities, particularly at a neighbourhood level.
- Consideration should be given as to how best to engage small micro- business sector and involve them in this work.

RESOLVED -

- (1) The Panel noted the report and thanked David Bundy, Corporate Policy Officer and Tom Lloyd Goodwin, Centre for Local Economic Strategies (CLES) for their contribution to the meeting.
- (2) That an update be brought to a meeting of the Panel early in the new year, alongside an update on the refresh of the Kirklees Economic Strategy.

5 Kirklees Employment and Skills Plan

The Panel received an update on the progress and further development of the Kirklees Employment and Skills Plan. Councillor Peter McBride, Cabinet Member for Economy, Sue Weston, Strategic Partnership Lead (Business and Skills) and Alan Seasman, Theme Lead Place and Inward Investment, were in attendance.

In introducing the item, Councillor McBride, highlighted opportunities presented by large scale projects in housing, rail investment and highway improvements. It was important to ensure that the skills and employment opportunities these projects offered were available to local people and that colleges provided the courses that were relevant to industry need, in order to meet demand.

It was noted that Kirklees was one of the largest manufacturing areas in the country and there was a constant demand to train and upskill staff. Workforce demand, the importance of the care sector and the vast range of skill requirements was also highlighted within the Plan, as was the need to help people get back into work.

The following presentation outlined the context, impact and measurements, priorities, ambitions and actions, alignment and delivery of the local approach, to run alongside the regional plan.

Work on co-producing the Kirklees Employment and Skills Plan had commenced with a Skills Summit held in February 2018. A post 16 Strategic Needs Assessment had been used as part of the information gathering and the data sets used for this were also being used as part of the refresh of the Kirklees Economy Strategy (KES), which demonstrated the alignment between the two.

The Plan was seen as a living document with partners. It provided a strategy for the long term which would contribute to the delivery of shared outcomes. Leadership and collaboration was key and it was critical to strengthen work with partners and businesses.

The high level plan was in place and work was ongoing with partners to develop a more detailed delivery plan, with a target date for completion for by December 2018.

The key areas of the Panel's discussion and responses to questions are summarised below:-

- The importance of collaboration was acknowledged and the Council would seek to work with the economic partnership, once in place, to engage with and understand the needs of businesses.

Economy and Neighbourhoods Scrutiny Panel - 10 October 2018

- The success of the Plan would be measured through the corporate performance monitoring system. The indicator 'disposable income per household' would monitor the impact on all residents who were both in an out of work.
- Work was taking place at a regional level to consider the impact of automation on the workforce.
- A partnership was emerging with the Federation of Small Businesses, Mid Yorkshire Chamber of Commerce, University of Huddersfield and Kirklees College to work strategically and join up offers of support.
- The Rail and Road Partnership led by the West Leeds Alliance had both political leadership and private sector engagement. This joint approach had worked well in encouraging partners to come together and was being used as a model for health, construction and creative and digital.
- One proposal for a sustainable model of business engagement, was to have a cluster of representatives from larger private sector businesses and reach a wider set of businesses through thematic discussions that business leaders could buy into.
- Whilst a demand led approach was difficult given that the authority could not control variables in a complex organic economy, it could act as an influencer.
- A Labour Charter had been developed following the Skills Summit in February 2018 and contained a set of generic asks of business eg pay a living wage, take on an apprentice etc. This also linked to CLES' work around understanding supply chains and looking at anchor private sector businesses.
- Trade Union engagement had taken place on the careers learning pilot undertaken in the Leeds City Region,
- A Place Based Tool had recently been shared across the Council which enabled engagement with citizens, including businesses. A pilot had taken place in Golcar and it was hoped to use this learning to inform future work.
- A paper on apprenticeships was in draft and due for completion shortly.
- The challenge of engaging small businesses was acknowledged. It was important to articulate the business benefits such as recruitment, low productivity, efficiency and cost saving.
- A copy of the slides presented at the Summit would be shared with Members further to the meeting.

RESOLVED - The Panel noted the report and information presented and thanked Sue Weston, Strategic Partnership Lead – Business and Skills and Alan Seasman, Theme Lead Place and Inward Investment for attending the meeting.

6 Work Programme 2018/19

The Panel considered a copy of the current work programme for 2018/19.

It was agreed that an additional meeting of the Panel be arranged to consider the Social Housing Green Paper's consultation in relation to fire safety and the following items be scheduled for the new year:-

- An update on the refresh of the Kirklees Economic Strategy and Social Value and Inclusive Growth (January 2019)
- Housing Strategy Implementation

Economy and Neighbourhoods Scrutiny Panel - 10 October 2018

RESOLVED -

(1) An additional meeting of the Panel to be arranged for 31 October 2018 to consider the Social Housing Green Paper's consultation in relation to fire safety.

(2) That the work programme be received and updated, and presented to the meeting of the Panel on 7 November 2018.

7

Date of Next Meeting

RESOLVED - That an additional meeting of the Panel would be arranged for 31 October 2018 at 1300, to be followed by the scheduled meeting on 7 November 2018 at 1000 am. Both meetings would take place in the Council Chamber, Town Hall, Huddersfield.

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KIRKLEES COUNCIL			
COUNCIL/CABINET/COMMITTEE MEETINGS ETC			
DECLARATION OF INTERESTS			
Standards Committee			
Name of Councillor			
Item in which you have an interest	Type of interest (eg a disclosable pecuniary interest or an "Other Interest")	Does the nature of the interest require you to withdraw from the meeting while the item in which you have an interest is under consideration? [Y/N]	Brief description of your interest

Signed: Dated:

NOTES

Disclosable Pecuniary Interests

If you have any of the following pecuniary interests, they are your disclosable pecuniary interests under the new national rules. Any reference to spouse or civil partner includes any person with whom you are living as husband or wife, or as if they were your civil partner.

Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner, undertakes.

Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses.

Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority -

- under which goods or services are to be provided or works are to be executed; and
- which has not been fully discharged.

Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.

Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.

Any tenancy where (to your knowledge) - the landlord is your council or authority; and the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.

Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -

- (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and
- (b) either -

the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.



Name of meeting: Economy & Neighbourhoods Scrutiny Panel

Date: 31 October 2018

Title of report: Green Paper – A New Deal for Social Housing Consultation and the Hackitt Review

Purpose of report: To provide members of the Economy and Neighbourhoods Scrutiny Panel the opportunity to provide comments to support the drafting of the Council’s response to the Social Housing Green Paper: A new deal for social housing that relate to recommendations from the Hackitt Review.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Not applicable
Key Decision - Is it in the Council’s Forward Plan (key decisions and private reports?)	Not applicable
The Decision - Is it eligible for call in by Scrutiny?	Not applicable
Date signed off by <u>Strategic Director</u> & name	Karl Battersby, Economy and Infrastructure 18.10.18
Is it also signed off by the Service Director for Finance IT and Transactional Services?	Not applicable
Is it also signed off by the Service Director for Legal Governance and Commissioning Support?	Not applicable
Cabinet member	Cllr Cathy Scott – Housing and Democracy

Electoral wards affected: Not applicable

Ward councillors consulted: Not applicable

Public or private: Public

1. Summary

1.1 Following the Grenfell disaster In June 2017, the Government commissioned Dame Judith Hackitt to undertake a comprehensive review of the existing Building Regulations and Fire Safety system as part of its response to the horrendous fire and its consequences. Building a Safer Future; Independent Review of Building Regulations and Fire Safety – The Hackitt Review – final report was published on 17th May 2018.

1.2 The report called for major reform and culture change in the construction and fire safety industries and the establishment of a new regulatory framework. It identified a system failure built on **ignorance** of regulations and guidance; **indifference** to consequences with a primary motivation being how to do things as quickly and cheaply as possible rather than providing quality homes that are safe for residents; a **lack of clarity on**

roles and responsibilities due to ambiguity of responsibility and the fragmentation of the industry and finally, **inadequate regulatory oversight and enforcement tools** with little connection between the size and complexity of a project and the degree of regulatory oversight and an ineffective enforcement system. The Review concluded that the new system needed to have greater transparency and clear accountability to ensure that residents are safe and feel safe in their homes. The recommendations of the review are far-reaching and it is important to note, place a **greater accountability** on the **Council** for effective oversight **for building safety** through a **new Local Authority Building Standards** that only Approved **Inspectors** can certify.

- 1.3 Government are considering the recommendations made in the Hackitt Report and how to implement them. However, in addition to some early changes the government has introduced or is consulting on, it has set out its response to the Hackitt Review within the Social Housing Green Paper - A new deal for social housing. Responses to the Green Paper should be made by the 6th November 2018.
- 1.4 Government has also issued a call for evidence in relation to the Review of Social Housing Regulation, responses by 6th November 2018. This asks the question; *What are your views on the risks and opportunities presented by the regulatory regime suggested by Dame Judith Hackitt and how should that work with social housing regulation?*
- 1.5 A Kirklees Council response to the Green Paper is being drafted taking into account comments from other partners including Kirklees Neighbourhood Housing and the Fire Service.

2. Information required to take a decision

The current position

- 2.1 Based on the Hackitt Review Government has accepted the need for major reform of the current regulatory system governing high rise and complex buildings and a change of culture across the sector. In order to inform its response Government are consulting on a range of issues and have indicated they intend to publish an implementation plan in autumn 2018.
- 2.2 It is clear that change is coming and therefore that we need to give consideration as to how the Council and its housing management provider Kirklees Neighbourhood Housing (KNH) will react and deal with this change. There are 10 sections which cover the whole spectrum of **building safety from the inception of a new development through design & construction to occupation and maintenance**. Whilst all the sections are important, the latter section should be highlighted since this section contains recommendations on the changes needed to ensure building safety in the **occupation and maintenance** phase as this is the phase the Council's stock is in. Some of the key findings/recommendations and the implications for the council are listed below:
 - a) The current **regulatory system** for occupation and maintenance of High Rise Residential Buildings (HRRB) is **not fit for purpose**.
 - b) There will need to be a **clearly identifiable duty holder during the occupation and maintenance phase with responsibility and accountability for building safety covering the whole building**.

- c) This would be a named UK based person, identifiable to the proposed new Joint Competent Authority (JCA) and residents. The review recommends that the **duty holder should be the building owner or superior landlord** (a person who for the time being owns the interest in the premises which gives him the right to possession of the premises at the end of the landlord's lease of the premises). **Meaning the duty holder would be the Council**
- d) The **duty holder** must retain **overall responsibility, be accountable to residents and be traceable by the regulator** and by residents of their buildings.
- e) The duty holder must also **nominate** a **"building safety manager"** with the relevant skills, knowledge and expertise to assist in discharging their duties and to be available to residents concerned about the safety of their building which **is a role for KNH**.
- f) Responsibility for certain tasks can be delegated to the "building safety manager" but **accountability must remain with the duty holder – it cannot be passed or delegated to the "buildings safety manager"**.
- g) The JCA will require the duty holder to produce a **"safety case"** to the regulator every five years or whenever there is a major refurbishment
- h) The duty holder will be required to develop and maintain a **resident engagement strategy**, which will be approved by the JCA.

2.3 The Council's Executive Team have authorised a working group to convene, chaired by Joanne Bartholomew, Service Director Commercial, Regulatory and Operational Services, encompassing officers from across the Council and KNH, to work through the detailed implications of the Review and to prepare action plans which would identify the impact of the changes on our systems, processes, finances and staffing resources. The first meeting of the working group will take place in November 2018 and build on the work already undertaken post-Grenfell.

2.4 A draft response to the Housing Green Paper consultation is being developed for consideration by the Leadership Management Team; Scrutiny Panel is asked to comment in relation to the proposals and questions in the Green paper around the following core themes:

- Ensuring homes are **safe and decent** – given the comprehensive set of recommendations in the Hackitt Review what does the Kirklees Housing Standard aspire to and what does decency need to factor in given the 'race to the bottom' culture Dame Hackitt highlighted?
- Effective resolution of **complaints**: enabling the tenant's voice to be heard and get proper redress when concerns are raised – this is not simply about having good tenant engagement and involvement strategies; and
- **Empowering residents** and strengthening **the Regulator** to extend its remit to **govern all** social housing providers **including Councils** with the ability to downgrade its service – a little like the 1*,2*,3* rating system the Audit Commission inspections awarded. This is also intended to empower tenants.

Work required/undertaken in response to the Hackitt Report

2.5 An initial analysis of the **ten sections** in the Hackitt Report has been carried out with greater emphasis on those chapters that will have the greatest impact on the Council and KNH.

2.6 The Kirklees Council Fire Safety Policy has been refreshed and updated and was approved by Cabinet on 21st August 2018. The policy sets out how the Council will discharge its responsibilities in relation to fire safety.

2.7 KC and KNH have worked closely together to identify and take early action to improve and strengthen our joint approach to fire safety. In relation to the Council's housing stock this has included:

- Established and reported to DCLG that the four high rise block construction do not contain highly flammable materials (ACM) and hence mitigated the need for any further material testing;
- Completed Type 1 and 4 Fire Risk Assessments (FRA) to common parts of higher risk properties;
- Provided `further assurance` Type 4 (intrusive surveys) underway to high risk properties including:
 - o Additional flats to high rise blocks
 - o Common parts and flats to 6 storey blocks
 - o Retirement Living Blocks; communal parts and flats
- Completed resulting high priority actions (management and works) arising from the FRAs to high risk properties;
- A comprehensive inspection regime is in place for all high rise properties, with daily visual checks of the buildings, supported by technical assessments of key elements such as emergency lighting, fire alarms, dry risers, to an agreed programme;
- Consulted with all affected tenants and residents throughout both in face to face meetings and written communication;
- Developed a robust working relationship with West Yorkshire Fire and Rescue Service (WYFRS);
- Weekly fire alarm testing, monthly emergency light testing;
- Acted on guidance from MHCLG and obtained fire door testing assurance from Britdoor under BS476
- Upgraded fire door repairs to replacements in response to MHCLG guidance.
- Revised and updated the KNH Fire Safety Policy approved by the KNH Board in December 2017.

Plans envisaged going forward

2.8 The initial analysis of the Hackitt Review recommendations will be developed by the working group mentioned above and following publication of Government's response to the Hackitt Review and Housing Green Paper action plans will be further developed and implemented.

2.9 A tenant and resident communication and engagement plan that better informs and empowers residents and is in line with the recommendations from the Hackitt Review and Housing Green Paper will be developed.

2.10 The Kirklees Council response to the Social Housing Green paper will be finalised for approval by the Portfolio Holder and submitted to MHCLG by 6th November 2018.

3. Implications for the Council

3.1 Early Intervention and Prevention (EIP)

No impact

3.2 Economic Resilience (ER)

No impact

3.3 **Improving Outcomes for Children**

If implemented as proposed the Green Paper/Hackitt Review will lead to better assurance for residents/families and the Cabinet on building safety and a strengthened residents voice.

3.4 **Reducing demand of services**

No impact

3.5 **Other (eg Legal/Financial or Human Resources)**

In approving the Council's new Fire Safety Policy in August 2018 Cabinet noted that to implement the policy additional capital and revenue costs would be required. Capital funding of £3m has been put in place to address the immediate fire safety issues in the Council's high risk buildings (e.g. those with sleeping accommodation). Existing revenue resources of £75k and additional revenue resources of £230k are needed to fund additional staff and training and to commission external fire risk assessments.

4. **Consultees and their opinions**

Not applicable

5. **Next steps**

5.1 The Kirklees Council response to the Social Housing Green Paper 'A new deal for social housing' consultation will be finalised taking into account the views and comments of the Economy and Neighbourhoods Scrutiny Panel and others.

5.2 The final response will be approved by the Portfolio Holder, Housing and Democracy before it is submitted to MHCLG.

6. **Officer recommendations and reasons**

6.1 Comments and views of the Economy and Neighbourhoods Scrutiny Panel on the Social Housing Green Paper 'A new deal for social housing' response should be noted and shared with the Portfolio Holder, Housing and Democracy for consideration when approving the Kirklees Council response to MHCLG.

7. **Cabinet portfolio holder's recommendations**

7.1 The comments and views of the Economy and Neighbourhood Scrutiny Panel are welcome in helping to strengthen and inform the Council's response to the Social Housing Green Paper.

8. **Contact officer**

Helen Geldart, Head of Housing
helen.geldart@kirklees.gov.uk
01484 221000 Ext 77935

9. **Background Papers and History of Decisions**

Kirklees Fire Safety Policy – Cabinet 21.8.18 (Agenda item 11 - PDF)
<https://democracy.kirklees.gov.uk/ieListDocuments.aspx?CId=139&MIId=5604>

10. **Service Director responsible**

Naz Parkar, Service Director for Housing.

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Ministry of Housing,
Communities &
Local Government

A new deal for social housing

Cm 9671



A new deal for social housing

Presented to Parliament

by the Secretary of State for Housing, Communities and Local
Government by Command of Her Majesty

August 2018

Cm 9671



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Foreword from the Prime Minister

The homes we live in are so much more than bricks and mortar. They're where we raise our families, put down roots and build communities.

Everyone in this country deserves not just a roof over their head but a safe, secure and affordable place to call their own – and social housing has a vital role to play in making sure they do.

It's not just about creating a safety net to prevent homelessness. By providing homes based on individuals' needs rather than solely their ability to pay, social housing helps to keep neighbourhoods diverse and integrated. And it provides the stability people need to build lives and strong communities.

Nearly one in five of English homes are owned by housing associations or local councils, providing a place to live for millions of people.

Yet, as the 8,000 conversations and submissions behind this Green Paper show, many people living in England's four million social homes feel ignored and stigmatised, too often treated with a lack of respect by landlords who appear remote, unaccountable and uninterested in meeting their needs.

It's a situation the residents of Grenfell Tower have spoken about in powerful terms, not just in the wake of last year's tragedy but also in the months and years before – only for their voices too often to go unheard.

As this Green Paper shows, this was not an isolated case. If we are to truly make this a country that works for everyone, it's imperative that government works with local councils and housing associations to address such issues and provide a new deal for social housing.

This Government is committed to getting more of the right homes built in the right places, sold or rented at prices local people can afford – and that includes building a new generation of council homes to help fix our broken housing market.

Towards the end of the last century council house building virtually came to a halt. Since 2010 that has begun to turn around, but now we need to get back to the scale of new social housing that will deliver a real difference to communities – that's why we've already

made it easier for councils in the most expensive areas to access the money they need to build homes for Social Rent.

This Green Paper will provide a further boost to the number of council houses. But it goes further still, renewing and deepening our commitment not just to the fabric of social homes, but also to the people who live in them.

Driven by the priorities of social residents, it will empower them by giving them greater control over their lives and homes.

Taken alongside our wider work – from building more homes to tackling rogue landlords and managing agents to scrapping unfair fees for private rented sector tenants – it underlines this Government’s commitment to fixing our broken housing market and getting more people on the housing ladder.

Regardless of whether you’re a tenant in the private or social sector, your home should be affordable and safe and you should be treated with fairness, respect and dignity. To make sure that is always the case, we need a new deal for social housing – and this Green Paper is the first step in delivering it.



The Rt Hon Theresa May MP
Prime Minister



Foreword from the Secretary of State

The ‘first social service’ – that was how the 1951 Conservative Manifesto described housing. It was a recognition that our homes are more than just a roof over our heads. They are our safety net and springboard to a better life.

Although we live in different times, our focus must still be to build those thriving communities people are happy to call home for generations to come.

Everyone deserves a decent, affordable and secure place to live. It’s the most fundamental of human needs. And while we have made important strides to build the homes we need in recent years, I recognise we have much further to go when it comes to making our housing market work for all parts of our society – not least for residents in social housing.

Our Green Paper is an important step towards this. It is a reaffirmation of that idea of housing as our ‘first social service’. It outlines our desire to rebalance the relationship between residents and landlords, to tackle stigma and ensure social housing can be both a safety net and a springboard to home ownership.

Ministers met almost 1,000 people – including the bereaved and survivors from the Grenfell Community – and the Department reviewed more than 7,000 online submissions. I would like to thank everyone who took part for their valuable input. What was heard made a profound impression on me and my team.

We have heard what people love about social housing – stories of people’s pride in their homes and communities.

But we also heard what needs to change. Many of the same issues came up: the stigma associated with social housing, the need for landlords to listen to residents and the desire for a culture of accountability and respect.

We have listened, and we agree major reform of social housing is needed.

This Green Paper offers a landmark opportunity to do this. It is underpinned by five principles.

The first principle is about ensuring homes are safe and decent. Residents were not only concerned about

safety, but also maintenance, repairs and poor living conditions.

The second principle underlines the need for swift and effective resolution of disputes. This was one of the biggest concerns highlighted by residents with a common perception the process of redress takes too long.

The third principle concerns empowering residents and making sure their voices are heard. This will drive better services and ensure residents have more choice and control.

There is a powerful case for strengthening the Regulator so it not only focuses on the governance and financial viability of housing providers, but also on how residents are treated and the level of services they should expect.

But we also want to empower residents, to give them the tools they need to hold their landlords to account. To achieve this, we need to make it easier for residents to see how their landlord is performing compared to others.

We are considering a range of options, but our proposals – such as an NHS-style ‘friends and family test’ and league tables – can give residents the transparency they need and provide direction to the Regulator.

Equally important is the need to address the stigma that residents in social housing so unfairly face – the fourth of our principles.

It’s sad – and utterly unacceptable – to hear about people being treated with less courtesy and respect because of where they live. This has to come to an end. I believe it is also the job of government to challenge basic false assumptions – assumptions that have somehow fuelled a belief that people in social housing don’t deserve or demand quality customer service or good design. This does not reflect our values as a country.

We have to improve people’s experience of living in social housing, by encouraging greater professionalisation and more of a customer service culture in housing management – and this Green Paper is an important step towards putting this right.

The fifth principle focuses on boosting the supply of social housing and supporting home ownership.

Significant work is already underway to increase our housing supply. We’ve put a further £2 billion into the Affordable Homes Programme alongside flexibility to offer Social Rent, increased local authority borrowing by £1 billion, built new strategic partnerships with larger housing associations and offered housing associations longer term funding certainty to help them deliver more homes.

This Green Paper seeks views on how we can build on this. We will not require local authorities to make a payment in respect of their vacant higher value council homes and are exploring new flexibilities over how they spend Right to Buy receipts. We commit to actively investigating the benefits of going further with our strategic partnerships with housing associations by offering longer term certainty. We will help those in shared ownership progress to outright ownership more easily.

But we are also ambitious for those who rent. We are consulting on longer tenancies in the private rented sector and in the social rented sector we are now proposing not to implement at this time the provisions in the Housing and Planning Act 2016 to make fixed term tenancies mandatory for local authorities, after listening to residents’ concerns.

Ultimately, these measures – combined with those in this Green Paper – ensure everyone has their part to play, be they landlords, representative groups, the wider public and residents themselves.

Together it represents one of the most important steps we can take to reaffirm housing as this country’s first social service – for everyone.



The Rt Hon James Brokenshire MP
Secretary of State for Housing,
Communities and Local Government

Executive summary

This Green Paper, '*A new deal for social housing*', proposes a rebalancing of the relationship between residents and landlords. We will ensure our social homes are safe and decent, that issues are resolved and residents' voices are heard. We will begin to tackle the stigma which for too long has been associated with social housing. And we will ensure we build the good quality social homes that we need.

This Green Paper sets out a new vision for social housing. A vision which values and respects the voices of residents, with landlords treating them with decency and respect, backed up by clear consequences when they do not. A vision centred on how social housing can support people to get on in life, making it more likely, not less, they will go on to buy their own home, as well as providing an essential, good quality and well run safety net for those who need it most.

The tragedy at Grenfell Tower on 14 June 2017 brought the significance of social housing to the attention of the nation. It should never have happened and must mark a turning point in how the country thinks and talks about social housing.

Successive governments, of all political colours, have failed to consider sufficiently the role social housing plays in a modern mixed tenure housing market. We are determined to renew our commitment to social housing and this Green Paper will kick-start a national conversation about its future.

To shape this Green Paper, Ministers from the Ministry of Housing, Communities and Local Government met and talked with almost 1,000 residents of social housing at events across England. Over 7,000 people also contributed their views online, sharing their thoughts and ideas about social housing. These views and suggestions have informed and shaped this Green Paper from the beginning.

We heard from people about the stigma they experienced as social housing residents, they want more accountability from their landlords, and want to see government tackle the sense of 'institutional indifference' which they experienced all too often.

This Green Paper represents a fundamental shift in the state's approach to social housing and the people who call it home.

Residents spoke of the need for important changes in how social housing is run, managed and viewed in this country. They wanted a renewed pride in social housing and quite simply to be treated with respect. Whether you rent or own your home, the housing market should offer you dignity and security.

A new deal for social housing

Five principles will underpin a new, fairer deal for social housing residents:

- a safe and decent home which is fundamental to a sense of security and our ability to get on in life;
- improving and speeding up how complaints are resolved;
- empowering residents and ensuring their voices are heard so that landlords are held to account;
- tackling stigma and celebrating thriving communities, challenging the stereotypes that exist about residents and their communities; and,
- building the social homes that we need and ensuring that those homes can act as a springboard to home ownership.

Delivering good quality and safe social homes with the right services from landlords relies on a robust regulatory framework. It is nearly eight years since the last review of social housing regulation,¹ and the proposals in this Green Paper present the opportunity to look afresh at the regulatory framework.

1 <https://www.gov.uk/government/publications/review-of-social-housing-regulation--2>

Alongside this Green Paper, we are publishing a Call for Evidence which seeks views on how the current regulatory framework is operating. This Call for Evidence, along with questions about regulation in the following chapters, will inform what regulatory changes are required to deliver regulation that is fit for purpose.

We have a collective responsibility to tackle the stigma associated with social housing and treat everyone with respect, regardless of where they live or the type of home they live in. This Green Paper marks an important step towards that goal by celebrating social housing, encouraging professionalisation in the sector and supporting good quality design.

To deliver the social homes we need we will support local authorities to build by allowing them to borrow, exploring new flexibilities over how they spend Right to Buy receipts, and not requiring them to make a payment in respect of their vacant higher value council homes. We will support housing associations to build by providing funding certainty through strategic partnerships. We are also considering how to help people buying shared ownership properties to build up more equity in their homes. Having listened to the concerns of residents, we have decided not to implement at this time the provisions in the Housing and Planning Act to make fixed term tenancies mandatory for local authority tenants.

The 'first social service'

The 1951 Conservative manifesto referred to housing as the 'first social service'. While we live in very different times that real long term need for social housing persists. For many people, particularly those living in areas of acute affordability pressure, the reality of the cost of housing makes renting in the private sector or saving for a deposit difficult. *'A new deal for social housing'* will play a vital role in delivering the homes this country needs.

This Green Paper explains the important role social housing plays in the housing market. It is an integral part of thriving and diverse communities and Government wishes to protect and grow this contribution. That place you call home, no matter where or what type it is, should offer you security and dignity.

We know that to deliver this change we need everyone to play their part – whether it is landlords, representative groups, the wider public or residents themselves. We are determined to work with everyone who shares our vision to deliver a new deal for social housing.

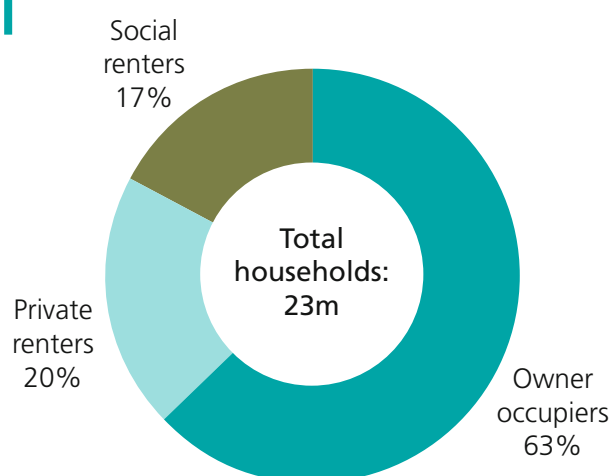
Introduction

CRISP COURT
GASCOYNE ROAD

Almost 4 million households live in social housing

1 Social homes are an important part of our national housing story. Around 3.9 million households, approximately 9 million people, live in the social rented sector in England, just under a fifth of all households.²

Figure 1: Share of households by tenure, 2016/17³



2 Social housing is housing to rent below market level rents or to buy through schemes such as shared ownership. It is made available to help those whose needs are not served by the market. Social Rent levels take into account a measure of relative local earnings as well as relative property values. It is typically set at around 50-60 per cent of market rents. Affordable Rent was introduced in 2011 to support building more new homes below market rents. Affordable Rent levels are set at a maximum of 80 per cent of the market rent (except in London where both Social Rent and Affordable Rent levels tend to be lower). Around 95 per cent of rented social housing is let at Social Rent, with around five per cent let at Affordable Rent.⁴ Since 2010 over 100,000 new affordable home ownership homes have been delivered, including 60,000 for shared ownership.⁵

2 English Housing Survey 2016/17

3 ibid

4 MHCLG Local Authority Housing Statistics; HCA Statistical Data Return; VOA Private Rental Market Statistics

5 MHCLG Live Tables 1000 and 1012

There is a mix of local authority and housing association landlords

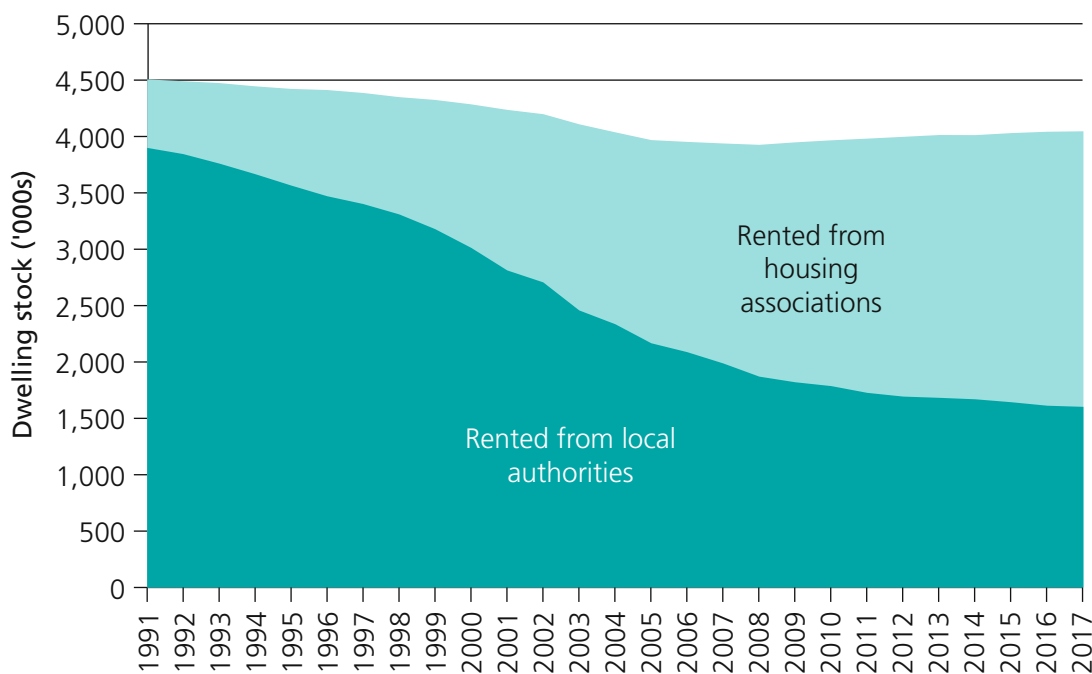
3 The social housing sector is a diverse part of the housing market, with many different providers. Social housing is provided by local authorities and private registered providers, which are primarily housing associations.

4 Since the 1980s there has been a shift towards most of the provision being by housing associations, through a combination of homes transferred from local authorities, and housing associations mainly taking over the role of building new social homes.

There is a continued need for more social housing

5 Various measures suggest there will be a continued need for more social housing. The number of households is projected to rise, with average annual household growth of around 220,000 over the next few years.⁶ Not everyone will be able to meet their housing needs through the market. There are consistently over 1 million households on local authorities' waiting lists.⁷ There are over one million households in the private rented sector receiving Housing Benefit,⁸ and roughly 50-60,000 households are accepted as homeless and in priority need in England each year.⁹

Figure 2: Social stock by provider¹⁰



6 MHCLG Live Table 411
 7 MHCLG Live Table 600
 8 DWP (2018) Stat-Xplore
 9 MHCLG Live Table 784
 10 MHCLG Live Table 104

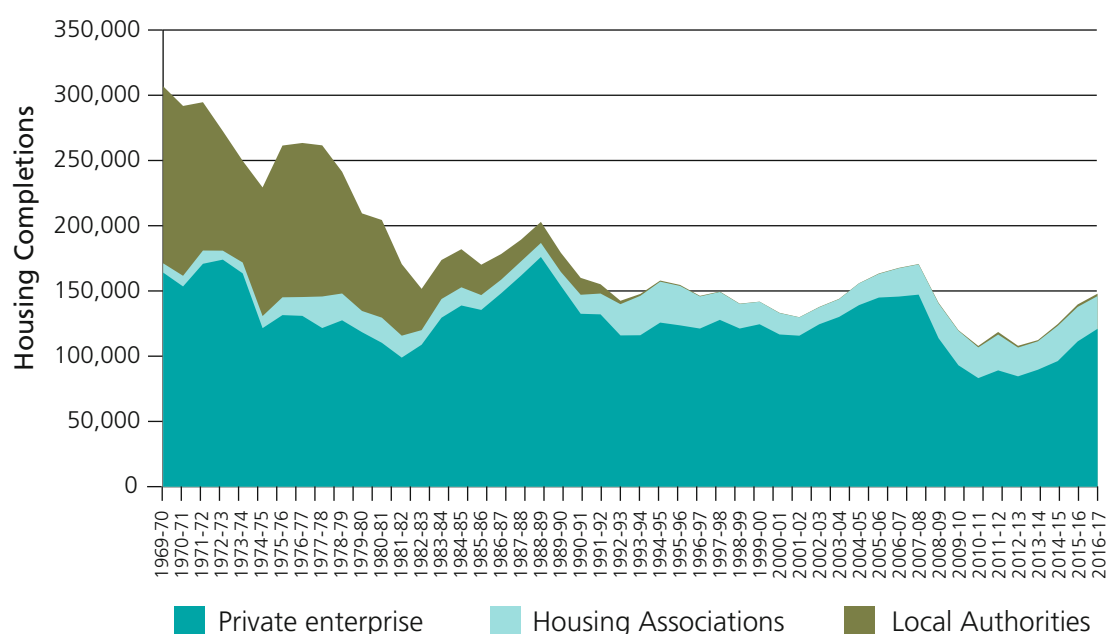
6 It is estimated that around 14 per cent of social housing is supported housing.¹¹ Supported housing is accommodation provided alongside support, to help people live independently. It has a key role to play in supporting some of the most vulnerable in our society, including older people, people with mental ill health, learning disabilities, physical and sensory disabilities, autistic adults, care leavers, people fleeing domestic abuse, rough sleepers, those with drug and alcohol dependencies, vulnerable ex-service personnel and ex-offenders. However, as set out below, the value and function of social housing goes well beyond this important role.

Affordable housing plays an important role in delivering new supply

7 As set out in our Housing White Paper '*Fixing our broken housing market*' we need to build more homes.¹² At Budget 2017 we stated that our ambition is to increase the average number of new homes delivered each year to 300,000 by the mid-2020s.¹³ To achieve this we will need to increase all types of supply, including social homes.

8 The last time the country was building at scale was in the late 1960s, when social housing made up almost half of the total supply.¹⁴

Figure 3: Housing completions by tenure¹⁵



11 DWP & DCLG (2016) Supported accommodation review

12 <https://www.gov.uk/government/publications/fixing-our-broken-housing-market>

13 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661430/Building_the_homes_the_country_needs.pdf

14 MHCLG Live Table 209

15 *ibid*

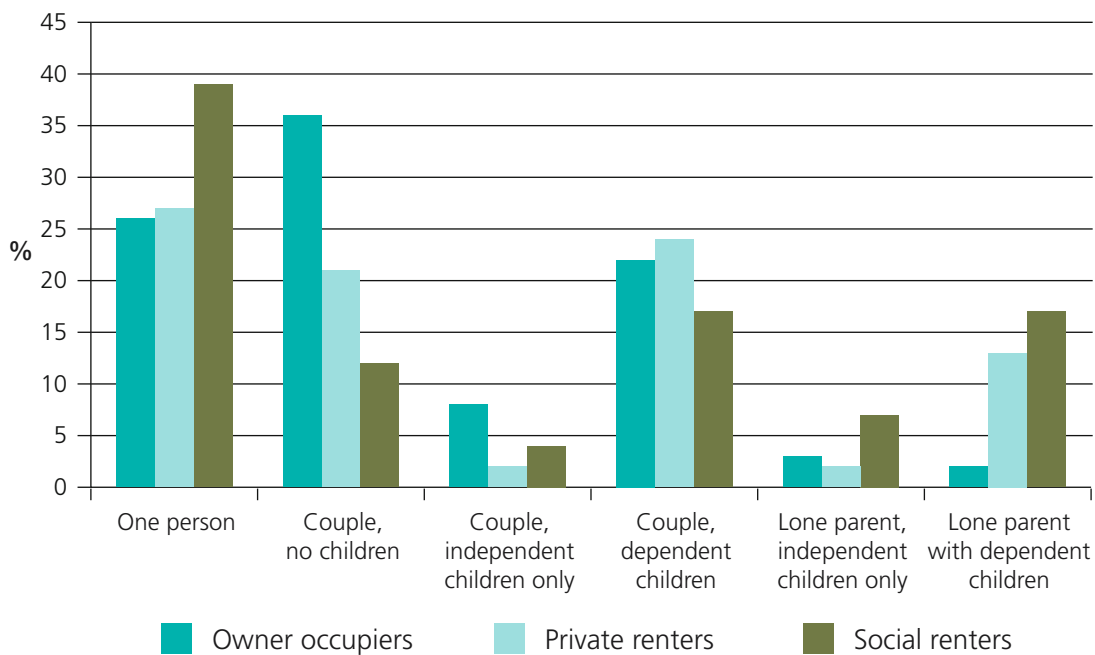
A diverse range of people live in social housing

9 Social housing tenants tend to be of a similar age mix to all households in the population but they are more likely to be living on their own or to be lone parents than those living in other tenures.¹⁶

10 The social rented sector has a similar proportion of ethnic minority households to the private rented sector (around 18 per cent for both sectors compared to 12 per cent for all households). As highlighted by the Race Disparity Audit, some ethnic groups are more likely to rent social housing than others and to be in overcrowded homes. For example, 43 per cent of all black households live in the social rented sector, compared to 16 per cent of white households and 25 per cent of all ethnic minority households.¹⁷

11 In 2016/17, 91 per cent of social housing lettings were made to UK nationals, 4 per cent to European Economic Area nationals, and 4 per cent to nationals of other countries.¹⁸

Figure 4: Household type by tenure, 2016/17¹⁹



16 English Housing Survey 2016/17; figures refer to the 'household reference person' i.e. the 'householder' in whose name the accommodation is owned or rented

17 English Housing Survey 2016/17; where households contain people from different ethnic backgrounds, figures refer to the ethnic background of the household reference person

18 MHCLG social housing lettings Continuous Recording (CORE) statistics; numbers do not sum due to rounding

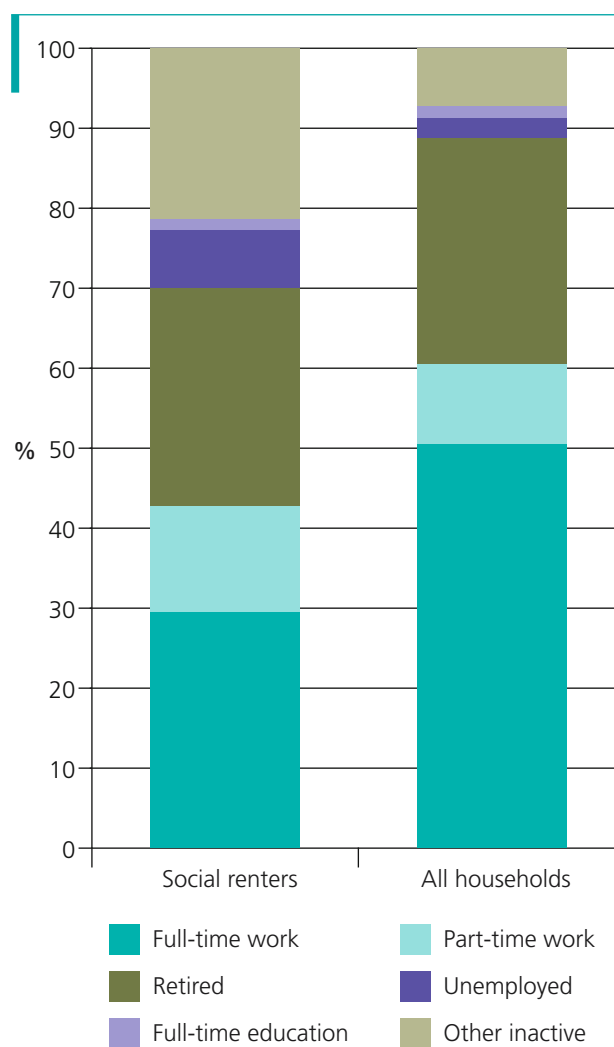
19 English Housing Survey 2016/17

12 43 per cent of social rented households are in full or part-time work. This is higher than it was in 2010/11 (when it was 32 per cent), but remains lower than the average for all households (60 per cent). For those of working age the figure for the social sector rises to 58 per cent. There is a higher proportion of part-time working households in social housing than in other tenures.²⁰

13 7 per cent of social rented households are unemployed, 27 per cent are retired, while 21 per cent are economically inactive (which includes those with a long-term illness or disability, and those looking after family members or the home). Half of social households have at least one member with a long-term illness or disability.²¹

14 Almost three quarters of social renters are in the bottom 40 per cent of the income distribution.²²

Figure 5: Economic characteristics of households, 2016/17²³



20 English Housing Survey 2016/17

21 ibid

22 ibid

23 ibid

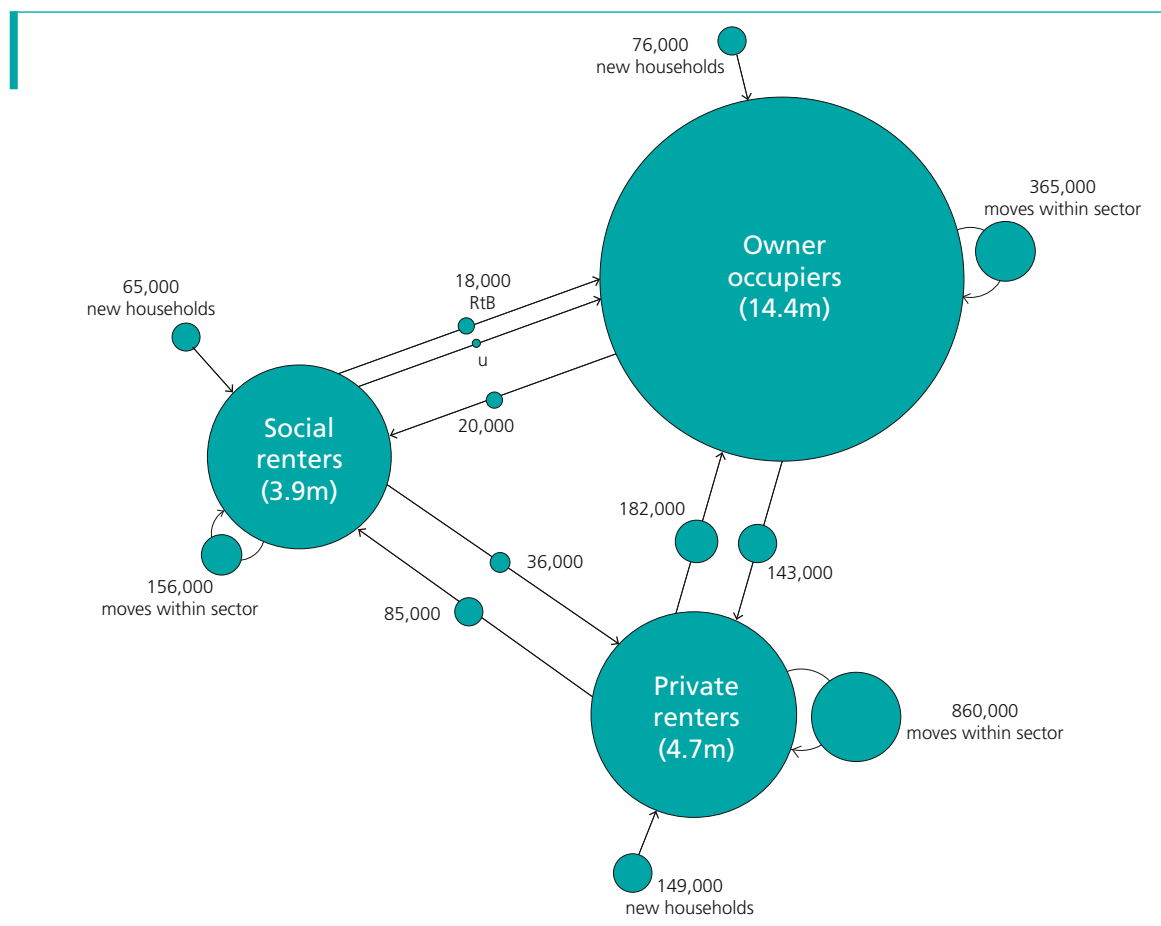
Social tenants move infrequently compared to people in other tenures

15 Local authorities are responsible for deciding access to their own social homes and to a large proportion of housing association homes through nomination agreements, setting their allocations policy within a nationally set framework. There are between 300,000 and 400,000 social housing lettings in England each year, which is around 8 per cent of the homes changing hands in a year. Around a third of these are households moving within the sector, although this varies across the country. Social properties are less likely to change hands where private rents are relatively more expensive,²⁴ which may discourage social renters from changing sector.

16 There is some social housing in all local authorities. London has the highest number of social homes as a proportion of its housing (23 per cent) while the South East and South West have the lowest (at 13 per cent).²⁵ Across the country, there is wide variation in the proportion of homes provided by local authorities and housing associations. Around half of local authorities have no council housing at all,²⁶ but in some areas they own the majority of social housing, particularly across Yorkshire and Humber and the East Midlands.²⁷

17 Last year around 36,000 households moved from social housing into the private rented sector. Just over 18,000 households exercised their Right to Buy, but aside from that there is very little movement into owner occupation.²⁸

Figure 6: Household moves, 2016/17²⁹



24 MHCLG social housing lettings Continuous Recording (CORE) statistics
 25 MHCLG Live Table 100
 26 MHCLG Local Authority Housing Statistics 2016/17
 27 HCA Statistical Data Return 2016/17
 28 English Housing Survey 2016/17; MHCLG Live Table 671
 29 *ibid*; 'u' indicates sample size too small for reliable estimate

Two thirds of tenants aspire to own their own home

18 Around two thirds of social tenants would prefer to be owner-occupiers if they had a free choice.³⁰ As of 2016/17, only 30 per cent of social renters expect to buy a home in the future (up from 24 per cent in 2014/15), compared to the 60 per cent of private renters who expect to buy. Of the social renters expecting to buy, around half expect to buy their current home.³¹

19 We recognise that some people living in social housing have particular needs and will need specific support. Equally, many residents, including those who are more vulnerable, are active citizens and contribute to the community spirit in their own neighbourhood. Most social housing residents of working age are employed, defying a common stereotype. Many residents that we spoke to described the positive contributions they made to their community through paid and voluntary work.

Responding to the problems we face

20 Social housing residents, landlords and stakeholders have shared many common issues with us. The engagement events in Basingstoke, Birmingham, Bridgwater, London, Newmarket, Nottingham, Oxford, Preston, Sittingbourne and York and feedback online from residents have been critical in deepening our understanding of social housing.

21 Most recognised an imbalance in the relationship between residents and landlords. At the events residents challenged the stereotype that people who live in social housing are passive recipients of a service or benefit. There are many areas where residents said they wanted to become more informed and empowered, from a better understanding of how well their landlord operates, to increased opportunities to exercise choice and control, and to have their voices heard. Chapters one to three look at the issues that impact on this relationship including how we make sure we have the right standards for safe, good quality and well maintained social homes and services. These must be underpinned by the right regulatory system,

and a redress process that makes sure issues are resolved promptly and fairly.

22 Residents and landlords underlined the problem of stigma associated with social housing. Many are proud of their homes and of living in social housing, and proud of working in and delivering social housing. However they see attitudes from across society, the media and public servants as driving negative stereotypes. They feel that the way social housing is managed and run can reinforce these stereotypes. Chapter four brings together the structural shift and policy reform across this Green Paper that we believe can drive changes in attitudes, so that people living in social housing are seen more as active and civic minded neighbours, as well as aspirational consumers in their relationship with their landlords.

23 Residents and landlords raised the need for more homes that are affordable to people on lower incomes, enabling them to stay in and continue to contribute to their communities. Government is committed to helping people that want to own their own home to realise their aspirations. The fifth chapter looks at Government programmes that contribute to driving up supply and support home ownership, while ensuring that we have a continuing stream of social homes for those who will need them in the years to come.

24 Supported housing provides a vital service for vulnerable people in crisis, such as those fleeing domestic abuse or facing homelessness, as well as a lifelong home for people with learning difficulties, mental ill-health and for older people looking to lead an independent life for as long as possible. On 9 August 2018 Government published a response to the two October 2017 consultations on funding for supported housing setting out that we are maintaining Housing Benefit for all supported accommodation. This will give the sector the confidence and certainty they need to continue to invest in new supported homes.

25 Government is also carrying out a comprehensive package of work around domestic abuse, homelessness, disability and adult social care:

- We believe that any person without a home is one too many. We have committed £1.2 billion to tackle homelessness and recently implemented

30 MHCLG (2018) Public attitudes to house building: findings from the British Social Attitudes survey 2017

31 English Housing Survey 2016/17

the Homelessness Reduction Act, which means that more people will get the help they need at an earlier stage.

- We have committed to halve rough sleeping by the end of this Parliament and to end it by 2027. We have published a Rough Sleeping Strategy which sets out our initial plans to achieve this.
- The forthcoming social care green paper will set out plans for how to improve care and support for older people and tackle the challenge of an ageing population.
- We have recently commissioned an independent review of the Disabled Facilities Grant to understand how we can best use the Grant to support disabled people to live safely and independently at home.
- We announced a Review and Audit of Domestic Abuse services in July 2018, alongside £18.8 million funding to help support survivors.

26 The proposals set out in this Green Paper apply to England only. In Scotland, Wales and Northern Ireland, housing policy is the responsibility of the Scottish Government, Welsh Government and Northern Ireland Executive respectively. The UK Government retains responsibility for housing policy in England, including funding for England-only bodies such as Homes England (the trading name of the Homes and Communities Agency). The Mayor of London is responsible for housing in London.


27 Throughout this Green Paper we have included online responses from residents and what we heard at the face-to-face engagement events. Some statements have been edited to ensure anonymity.

Key terms used in this Green Paper:

Residents – This Green Paper considers the issues facing all residents of social housing, including those who rent, leaseholders and shared owners. We have referred throughout to “residents” to include all those living in social housing, except where an issue is only relevant to those who are renting from a social housing landlord, in which case we also refer to “tenants”.

Landlords – Generally throughout this Green Paper we use the term “landlord” to cover anyone who rents social homes to people. It also covers social landlords of leaseholders and shared owners.

There is a full glossary of terms used at the end of this Green Paper.



Chapter 1: Ensuring homes are safe and decent



1.1 Ensuring resident safety

28 Social housing must be safe and decent. The Grenfell Tower tragedy should never have happened. In addition to the lives lost and shattered within that community, it shook public trust in the wider system of fire safety. In the days following, we took immediate steps to ensure residents' safety. The Government set up a new expert panel to advise on action. A screening test process was also up and running at the Building Research Establishment the week after the Grenfell Tower tragedy to enable building owners to establish the type of aluminium composite material cladding present on their buildings.

29 Remediation work has started on 70 per cent of buildings in the social housing sector.³² We have announced £400 million funding for local authorities and housing associations to remove and replace unsafe aluminium composite material cladding on social residential buildings 18 metres or over that they own, and financial flexibilities are available to local authorities for other essential fire safety work.³³ Government has consulted on significantly restricting or banning the use of "desktop studies" to assess cladding systems, and is consulting on banning the use of combustible materials in the external walls of high-rise residential buildings.

30 As well as taking immediate measures to make existing buildings safe, we asked Dame Judith Hackitt to carry out an independent review and the final report, the '*Independent Review of Building Regulations and Fire Safety*' was published on 17 May 2018.³⁴ We are committed to bringing forward legislation that delivers a far-reaching overhaul of the system, and gives residents a much stronger voice in an improved system of fire safety.

31 One of Dame Judith's recommendations relevant for this Green Paper is that residents should be proactively given information about building safety, including setting out what their responsibilities are, and residents should have the right to access detailed safety information, such as fire risk assessments.

32 <https://www.gov.uk/government/publications/building-safety-programme-monthly-data-release-june-2018>

33 <https://www.gov.uk/government/news/government-announces-it-will-fully-fund-unsafe-cladding-removal-in-social-housing>

34 <https://www.gov.uk/government/publications/independent-review-of-building-regulations-and-fire-safety-final-report>

The final report also recommends that landlords should have a resident engagement strategy for their buildings which sets out how they will share information and engage with residents on safety.

Residents told us

Fire safety concerns me most because a lot of young families reside in these blocks. This can be improved by educating residents.

I am happy with my flat. Annual fire safety checks carried out. I am grateful to have somewhere to live that suits me and is affordable.

32 The Government agrees with Dame Judith's assessment and supports the principles behind the report's recommendations for a more effective system. We are committed to bringing forward legislation that delivers meaningful and lasting change across all tenures. Reform of the scale envisaged by Dame Judith will take time and Government has identified an opportunity to accelerate a social sector early response, building on the existing good practice in the sector. We will be developing a new programme to support residents to engage with their landlords on issues of building safety in social housing.

33 It is critical that landlords work closely and openly with residents on this so we also want to establish a pilot with a small group of social landlords who would innovate and trial options for communicating with and engaging with residents on safety issues.

34 Alongside the recommendations with respect to requirements on landlords, Dame Judith's report states that residents have an important role to play in identifying and reporting issues that may impact on the safety of the building and in meeting their obligations, including co-operating with crucial safety-related works, to ensure their own safety and that of their neighbours.

35 How can residents best be supported in this important role of working with landlords to ensure homes are safe?

Residents told us

In general, the building is in good upkeep. However, when things go wrong, e.g. there is a leak, the housing association doesn't act appropriately.

1.2 Reviewing the Decent Homes Standard

36 As well as being safe, all homes should be provided and maintained to a decent standard. We want to use this Green Paper to consider a review of the standard that we set for social homes. The Regulator of Social Housing ("the Regulator") requires that social homes meet the Decent Homes Standard,³⁵ which requires social homes to be free of hazards that pose a risk to residents,³⁶ to be in a reasonable state of repair, to have reasonably modern facilities and services such as kitchens and bathrooms and efficient heating and effective insulation. Progress has been made in improving standards of decency. Between 2011 and 2016 we provided a total of £1.76 billion to the Decent Homes Programme.³⁷ Non-decent homes made up 13 per cent of all social housing in 2016. This is down from 20 per cent in 2010.³⁸ Progress in the social sector has been made, but we want to ensure all homes are safe and decent.

Residents told us

Quality of the buildings and the maintenance of them - they should be monitored and if they need replacing such as new bathrooms, kitchens windows etc. then those should be carried out.

37 Moreover, the Decent Homes Standard has not been revised since 2006, so we believe it should be reviewed to consider whether it is demanding enough and delivers the right standards for social housing alongside other tenures. The standard could also be updated to reflect Government's current and forthcoming priorities.

35 <https://www.gov.uk/government/publications/a-decent-home-definition-and-guidance>

36 "Category 1 hazards" under the Housing Health and Safety Rating System

37 <https://www.gov.uk/government/publications/2010-to-2015-government-policy-rented-housing-sector/2010-to-2015-government-policy-rented-housing-sector>

38 English Housing Survey 2016/17

Residents told us

We have a gas fire that throws absolutely no heat out at all. All the radiators in the bedroom are also old and no good and the council go on about a warm home campaign and saving money, but it costs us a fortune in fuel to try and get the house warm. We might as well sit outside, it makes no difference half the time.

38 There have been recent changes to drive up safety that apply to the private rented sector but not the social sector. For example, in 2015, we introduced a requirement to install smoke alarms on every storey in a private sector rented home, and carbon monoxide alarms in every room containing solid fuel burning appliances. Government has recently announced that there will be a mandatory requirement on landlords in the private rented sector to ensure electrical installations in their property are inspected every five years.³⁹ In reviewing the Decent Homes Standard, where practicable we will also consider the outcome of the Government's consultation on 'The Clean Growth Strategy' on whether the energy performance of social homes should be upgraded to Energy Performance Certificate Band C by 2030 where practical, cost-effective and affordable.⁴⁰

39 For all of these reasons, Government would like to explore whether the Decent Homes Standard continues to cover the right issues. **Should new safety measures in the private rented sector also apply to social housing? Are there any changes to what constitutes a Decent Home that we should consider? Do we need additional measures to make sure social homes are safe and decent?**

Questions

1. How can residents best be supported in this important role of working with landlords to ensure homes are safe?
2. Should new safety measures in the private rented sector also apply to social housing?
3. Are there any changes to what constitutes a Decent Home that we should consider?
4. Do we need additional measures to make sure social homes are safe and decent?

39 <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-07-19/HCWS890/>
 40 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/700496/clean-growth-strategy-correction-april-2018.pdf



Chapter 2: Effective resolution of complaints



Image © Help on Your Doorstep

40 Residents should have a stronger voice to influence decisions and challenge their landlord to improve performance. They must also be able to access good complaints processes, as well as swift and effective redress where appropriate.

41 We are already taking a number of steps to improve this across the housing market. Our recent consultation '*Strengthening consumer redress in the housing market*' sought views on how to make current in-house complaints processes better, raise consumers' awareness of redress schemes, and improve the accessibility, speed and transparency of alternative dispute resolution processes.⁴¹ It also considered whether bringing together redress schemes into a single housing ombudsman service could help simplify access and reduce confusion for both tenants and owners.

Residents told us

The complaints process is opaque, inaccurate and chaotic with too many stages and little clarity on the roles and responsibilities of those involved.

42 Many of the issues raised by social housing residents are being considered as part of that consultation. We are currently analysing responses and will publish a formal response later this year.

43 We now want to consider what else should be done specifically to improve the current complaints process for social housing residents, outlined in Box 1, to ensure problems are resolved swiftly.

41 <https://www.gov.uk/government/consultations/strengthening-consumer-redress-in-housing>

Box 1: The current process for complaints

The first course of action if residents have a complaint is through the landlord's in-house complaints process. Social housing landlords are required to provide residents with a complaints handling service, to publish information on the nature and number of complaints received and to inform residents of how information on complaints is used to improve services.⁴²

If residents are unhappy at the end of this process, the resident can refer their complaint to a "designated person" (such as a local MP, councillor or tenant panel) but if they do not want to do this or the designated person does not resolve or refer it themselves, a resident must wait for eight weeks before the complaint can be referred to the Housing Ombudsman.⁴³

The Housing Ombudsman provides a free, independent and impartial complaints resolution service to residents. The Ombudsman aims to provide residents and landlords with sufficient advice and assistance to enable them to resolve their complaints locally and early wherever possible. This ensures the best outcomes and improves landlord and tenant relationships. Where an early resolution or mediation has failed or is not possible or appropriate, then the Housing Ombudsman will investigate and determine cases fairly and impartially.

Residents can also approach the **Regulator of Social Housing** directly with their complaint at any time. However, the Regulator only acts in such circumstances where there is evidence of systemic, corporate failure of an organisation rather than individual issues. All of the information received about complaints is used to determine whether there is evidence that a landlord is, or may be, responsible for a breach of the Regulator's standards. Most complaints brought to the Regulator's attention in this way do not meet such criteria and so are signposted on to the Housing Ombudsman for consideration. The Housing Ombudsman itself may make referrals to the Regulator where it believes there is a possible breach of regulatory standards, based on complaints it has received. A Memorandum of Understanding between the two bodies underpins this working relationship.⁴⁴

2.1 Removing barriers to redress

44 Alternative dispute resolution and mediation services can be critical in allowing issues to be resolved swiftly and locally, while sustaining positive relationships between the parties involved. We are considering whether and how we might strengthen the mediation available for residents and landlords after initial attempts at resolution have failed.

Are there ways of strengthening the mediation opportunities available for landlords and residents to resolve disputes locally?

45 Currently, residents can seek advice and support for local resolutions of their complaints from the Housing Ombudsman at any time. In 2017/18, 7,087 cases were closed by the Housing Ombudsman, and of that 5,467 were closed through local resolution while the complaint was going through a landlord's complaints procedure and did not need to be formally determined by the Housing Ombudsman.⁴⁵ However if residents wish to submit their unresolved complaint to the Housing Ombudsman for a formal investigation they must first refer it to a "designated person" – that is a local councillor, MP or tenant panel – or wait eight weeks. This is known as the "democratic filter".

42 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/628396/Tenant_Involvement_and_Empowerment_Standard.pdf

43 <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

44 <https://www.housing-ombudsman.org.uk/2017/04/21/memorandum-understanding-regulator-social-housing-signed/>

45 <https://www.housing-ombudsman.org.uk/about-us/corporate-information/publications/>

Case study – The Housing Ombudsman resolving a complaint through local resolution

A tenant, who was registered blind, complained to the landlord about the condition of their property at the start of their tenancy. The tenant took steps to clean and redecorate the property and requested compensation from the landlord for the costs incurred. The landlord acknowledged that the property had not met its void standard, apologised and offered £140 in recognition of service failures such as the condition of the property, the failure to inform the tenant of procedures, and the cost of cleaning materials. The tenant was not happy with the landlord's offer and brought the complaint to the Housing Ombudsman. The Ombudsman facilitated a conference call between landlord and tenant and as a result the landlord increased its offer of compensation to £1,120 to cover the costs of works which would not have been incurred had the property met appropriate standards at the start of the tenancy, as well as for time and trouble. The tenant was satisfied with the result. The Ombudsman then asked the landlord to consider how it works with vulnerable tenants, they identified a number of lessons from the complaint and invited the tenant to join its local scrutiny panel.

46 The “democratic filter” was introduced in the Localism Act 2011, as part of a wider ambition to drive local resolution of issues. However, our engagement revealed that the process does not appear to work for residents. There is a perception that the process of seeking redress takes too long. This may be particularly problematic where urgent action is required, for example where a resident is at risk of harm or if there are other safety concerns.

47 The Housing Ombudsman's own recent consultation uncovered similar concerns.⁴⁶ It found that although some local “designated person” arrangements work well, in many cases they do not, and that there are designated persons who did not fully understand their role. We are also aware that in some areas there are either no tenant panels or those that do exist are not used.

48 The “democratic filter” is an additional hurdle before accessing the Housing Ombudsman that does not apply to people with complaints in most other sectors. We are considering how best to improve access to the Housing Ombudsman for social housing residents. **Should we reduce the eight week waiting period to four weeks, or should we remove the requirement for the “democratic filter” stage altogether?**

49 Reforming the filter stage would require primary legislation. We therefore also want to explore what more could be done in the meantime to help ensure that “designated persons” better understand their role and help to deliver swift local resolutions for residents. **What can we do to ensure that the “designated persons” are better able to promote local resolutions?**

46 <https://www.housing-ombudsman.org.uk/about-us/corporate-information/publications/our-consultations/>

2.2 Supporting residents to raise complaints

50 Residents should be aware of all routes open to them to raise concerns and feel confident using them. In 2017/18, 91 per cent of customers said that the Housing Ombudsman treated them well and 75 per cent said that the Ombudsman helped resolve their cases.⁴⁷ However, a number of residents told us that they had not been aware of the Housing Ombudsman's services.

51 Within the social sector we have heard suggestions that more could be done proactively to raise awareness of residents' options for escalation, for example supplying details on redress options at every new letting. We are looking at awareness of housing dispute resolution services more widely as part of our consultation on strengthening consumer redress in housing. We also want to consider if there is a case for an awareness campaign to support social residents to understand their rights to seek redress and to know how to make complaints and escalate them where necessary. **How can we ensure that residents understand how best to escalate a complaint and seek redress?**

Residents told us

*[Before the Grenfell tragedy] I didn't know what the full formal complaints procedure was.*⁴⁸

*Organisations expect to wear you down. I wish it was easier for me.*⁴⁹

52 We also heard from some residents that they fear the consequences of making a complaint, something we take very seriously. There are a number of existing services that can provide advice and support to residents when considering or making a complaint. This includes organisations such as Shelter, Citizens Advice and TAROE Trust as well as innovations such as Resolver – a digital tool that helps consumers to raise and resolve issues. We want to understand whether more residents need to be able to access independent advice and potentially advocacy to support them in

making a complaint. Options could include more active signposting to existing advisory services or the creation of a single advice or advocacy service, which we could consider in the context of our wider ambitions to streamline and improve access to redress in housing. **How can we ensure that residents can access the right advice and support when making a complaint?**

2.3 Speeding up the complaints process

53 Residents must be able to obtain high quality, timely responses to complaints that they raise. There are no statutory guidelines setting out timeframes within which landlords should handle complaints and residents told us they were dissatisfied with the length of time it can take to resolve issues. We therefore want to consider how to speed up landlord complaints processes. One option might be for the Regulator to set out more specific timescales in a Code of Practice. **How can we best ensure that landlords' processes for dealing with complaints are fast and effective?**

Residents told us

The housing association is not quick at responding to issues. It's as though I don't live there so I don't have to worry about it.

*No one is the right person and residents are passed along frequently, it takes a long time, causes a lot of stress and issues remain unresolved.*⁵⁰

54 The speed of decisions is equally important when issues are escalated. We are already working with the Housing Ombudsman to reduce the time it takes to determine their cases. We have recently approved the Housing Ombudsman's Business Plan for 2018-19, which sets a priority target of reducing the time taken for a determination to six months. In 2017/18 the average time taken for a determination was eight months, compared to nine months in 2016-17.⁵¹ Meeting the six month priority target will

47 <https://www.housing-ombudsman.org.uk/about-us/corporate-information/publications/>

48 Comment from face-to-face engagement event

49 *ibid*

50 *ibid*

51 <https://www.housing-ombudsman.org.uk/wp-content/uploads/2018/06/Business-plan-2018-19.pdf>

require the Housing Ombudsman to hire and train new staff. We will work with the Housing Ombudsman as they prepare their new corporate plan. This will be a good opportunity to ensure they have what they need to deliver the best outcomes for both residents and landlords. We will align this work with our recent consultation considering measures to strengthen redress across the housing market.

Residents told us

The full complaints system was difficult to find initially and three complaints have not been addressed promptly and fairly. The recently amended version gives our landlord the right to refuse escalation if it believes the outcome will not change.

55 Speed of response is particularly important when dealing with safety concerns. Dame Judith Hackitt's *'Independent Review of Building Regulations and Fire Safety'* states that residents should have a clear and direct route of escalation and redress in relation to building and fire safety issues.⁵² The final report is informing our consideration of the responses to the *'Strengthening consumer redress in housing'* consultation in relation to any future redress system, but we want to hear views on options which could improve the position in the meantime, pending such wider reform. **How can we best ensure safety concerns are handled swiftly and effectively within the existing redress framework?**

Questions

5. Are there ways of strengthening the mediation opportunities available for landlords and residents to resolve disputes locally?
6. Should we reduce the eight week waiting period to four weeks, or should we remove the requirement for the "democratic filter" stage altogether?
7. What can we do to ensure that the "designated persons" are better able to promote local resolutions?
8. How can we ensure that residents understand how best to escalate a complaint and seek redress?
9. How can we ensure that residents can access the right advice and support when making a complaint?
10. How can we best ensure that landlords' processes for dealing with complaints are fast and effective?
11. How can we best ensure safety concerns are handled swiftly and effectively within the existing redress framework?

52 <https://www.gov.uk/government/publications/independent-review-of-building-regulations-and-fire-safety-final-report>



Chapter 3: Empowering residents and strengthening the Regulator



3.1 Arming residents with information on landlord performance

56 For residents to be empowered they need good information on how their landlord is performing compared to others. While landlords have to provide residents with annual reports on their performance, residents told us that these were not always accessible to use or easy to compare.

Residents told us

Their performance needs to be monitored by an independent authority so there is help when they don't do these things.

They do not issue their performance data, so nobody knows if they are or are not meeting key performance indicators.

57 We want residents to be able to compare performance more easily. We want landlords to be assessed against standards that matter to residents. To achieve this, performance data needs to be published in a clear, regular and consistent format. We consider that the most effective way of doing this is for the performance of all landlords to be assessed against a number of agreed and meaningful key performance indicators which will be made publically available in a way that enables easy comparison.

58 We think that any key performance indicators should be focused on issues of key importance to residents, covering those identified through our engagement, such as:

- keeping properties in good repair;
- maintaining the safety of buildings;
- effective handling of complaints;
- respectful and helpful engagement with residents; and,
- responsible neighbourhood management, including tackling anti-social behaviour.

59 Several pieces of data might be needed to effectively assess performance. For example, key performance indicators on repairs could assess how quickly a landlord responds to repairs and satisfaction with the outcome of repair work.

60 We also want to make sure that residents' overall experience and satisfaction is effectively measured and reported. Since 2012 the NHS has introduced a 'friends and family test' to ask users whether they would recommend a service provider.⁵³ We want to explore whether it would be useful to introduce a similar indicator for residents in social housing.

61 We think that the best way for these key performance indicators to be made available publically is for the information on performance to be provided to the Regulator every year for publication. **Do the proposed key performance indicators cover the right areas? Are there any other areas that should be covered? Should landlords report performance against these key performance indicators every year? Should landlords report performance against these key performance indicators to the Regulator? What more can be done to encourage landlords to be more transparent with their residents?**

62 We are considering a new key performance indicator for landlords' performance on dealing with complaints, to help drive improvements within the sector and ensure more issues are put right first time.

63 We also want to ensure residents are able to compare the performance of different landlords' complaints handling more easily. For example, in the energy market, data is published showing how many complaints energy suppliers receive, how many Citizens Advice handle, and how many are accepted by the relevant ombudsman after failing to be resolved by the supplier. The Regulator already expects landlords to publish information about complaints each year, but approaches vary. We are considering setting out a consistent approach on how landlords should report their complaint handling outcomes, by asking them to report how many complaints were resolved, how many were resolved after repeated complaints and how many were referred to the Housing Ombudsman. **Do you think that there should be a better way of reporting the outcomes of landlords' complaint handling? How can this be made as clear and accessible as possible for residents?**

64 Our current thinking is that these key performance indicators should be prepared by the Regulator, and we would expect the Regulator to engage with relevant bodies, such as landlords and landlord organisations, and resident groups, in their preparation.

65 We also want to consider the best way to publish and present this data so that it can be easily drawn on by residents. The Scottish Housing Regulator makes available reports on the performance of individual landlords and publishes data which sets out how all Scottish landlords have performed on average across all performance indicators from the Scottish Social Housing Charter.⁵⁴

66 We think the Regulator is best placed to publish landlord performance in the form of league tables. However other approaches should be considered, including that used in Scotland. We would also welcome views on whether it would be helpful if landlord performance on key performance indicators is also reflected in a "consumer" ratings system, in addition to the governance and viability ratings, which the Regulator currently publishes for larger housing associations. **Is the Regulator best placed to prepare key performance indicators in consultation with residents and landlords? What would be the best approach to publishing key performance indicators that would allow residents to make the most effective comparison of performance?**

3.2 Rewarding good performance

67 We want to make sure that the transparency proposed by key performance indicators and league tables drives better services for residents in practice. In addition to publishing this information for residents, we want to consider the role of financial incentives and penalties to promote the best practice and deter the worst performance.

53 <https://www.england.nhs.uk/fft/>

54 <https://www.scottishhousingregulator.gov.uk/find-and-compare-landlords/statistical-information>

68 Government's £9 billion Affordable Homes Programme supports landlords' delivery of affordable homes. We want to explore whether the key performance indicators should help inform or influence the extent to which landlords receive funding and are minded to link Affordable Homes Programme funding to the Regulator's governance rating as well as the viability rating. We will work with the Regulator to understand how the governance rating could be informed by the key performance indicators and how that rating could then inform the Affordable Homes Programme bid assessments. We will also consider how the key performance indicators could be used to help develop the requirements for any future strategic partnerships with social housing landlords. These partnerships are explained further in chapter five. The overarching aim is to ensure the standards reasonably expected by residents in their day-to-day lives are being effectively monitored by the regulatory regime that we put in place.

69 We recognise that this may not incentivise all landlords, since many do not build new homes or rely on our funding. But most of the larger landlords do, and we want to assure ourselves that we are spending our money wisely and supporting a safe, decent social housing offer. **Should we introduce a new criterion to the Affordable Homes Programme that reflects residents' experience of their landlord? What other ways could we incentivise best practice and deter the worst, including for those providers that do not use Government funding to build?**

3.3 Ensuring residents' voices are heard

70 Effective resident engagement can benefit everyone – landlords and residents as well as the wider community. A detailed study by the University of Westminster showed a strong correlation between involving residents and delivering value for money.⁵⁵ And yet too many residents we met told us that their landlord did not take their views into account.

71 We want to ensure a more consistent picture across the country of genuine engagement with residents, to ensure they have influence over the decisions that affect their lives. The information that we are considering making available through the key performance indicators should help, including monitoring whether landlords are engaging effectively with residents. Better knowledge of how services compare can help people be more informed consumers and push for service improvements – for example in the health sector people are supported to find, choose, feedback on and compare services.⁵⁶

72 However, to make this work it is critical that landlords take residents' views seriously and use feedback to shape services. Landlords are required to consult tenants at least once every three years on the best way of involving them in the governance and scrutiny of the housing management service, and demonstrate how they respond to tenants' needs in the way they provide services and how they communicate.⁵⁷ Through the proposed regulatory review we will consider whether these expectations need to be clarified to ensure greater consistency and transparency of expectations.

Residents told us

Our efforts to be meaningfully involved with the management of our homes have been extremely difficult as the landlord refused to effectively work with some residents to identify and repair warranty defects, ongoing maintenance and improvements to services. The landlord claims to be complying with the regulatory framework and ignored my application to join a tenants' panel.

73 All landlords should use customer feedback to improve services, and some are finding increasingly sophisticated ways to do this. Some landlords go further and actively work with residents to co-design services from the outset. However, landlords tell us that it is not always easy to engage all of their residents, particularly those who are vulnerable or isolated. We want to understand more about whether the regulatory framework is setting the right expectations on how landlords should engage with residents, and

55 University of Westminster (2015), *Success, Satisfaction and Scrutiny: The Business Benefits of Involving Residents*. Available: http://westminsterresearch.wmin.ac.uk/15493/1/AH_final%20report_published_270315.pdf

56 Health Watch, NHS Choice

57 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/628396/Tenant_Involvement_and_Empowerment_Standard.pdf paras 2.2.4 and 2.3.1

how effective current resident scrutiny measures are.

Are current resident engagement and scrutiny measures effective? What more can be done to make residents aware of existing ways to engage with landlords and influence how services are delivered?

74 It is positive to see that the sector is already taking steps towards improving engagement between landlords and residents. The Local Government Association is working with local authority landlords to look at examples of effective empowerment and engagement of their residents. From this they will produce advice and guidance for local authorities. The National Housing Federation is working with housing associations to develop an accountability and transparency offer that includes a trust charter to be developed with tenants, setting out what they can expect from their landlord. We expect the sector to continue to work closely with residents in developing new opportunities to have their voice heard in decisions that affect them.

75 A number of national tenant and resident organisations in the sector have been exploring the option of an independent platform for tenants, based on widespread engagement, to enable them to have their voices heard more effectively at a national level. To be successful it would be important that it represents the voices of a wide diversity of tenants across the country and can win their confidence as an independent resident champion. **Is there a need for a stronger representation for residents at a national level? If so, how should this best be achieved?**

3.4 Strengthening choice over services

76 Social housing residents do not have the same level of choice on the quality and nature of their housing management services as consumers in other markets. There can be limited options for residents who are dissatisfied with their service, and it can be difficult to 'switch' provider to try a different service.

Residents told us

We informed the housing association that we didn't want the services of the present cleaners, which we pay for in the service charge, but we were told we had no choice in the matter.

77 To date, a number of initiatives have been designed to address this. Local authority tenants have the legal right to seek to take on housing management functions themselves by exercising their statutory Right to Manage. If they are assessed as competent and have the support of tenants via a ballot they can set up a Tenant Management Organisation.

78 We are conscious that, following criticism of the Kensington and Chelsea Tenant Management Organisation after the tragedy at Grenfell Tower, questions have been raised about the capability of Tenant Management Organisations.⁵⁸ We respect the role of the Grenfell Tower Inquiry in examining the actions of the Kensington and Chelsea Tenant Management Organisation. We recognise that there have been different ways of establishing Tenant Management Organisations, as well as varied practice and experiences for residents. We want to understand more broadly how effectively this option is working for local authority tenants, and indeed their range of experiences.

79 In addition to Tenant Management Organisations, there are other ways for tenants and landlords to establish new structures. Local authority tenants have the right to request that their homes are transferred to a housing association, while social landlords are also free to explore alternative governance structures, including community-based models. A small number of local authority landlords have transferred all or part of their stock to newly formed community housing associations enabling residents to take a central part in decision-making and become shareholding members. Some housing associations have taken the decision to restructure as a community-based housing provider on a co-operative or mutual model and to be managed, either entirely or mainly, by their residents.

⁵⁸ Kensington and Chelsea Tenant Management Organisation became an Arms Length Management Organisation in 2002

Case study: Resident engagement



Image © Soha Housing

Soha Housing is a social landlord and a not-for-profit business with over 6,600 homes operating in and around Oxfordshire. It is managed through a system of co-regulation and became a 'mutual' in September 2017, meeting a long-term vision to devolve further control to its residents. While the Board is responsible for the effective running of the organisation, they are held to account by residents who monitor performance. Ultimately shareholding members have the right to vote on the biggest decisions, including Board membership and changes to the rules.

Tenant groups include:

- The Tenants' Forum – a group of 21 elected resident representatives who hold the Board to account and advise on policy;
- The Tenant Scrutiny Group – a 'critical friend' challenging Soha's Board that they are meeting the regulatory standards and Soha's aims and objectives; and,
- The Tenant Auditors – who carry out robust assessments on Soha's performance against service standards. They also write reports that are publically available on request.

When a complaint has exhausted Soha's internal complaints procedure, it may go to an Independent Tenant Panel for review. Tenants are also involved in reviewing the complaints process making sure it is inclusive and fit for purpose.

Soha sees resident engagement as a key part of its success and 90 per cent of residents are satisfied with their service.

80 Our preferred approach is to increase transparency for residents over the performance of landlords, including through key performance indicators and league tables. Following that increase in transparency we want to offer residents greater opportunity to exercise more choice over their day-to-day services, while recognising that landlords need to retain clear oversight in standards, quality and safety, as well as keeping clear control over the value for money of contracts.

81 We are therefore seeking views on options to create the right organisational culture and promote community leadership:

- We are considering a new stock transfer programme to promote the transfer of local authority housing particularly to community-based housing associations. **Would there be interest in a programme to promote the transfer of local authority housing, particularly to community-based housing associations? What would it need to make it work?**
- We are exploring options to demonstrate how community leadership can be embedded in the governance and culture of mainstream landlords, for example through a series of trailblazers to test new models and principles of structure and governance that allow for stronger community leadership. **Could a programme of trailblazers help to develop and promote options for greater resident-leadership within the sector?**
- Around 200 Tenant Management Organisations have been established following tenant ballots to manage homes on behalf of a local authority and their practice, remit and scope varies considerably. It is important that groups have the resources, capacity and capability to take on these significant responsibilities, which they need in order to pass the assessment process. Once an organisation is up and running, tenants have the opportunity through a regular ballot to confirm their support for the Tenant Management Organisation to continue. The management agreement between the local authority and Tenant Management Organisation includes measures to assess their performance and to disband the organisation if there is sufficient evidence of failure in fulfilling its obligations under this agreement. **Are Tenant Management Organisations delivering positive outcomes for residents and landlords? Are current processes for setting up and disbanding**

Tenant Management Organisations suitable? Do they achieve the right balance between residents' control and local accountability?

- **Are there any other innovative ways of giving social housing residents greater choice and control over the services they receive from landlords?**

82 The amount of choice and control on a daily basis that particular households might want is likely to vary depending on their personal circumstances. Many will not have the time or desire to take over management responsibilities themselves, and might be more interested in smaller scale control over particular services. Housing management comes with significant responsibilities and liabilities, and tenant groups who wish to take more control can need support to build their skills and capacity, as well as the commitment to sustain their role over time.

Residents told us

Many services are unwanted, unnecessary and costly. Giving real choice about what we have to pay for and allowing us to choose would be good.

83 Local Management Agreements have been used by residents to enter into an agreement with their landlord to take control of small-scale services on a voluntary basis. Using these principles, the Community Cashback scheme (later called Give it a Go grants) ran from 2013 to 2015, designed to support social residents to take responsibility for a service within their local community, such as cleaning or gardening, with any savings made to be reinvested into the community. In such examples, residents could choose to provide a service themselves as a group, employ someone to do it or engage a contractor or supplier. **Do you think there are benefits to models that support residents to take on some of their own services? If so, what is needed to make this work?**

84 We also want to understand better whether satisfaction with contractor services could be increased by encouraging landlords to provide greater choice to residents around services such as repairs and improvements, for example by routinely providing a list of approved contractors for individual tenants to choose from. **How can landlords ensure residents have more choice over contractor services, while retaining oversight of quality and value for money?**

3.5 Value for money for leaseholders

85 In many ways leaseholders of social landlords have been less affected by high profile abuses in the leasehold market than private leaseholders, such as onerous ground rents, and can benefit from a cap on service charges for capital works. Individuals who are leaseholders in social housing also have access to the Housing Ombudsman to help resolve complaints about the services provided by their freeholder.

86 But they can also experience unique challenges. As there are often fewer leaseholders in a block than social tenants, they can feel their views can be crowded out.

Residents told us

I am a leaseholder. The service charges paid monthly do not reflect a good service i.e. council repairs, cleaning and the quality of it. The local authority should not offer the service if it cannot be completed.

87 A lack of transparency around service charges can lead to fears that leaseholders are cross-subsidising other residents. Consultation over major works can often be seen as failing to obtain meaningful input from leaseholders or to take their views on board, especially when maintenance and repairs are managed through broad framework agreements or longer term contracts. And, unlike in the private market, there is no real sanction for social landlords who do not comply with requests for information because the local authority can be both the landlord and enforcer.

88 Buying out a freehold in a block for those leaseholders (this does not include shared owners where different rules apply) is also often harder in the social sector and can be complicated in a shared block where taking on the freehold may require managing services on behalf of social renters. The qualifying threshold of two thirds of residents being leaseholders and wanting to enfranchise can be a problem as in many cases there will be a mix of renters, shared owners and leaseholders.

89 We are already taking a number of steps to address these issues. The Government has recently announced a significant programme of leasehold reform which will benefit all leaseholders, both in the private and social sectors. This includes restricting future ground rents and making buying a freehold or extending a lease easier, faster, fairer and cheaper. A working group is being established to consider standards around service charges, how they should be presented and to explore the best means to challenge fees which are unjustified. We will also explore how social leaseholders can better input into consultation on major works through our sector advisory group.

What more could we do to help leaseholders of a social housing landlord?

3.6 A stronger Regulator

Understanding what a good service looks like

90 The latest evidence from the English Housing Survey suggests that most tenants are satisfied with housing management services, with 66 per cent of tenants saying they were either very or fairly satisfied with the way the landlord carries out repairs and maintenance.⁵⁹

91 However, it is clear from our engagement events that not all tenants were satisfied with the services they receive, and a significant proportion reported very poor experiences. More broadly, many were also unsure about how to assess the level of service they received from their landlord, because they had nothing to compare it to. We think that a further problem is a lack of clarity over what should be considered a reasonable service.

92 Strong sector-led initiatives play an important role in driving continuous improvement. However, such initiatives must be underpinned by a robust regulatory framework. Annex A sets out the current regulatory framework for social housing in more detail. The Regulator has two objectives covering economic and consumer matters which are underpinned by seven outcome-focused and high level standards that it sets.

59 English Housing Survey 2016/17, Social rented sector report

Box 2 – Existing consumer regulation objective and consumer standards

Parliament has set the Regulator of Social Housing a consumer regulation objective,⁶⁰ which is:

- to support the provision of social housing that is well-managed and of appropriate quality;
- to ensure that actual or potential tenants of social housing have an appropriate degree of choice and protection;
- to ensure that tenants of social housing have the opportunity to be involved in its management and to hold their landlords to account; and,
- to encourage registered providers of social housing to contribute to the environmental, social and economic well-being of the areas in which the housing is situated.

The Regulator has published four outcome-based consumer standards to deliver the consumer regulation objective.⁶¹ These are:

- **The Tenant Involvement and Empowerment Standard (July 2017)** which includes a requirement for landlords to provide choices and effective communication of information for tenants on the delivery of all standards, and to have a clear, simple and accessible complaints procedure;
- **The Home Standard (April 2012)** which requires homes to be safe, decent and kept in a good state of repair;
- **The Tenancy Standard (April 2012)** which requires registered providers to let their home in a fair, transparent and efficient way, and enable tenants to gain access to opportunities to exchange their tenancy; and,
- **The Neighbourhood and Community Standard (April 2012)** which requires registered providers to keep the neighbourhood and communal areas associated with the homes that they own clean and safe; help promote social, environmental and economic well-being in areas where they own homes; and work in partnership with others to tackle anti-social behaviour in neighbourhoods where they own homes.

93 The minimum level of service that landlords are expected to deliver to their residents is set out in the consumer regulation objective and the four consumer standards set out in Box 2.⁶² Landlords have flexibility over how they meet the requirements in these standards, which enables them to consider the best approach to meet the needs of residents locally.

94 Resident dissatisfaction with their landlords could stem from the adequacy of the current consumer standards, the way in which they are enforced, or a combination of the two. Unlike the economic standards, the Regulator's ability to enforce the consumer standards is limited by the "serious detriment" test. We want to find out if the consumer regulation objectives and standards need to be changed to help landlords and consumers to understand what a good service looks like, and to

relate them directly to the new key performance indicators that we propose. For example, we could expand the objective on well-managed social housing to require an effective complaints procedure.

Does the Regulator have the right objective on consumer regulation? Should any of the consumer standards change to ensure that landlords provide a better service for residents in line with the new key performance indicators proposed, and if so how?

95 We also want to know whether landlords and residents would benefit from further guidance on what good looks like, without being overly prescriptive. The Regulator currently issues two Codes of Practice which further develop the requirements of the economic standards and we want to consider if a Code of Practice for consumer standards would be

60 Section 92K of the Housing and Regeneration Act 2008

61 Section 193 of the Housing and Regeneration Act 2008

62 Section 92K of the Housing and Regeneration Act 2008 and Section 193 of the Housing and Regeneration Act 2008

helpful to residents and landlords, to further develop the requirements of the consumer standards.⁶³ **Should the Regulator be given powers to produce other documents, such as a Code of Practice, to provide further clarity about what is expected from the consumer standards?**

Strengthening regulation of consumer standards

96 As well as its role in making sure that homes are safe, we want the Regulator to have the tools it needs to deliver robust oversight of the social housing sector, and we want to ensure that it has all the necessary structures in place to properly regulate and respond to breaches of regulation. We also want to ensure that we have sufficient oversight in place to hold the Regulator to account.

97 The legislation is clear that where a landlord breaches a consumer standard, the Regulator can only use its regulatory and enforcement powers if there is or may be a “serious detriment” to existing or potential tenants.⁶⁴ The Regulator interprets this as meaning where there is “serious actual harm or serious potential harm to tenants”.⁶⁵ This is a higher threshold for regulatory intervention than for breach of economic standards. In addition, the Regulator’s approach to regulation of the consumer standards is reactive,⁶⁶ in that it responds to issues as they emerge, and it does not monitor landlords’ performance on consumer standards.

98 Where a breach of the consumer standards meets the “serious detriment” test, the Regulator will publish a regulatory notice and consider the most appropriate course of action. In the great majority of cases, landlords act quickly and decisively to rectify problems once they are identified, without need for further action. The Regulator is able to use a number of regulatory and enforcement powers where necessary to ensure compliance with the standards, and so far it has only had to use its statutory powers rarely. The key powers are set out in Box 3, and the Regulator has published guidance setting out how it will use its powers.⁶⁷ The Regulator has different tools available depending on the landlord. For example, current legislation does not allow the Regulator to levy fines on local authorities for a breach of standards. In addition, the Regulator does not have the power to look at the governance arrangements of local authorities, since its economic standards apply only to housing associations and other private registered providers.

63 <https://www.gov.uk/government/publications/value-for-money-code-of-practice> and <https://www.gov.uk/government/publications/governance-and-financial-viability-standard-code-of-practice>

64 Section 198A of the Housing and Regeneration Act 2008

65 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/698332/Regulating_the_Standards_April_2018.pdf

66 *ibid*

67 <https://www.gov.uk/government/publications/guidance-on-the-regulators-approach-to-intervention-enforcement-and-use-of-powers>

Box 3 – Key regulatory and enforcement powers of the Regulator of Social Housing

Power	Applicable to private registered providers ^a	Applicable to local authority landlords
Survey to assess the condition of stock	✓	✓
Inspection to establish compliance with the regulatory requirements	✓	✓
Hold an Inquiry where it suspects landlord mismanagement	✓	✓
Issue an Enforcement Notice	✓	✓
Issue Fines	✓	
Order payment of compensation to a resident	✓	
Appointment of manager to improve performance of the landlord	✓	
Transfer land to another provider to improve management of land (following an Inquiry)	✓ ^b	
Suspension and removal of officers in cases of mismanagement (during or after Inquiry)	✓ ^c	
Appoint a new officer to address service failure and improve management of company	✓ ^c	
Appoint an adviser to improve performance		✓
Requirement to tender some or all of its management functions	✓	✓
Requirement to transfer management of housing to a specified provider	✓	✓

a) This includes registered charities, housing associations and “for-profit” private sector landlords, b) Does not apply to registered charities, c) Applies to not-for-profit providers only

99 We wish to consider a number of possible regulatory changes to enable consumer standards to be enforced in a similar way to the economic standards. This would enable the Regulator to take a more rigorous and proactive approach to enforcement, like other regulators such as Ofsted. We want to ensure the “serious detriment” bar does not prevent the Regulator from taking a more proactive approach, and if it does, then we will consider removing it. At the same time, we are clear that the Regulator should continue to focus on cases of persistent and/or serious failure by landlords, leaving individual complaints to be addressed through the landlord’s own complaints process and the

Housing Ombudsman. **Is “serious detriment” the appropriate threshold for intervention by the Regulator for a breach of consumer standards? If not, what would be an appropriate threshold for intervention?**

100 To support a more proactive approach to enforcing the consumer standards we are considering arming residents with information through the introduction of a number of key performance indicators and for landlord performance to be published. Our current thinking is that the Regulator should monitor the key performance indicators to identify where there may be issues of concern with

performance. The Regulator would then be able to make a risk-based assessment of how and where to intervene, including through more regular or phased interventions. This could take the form of greater use of its powers to carry out surveys of homes where there is a potential problem with their condition, or inspections of the landlord's financial affairs where landlords consistently fail to provide an adequate service to residents. **Should the Regulator adopt a more proactive approach to regulation of consumer standards? Should the Regulator use key performance indicators and phased interventions as a means to identify and tackle poor performance against these consumer standards? How should this be targeted?**

101 We want to make sure that regardless of whether someone is a resident of a housing association or a local authority, the same minimum standards of service apply. The Government respects the democratic mandate of local authorities but this must be balanced with the need to ensure that residents are protected. **Should the Regulator have greater ability to scrutinise the performance and arrangements of local authority landlords? If so, what measures would be appropriate?**

102 We also want to improve the enforcement tools available to the Regulator to intervene where there is a consistently inadequate level of service. Given the requirement that action taken by the Regulator should be proportionate, we would still expect these powers to be used only when necessary. **Are the existing enforcement measures set out in Box 3 adequate? If not, what additional enforcement powers should be considered?**

103 As part of examining the scope of the Regulator's role we want to consider the case for extending its remit to other organisations that manage social housing. For example, around 200 Tenant Management Organisations and 34 Arms Length Management Organisations are in operation to manage homes on behalf of a local authority, which remains the landlord. The Regulator will hold the local authority landlord to account for the way the services are delivered, so it is vital that the local authority has good oversight arrangements in place to ensure that management organisations provide a good

service. There is a further question about whether more is needed to set out the accountability of the landlord for management services that are outsourced, or whether the Regulator should have direct oversight of how these management organisations operate.

Is the current framework for local authorities to hold management organisations such as Tenant Management Organisations and Arms Length Management Organisations to account sufficiently robust? If not, what more is needed to provide effective oversight of these organisations?

104 As we look to strengthen consumer standards, we need to make sure that the economic regulatory regime remains strong. Consumer and economic regulation need to reinforce and complement each other for the regulatory framework to work effectively. The regulatory review will look at how we can best deliver this outcome.

105 We want to be clear and transparent about how the Regulator is accountable to Parliament for meeting its statutory objectives. The Regulator is currently part of the Homes and Communities Agency, but upcoming legislative changes will shortly establish it as a standalone Non-Departmental Public Body.⁶⁸ As such it will be accountable to Parliament in the same way as other Non-Departmental Bodies.⁶⁹

106 As we develop the arrangements for the new organisation, we plan to review whether this standard approach needs to be tailored to the specific circumstances of the Regulator. **What further steps, if any, should Government take to make the Regulator more accountable to Parliament?**

107 These proposals will mean a greater role for the Regulator in ensuring landlords deliver better services to their residents. We want to make sure that the Board of the Regulator contains the right level of experience and skills to cover the functions that it carries out. As the existing Regulation Committee of the Homes and Communities Agency looks to make new appointments, it will seek to recruit someone with extensive experience of consumer regulation.

68 <http://www.legislation.gov.uk/ukdsi/2018/9780111166475/contents>

69 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690951/Public_Bodies_-_a_guide_for_departments_-_chapter_8.pdf

Questions

12. Do the proposed key performance indicators cover the right areas? Are there any other areas that should be covered?
13. Should landlords report performance against these key performance indicators every year?
14. Should landlords report performance against these key performance indicators to the Regulator?
15. What more can be done to encourage landlords to be more transparent with their residents?
16. Do you think that there should be a better way of reporting the outcomes of landlords' complaint handling? How can this be made as clear and accessible as possible for residents?
17. Is the Regulator best placed to prepare key performance indicators in consultation with residents and landlords?
18. What would be the best approach to publishing key performance indicators that would allow residents to make the most effective comparison of performance?
19. Should we introduce a new criterion to the Affordable Homes Programme that reflects residents' experience of their landlord? What other ways could we incentivise best practice and deter the worst, including for those providers that do not use Government funding to build?
20. Are current resident engagement and scrutiny measures effective? What more can be done to make residents aware of existing ways to engage with landlords and influence how services are delivered?
21. Is there a need for a stronger representation for residents at a national level? If so, how should this best be achieved?
22. Would there be interest in a programme to promote the transfer of local authority housing, particularly to community-based housing associations? What would it need to make it work?
23. Could a programme of trailblazers help to develop and promote options for greater resident-leadership within the sector?
24. Are Tenant Management Organisations delivering positive outcomes for residents and landlords? Are current processes for setting up and disbanding Tenant Management Organisations suitable? Do they achieve the right balance between residents' control and local accountability?
25. Are there any other innovative ways of giving social housing residents greater choice and control over the services they receive from landlords?
26. Do you think there are benefits to models that support residents to take on some of their own services? If so, what is needed to make this work?
27. How can landlords ensure residents have more choice over contractor services, while retaining oversight of quality and value for money?
28. What more could we do to help leaseholders of a social housing landlord?
29. Does the Regulator have the right objective on consumer regulation? Should any of the consumer standards change to ensure that landlords provide a better service for residents in line with the new key performance indicators proposed, and if so how?
30. Should the Regulator be given powers to produce other documents, such as a Code of Practice, to provide further clarity about what is expected from the consumer standards?

31. Is “serious detriment” the appropriate threshold for intervention by the Regulator for a breach of consumer standards? If not, what would be an appropriate threshold for intervention?
32. Should the Regulator adopt a more proactive approach to regulation of consumer standards? Should the Regulator use key performance indicators and phased interventions as a means to identify and tackle poor performance against these consumer standards? How should this be targeted?
33. Should the Regulator have greater ability to scrutinise the performance and arrangements of local authority landlords? If so, what measures would be appropriate?
34. Are the existing enforcement measures set out in Box 3 adequate? If not, what additional enforcement powers should be considered?
35. Is the current framework for local authorities to hold management organisations such as Tenant Management Organisations and Arms Length Management Organisations to account sufficiently robust? If not, what more is needed to provide effective oversight of these organisations?
36. What further steps, if any, should Government take to make the Regulator more accountable to Parliament?



Chapter 4: Tackling stigma and celebrating thriving communities



Image © Clive Lawrence

Residents told us

It's time we looked at the problem of stigma.

108 Stigma was the most consistent theme raised by residents at the engagement events. Residents told us that they were made to feel like “second-class citizens”. They reported being treated as “an underclass” and “benefit scroungers”, rather than hardworking and honest people. Some residents told us of a “demonisation” of social housing and their communities in the media. There has been a stark failure to recognise and celebrate the best examples of community spirit in social housing in the same way that people take pride in the NHS. We agree that we should take pride in the best of our social housing, and that this Green Paper offers an opportunity for a change in the way social housing residents are treated, viewed and respected.

109 These experiences are not unique to the residents we spoke to. Research by Shelter shows that 24 per cent of families in social housing feel looked down on because of where they live, compared with only 8 per cent of families who are private renters or homeowners.⁷⁰ 90 per cent of social housing residents say the media portrays a stereotype of them.⁷¹

Residents told us

[I am] stigmatised for being in social housing and treated as a second-class citizen.

I am made to feel less of a person than the person that has bought their house.

[My main concern is] the perception of council tenants as benefit scroungers when there are many tenants who are hardworking, honest people.

70 https://england.shelter.org.uk/media/press_releases/articles/shelter_launches_new_social_housing_commission

71 <http://benefittosociety.co.uk/wp-content/uploads/2018/02/B2S-publication-final.pdf>

110 Residents of social housing and their communities have felt stereotyped for years. It was common to hear from residents that others assume they are unemployed, lacking aspiration or involved in anti-social behaviour. Some reported being treated with the most basic lack of respect or courtesy by their landlords.

111 It is clear from the engagement events and research that these prevailing stereotypes and prejudices are not a true reflection of the reality. 72 per cent of the public over-estimate the number of people in social housing who are unemployed.⁷² Contrary to stereotypes, the English Housing Survey shows that 7 per cent of social housing residents are unemployed compared with 4 per cent in the private rented sector.⁷³

112 We recognise that public perceptions have contributed to the stigma felt by residents. Residents told us that for decades politicians and the media have contributed to the problem with some of the negative language they have used, which can have a lasting impact on how social housing and its residents are perceived.

113 This Government is determined to tackle such prejudice to ensure that the positive contribution that social housing residents make to their communities, and to society as a whole, is recognised.

114 The proposals in this Green Paper to rebalance the relationship between residents and landlords, along with our proposals to increase supply, will contribute towards changes in attitudes over time. This chapter looks at further ways to tackle this stigma.

4.1 Celebrating thriving communities

115 We want to celebrate the thriving communities that exist across the country with social housing at their heart. In doing so, we can learn from their success and challenge misleading stereotypes about neighbourhoods with social housing. We heard from many residents that they feel fortunate to live in social housing and take great pride in their homes and

the communities in which they live. We must recognise the important contribution social housing residents make to the vibrant and diverse communities that make up our country.

116 We have seen great examples of activities led by residents that are making a positive difference including gardening projects, household recycling schemes and buddying activities to tackle social isolation.

117 We want to celebrate the role of residents in shaping fantastic places by recognising the best neighbourhoods. Awards could include investment to support successful initiatives to grow, or funding for an event or a street party to bring people together across housing tenures and generate a sense of pride. **How could we support or deliver a best neighbourhood competition?**

118 Too many residents across the country talked of the stigma of social housing, when they actually saw themselves as ambitious and hardworking. We need to do more to explain and value the diversity of residents in social housing – from the most vulnerable who need support, to the majority of adult residents working and those supporting vital services like the NHS.

119 We want the stories told about social housing to reflect the experiences of residents and the contribution they make to their communities and wider society. If we can do that, we can begin to tackle the stigma faced by many of the 3.9 million households living in social housing.

120 The ‘See the Person’ campaign, previously known as ‘Benefit to Society’, promotes positive stories about social housing residents. Residents have shared a wide range of stories about their lives and the contribution they make to society. Hundreds of people have pledged their support to the campaign including residents, landlords, politicians and journalists, and we encourage others to do the same.

121 **In addition to sharing positive stories of social housing residents and their neighbourhoods, what more could be done to tackle stigma?**

⁷² YouGov online survey of 2,075 adults carried out on behalf of Soha Housing. Fieldwork was undertaken between 16-19 February 2018. The figures have been weighted and are representative of all GB adults (aged 18+).

⁷³ English Housing Survey 2016/17

Case study: Tackling stereotypes of social housing residents



Images © Soha Housing

'See the Person' is an independent tenant led campaign sponsored by more than 30 housing organisations across the country, which aims to tackle the common misrepresentations of people living in social housing. Research has shown that this stigma has damaging effects on individuals and communities. The campaign aims to tackle stigma by changing the language, range of stories and images used by the media and the public. It has published a *Fair Press* guide for journalists, asking for fair and representative coverage. Tenants leading the campaign have worked with their local media and political representatives, asking them to pledge their support. Campaigners have sought to reach people with no direct experience of social housing to present a more accurate picture of the people living in social housing by sharing the stories and experiences of social housing tenants and highlighting their contributions to society. The campaign asks people to 'see the person' irrespective of tenure. It brings together residents, housing associations, local authorities and Arms Length Management Organisations to ask politicians, social landlords and members of the public to pledge their support to tackling stigma.

4.2 Embedding good customer service and neighbourhood management

122 Too many residents felt they were treated with contempt by their landlord – that they were spoken down to, or treated as a nuisance, and that this contributed to a sense of stigma. This cannot be tolerated.

Residents told us

If you ring the helpline you are treated with contempt and talked to as though you are a child who knows absolutely nothing.

Being spoken to by staff on the phone in a condescending manner, it's sometimes humiliating and always demoralising.

I work full time but the council assume all council tenants don't work and are available to sit around for all day appointments, [it's] ridiculous the amount of holiday and unpaid leave I've taken.

123 We want to embed a customer service culture and attract, retain and develop the right people with the right behaviours for the challenging and rewarding range of roles offered by the sector. Some sectors have found that professional qualifications or industry codes of practice support this. We want to encourage professionalisation, building on the work already delivered by organisations such as the Chartered Institute of Housing. **What is needed to further encourage the professionalisation of housing management to ensure all staff deliver a good quality of service?**

124 Landlords have an obligation to meet the Neighbourhood and Community Standard. This includes cooperating with partners to promote social, environmental and economic wellbeing to prevent and tackle anti-social behaviour in neighbourhoods where they own homes.⁷⁴

125 It is clear that residents do not feel landlords are consistently meeting this standard. Therefore we are considering introducing a key performance indicator that will capture how well landlords undertake their neighbourhood management responsibilities. **What key performance indicator should be used to measure whether landlords are providing good neighbourhood management?**

Residents told us

They are very tenant and community minded and have great Community Development and Tenancy Services Teams. They encourage and support community involvement. They take into account the 'all round' wellbeing of all tenants and their properties.

The landlord organises occasional social events and has given out hampers to over sixty-fives for the festive season.

The greatest thing however is making sure our community is well informed and have the choice to get involved in all community activities through our community centre, a vital social aspect, especially of sheltered housing, that [the social landlord] excels at. The local volunteers are just wonderful, and are very dedicated to helping tenants who are old, infirm and vulnerable in not feeling so isolated. Our community centre has become a vital hub of human contact for those who live alone.

126 Some landlords are clearly going beyond meeting regulatory requirements. This can include providing employment support and signposting to vital services. Landlords have told us that investing in these wider activities can deliver many benefits, including building trust between the landlord and residents.

127 Many residents shared positive experiences including community activities that supported participation and community centres which acted as a hub for information and social interaction. Black, Asian and minority ethnic residents told us they particularly valued these additional services which helped to break down barriers between residents and

74 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/419766/Neighbourhood_and_Community_Standard_2015.pdf

support everyone in developing important skills. This included activities such as training, language classes and cultural festivals which play a significant role in encouraging integration.

128 Housing associations play an important role in the financial inclusion of residents, including through offering financial guidance, signposting to affordable credit providers and offering furniture rental through initiatives such as the Newcastle Furniture Service. This activity increases the financial resilience of residents and helps to build stronger communities.

Case study: Poole Housing Partnership



Image © Lisa Mirkhandan, Poole Housing Partnership

Poole Housing Partnership runs a programme of residents' inspections against a range of criteria including litter, cleanliness and quality of green spaces.⁷⁵ Results are used to inform investment decisions in partnership with the local authority. In 2017, work was undertaken to install new fencing, create new bin storage areas, widen roads and carry out resurfacing works. Poole Housing Partnership has also undertaken 'tidy up' days where skips were provided so that residents were able to dispose of their bulky waste.⁷⁶ The grading system has been very successful, allowing Poole Housing Partnership to benchmark its performance against other organisations whilst enabling a greater focus of neighbourhood management and resources on those areas where it is most required.

⁷⁵ <https://www.yourphp.org.uk/residents-and-leaseholders/resident-involvement/estate-gradings/>

⁷⁶ PHP Estate Grading Report 2017

129 What evidence is there of the impact of the important role that many landlords are playing beyond their key responsibilities? Should landlords report on the social value they deliver?

130 Some residents were concerned that their landlords were not taking appropriate action to tackle anti-social behaviour. Residents told us that they felt their concerns were not taken seriously or were resolved too slowly. This created tension in communities and resulted in residents feeling unsafe in their homes.

Residents told us

[My main concerns are] anti-social behaviour from neighbours and over offending behaviour taking place next door to where I live, seemingly with little my housing provider can do about this.

[My main concern is] safety: it is important that tenants (and all residents) feel safe both in their homes and in the communities they live, particularly when raising families and children.

131 Local authorities and housing associations have a range of powers to tackle anti-social behaviour. Landlords are required to publish a policy on how they work with relevant partners to prevent and tackle anti-social behaviour in areas where they own and manage properties.⁷⁷ Informal interventions can be used by housing providers, offering a proportionate response to first-time or low-level incidents and a chance to intervene early to prevent behaviour from escalating, for example, warning letters, acceptable behaviour contracts and mediation.

132 Proposals in this Green Paper, including those to strengthen regulation, will help tackle anti-social behaviour. In addition we are considering introducing a key performance indicator to help tackle anti-social behaviour, but we will want to consider how this could impact on areas, and whether it could lead to some people feeling more stigmatised. **How are landlords working with local partners to tackle anti-social behaviour? What key performance indicator could be used to measure this work?**

4.3 Promoting good design

133 The design and quality of homes and their surrounding area is important to wellbeing, integration, tackling stigma and encouraging existing communities to accept new homes in their area. 84 per cent of residents report that better quality buildings and public spaces improve people's quality of life. The same proportion thought living in a well-designed community improves people's happiness.⁷⁸

134 Some residents told us they were concerned that the design and quality standards of new affordable homes are being compromised to reduce costs. They also felt that the attitudes of developers contributed to them feeling marginalised. In some cases, developments have separate entrances for social and private residents. In others, social housing can be too easily identified, for example through different coloured front doors to private properties on mixed tenure estates.

Residents told us

The structures that are being built are lacking modern style.

[My main concern is] the lack of improvement in housing from an architectural perspective. Homes are made...but are the mistakes learned, i.e. where badly thought out room spaces don't work are they improved?

77 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/419766/Neighbourhood_and_Community_Standard_2015.pdf

78 <https://policyexchange.org.uk/wp-content/uploads/2018/06/Building-More-Building-Beautiful.pdf>

135 We want to ensure that good design is applied regardless of tenure. Earlier this year Ministers held the first Design Quality Conference, calling on industry to embrace the latest innovations to make sure we are building the good quality and well-designed homes that our country needs.

136 The Prime Minister has announced missions to cut the energy use of new buildings by at least half by 2030 and to ensure that people can enjoy at least five extra healthy, independent years of life by 2035. The success of both of these missions depends on innovation in housing. We need to provide clear leadership to make sure that new buildings are safe, high quality and more efficient. Homes must support healthy, independent living for an ageing population by being flexible for changing needs.

Case study: Good design in the social sector



Image © Nick Kane

Peabody's Darbishire Place at the historic Whitechapel Estate, is an example of good quality social housing. Designed by Niall McLaughlin Architects, the building completes an arrangement of six housing blocks surrounding an internal courtyard, and respects the form and characteristics of the existing Victorian buildings on one of the oldest Peabody estates.

The scheme comprises 13 family homes, all of which are social housing. The design is sympathetic to its context, has a simple form and appearance and addresses the day-to-day needs of residents.

The project was shortlisted for a Stirling Prize in 2015 and won a RIBA regional and national award.

Case study: Mixed tenure sustainable communities



Image © Tim Crocker

Derwenthorpe is a mixed tenure, exemplar sustainable community of 540 high-quality, energy efficient homes. With 40 per cent for rent and shared ownership and 60 per cent for private sale, all houses are designed to the same standard and with the same appearance regardless of tenure. The affordable homes are integrated with other tenures across the whole site, avoiding grouping of tenure and promoting equality and diversity. The project has won numerous awards for its design approach and its social and environmental sustainability credentials.

137 The revised National Planning Policy Framework which was published in July, is clear that the Government is committed to ensuring the planning system can deliver high quality buildings and places.⁷⁹ The National Planning Policy Framework sets out policies which make clear that:

- plans or supplementary planning documents should use visual tools such as design guides and codes, to provide a framework for creating distinctive places with a consistent high quality standard of design;
- planning policies and decisions should ensure that developments are visually attractive and will function well and add to the overall quality of the area;
- the local character and history should be considered, to ensure a strong sense of place is created. This is important to make sure we are developing distinctive places to live, work and visit, but this should not prevent or discourage appropriate innovation or change; and,

- accessibility and provision of local and green infrastructure and amenities should also be a key consideration, as well as the density and mix of uses. This is important to make sure that places are safe, inclusive, well-connected, facilitate social interaction, support healthy lifestyles and promote a high quality of life for the community, whilst also delivering the number of homes needed.

138 We want to ensure this is applied to social housing in the right way, as part of the guidance which will be published later this year. In particular we will:

- strengthen planning guidance to take into account the principles of Secured by Design: to ensure that external spaces, parks, streets and courts are well-lit and well maintained so they are safe from crime and the fear of crime;
- strengthen guidance to encourage healthy and active communities: building on the National Planning Policy Framework's healthy and safe communities chapter;

⁷⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728643/Revised_NPPF_2018.pdf

- strengthen guidance to encourage new affordable homes to be designed to the same high-quality as other tenures and well-integrated within developments; and,
- encourage design that reflects changing needs: for example, inclusive design for an ageing population and family housing at higher densities for effective use of land.

What other ways can planning guidance support good design in the social sector?

139 We heard from residents that they often feel a strong sense of community in the areas they live precisely because there is social housing. Residents will often have the best insights into the opportunities and challenges their neighbourhoods present. We want to give residents a stronger voice in the design, delivery and on-going management of social housing by helping to develop the skills for effective participation – particularly in leading, or engaging with, existing community-led housing developments.

140 Neighbourhood planning already gives communities power to agree and implement a shared vision for their neighbourhood. Since 2012 over 2,200 groups have started the neighbourhood planning process, in areas that cover over 12 million people.⁸⁰

141 However, the Government is aware that too often local people hear about schemes after a planning application has been submitted. The revised National Planning Policy Framework makes clear that communities should be engaged early in shaping local design policies. Our new 2018-2022 £23 million support programme will provide the resources and expertise that communities may need to plan for the future of their areas.⁸¹ **How can we encourage social housing residents to be involved in the planning and design of new developments?**

Questions

37. How could we support or deliver a best neighbourhood competition?
38. In addition to sharing positive stories of social housing residents and their neighbourhoods, what more could be done to tackle stigma?
39. What is needed to further encourage the professionalisation of housing management to ensure all staff deliver a good quality of service?
40. What key performance indicator should be used to measure whether landlords are providing good neighbourhood management?
41. What evidence is there of the impact of the important role that many landlords are playing beyond their key responsibilities? Should landlords report on the social value they deliver?
42. How are landlords working with local partners to tackle anti-social behaviour? What key performance indicator could be used to measure this work?
43. What other ways can planning guidance support good design in the social sector?
44. How can we encourage social housing residents to be involved in the planning and design of new developments?

⁸⁰ <https://www.gov.uk/government/news/228-million-boost-to-give-power-back-to-communities>

⁸¹ *ibid*



Chapter 5: Expanding supply and supporting home ownership



142 Our Housing White Paper set out our plans to fix the broken housing market and deliver the homes that this country needs.⁸² We have set a challenging goal to deliver 300,000 homes a year by the mid-2020s. The last time we built homes at this sort of scale, social housing made up almost half of the total.⁸³ Social housing remains central to our supply ambitions. It can be built out more quickly because it does not rely on the mortgage market, can provide up-front funding to unlock sites, and can ensure new homes are acceptable to local people.

Residents told us

[There is] not enough social housing being built, where will my children live? They cannot afford a mortgage and private renting is too expensive with no security.

I will never get on the property ladder as I'm unable to save for a deposit at the same time as paying rent.

143 There remains a long term need for social housing, especially in London and the South East. However we acknowledge that there are housing pressures in other places too, including rural areas. It is worth bearing in mind that, while social housing supports some of the most vulnerable in our society, 58 per cent of working age social tenants are in work.⁸⁴ For many such working tenants, particularly those living in areas of acute affordability pressures, the reality of housing costs will make renting in the private sector or saving for a deposit more difficult.

144 Social housing provides a stable base that supports people when they need it. But our social housing offer must also be one that supports social mobility – not one that provides a barrier to aspirations. Around two thirds of social tenants would prefer to be home owners given a free choice.⁸⁵ This is not surprising as ownership provides people with greater control over their home and access to a valuable asset.

82 <https://www.gov.uk/government/publications/fixing-our-broken-housing-market>

83 MHCLG Live Table 244

84 English Housing Survey 2016/17

85 MHCLG (2018) Public attitudes to house building: findings from the British Social Attitudes survey 2017

145 Since the introduction of Right to Buy nearly 2 million households have been helped to become home owners,⁸⁶ but still less than one third of social renters expect to realise these aspirations.⁸⁷ In our conversations with residents, some said they wanted to access the Right to Buy offer that had been promised, or think that they would like to take advantage of it in the future, while others were concerned that the homes being sold are not being replaced quickly enough. Some of those who had bought through Right to Buy mentioned that home ownership would have been impossible for them without the scheme. We want to continue to help people become home owners. Equally, given high property prices and rents in the private sector, we are mindful that we will need to replenish the stock of subsidised housing for the foreseeable future. The fundamental challenge is to reconcile our ambition to extend the opportunity of home ownership to as many social tenants as possible, with the responsibility to maintain and increase the stock of social housing for those who need it.

Residents told us

[My main concern is a] lack of replacement of homes sold as a result of right to buy. This will end up with no places for people who need and can't afford to buy their own homes in the private market.

The right to buy option meant that when the houses were sold that money was not available to local councils to reinvest in more dwellings. I feel this has been a large factor leading to not enough social housing being built.

146 To deliver the social homes we need, central and local government, housing associations, private developers and others must pull together and radically increase the number of homes built every year. This chapter sets out our vision to:

- help local authorities build by allowing them to borrow, exploring new flexibilities over how they spend Right to Buy receipts, and not requiring them to make a payment in respect of their vacant higher value council homes;
- unlock additional supply through community land trusts and local housing companies;
- actively investigate how to provide longer term certainty to help housing associations build more; and,
- help people living in affordable home ownership schemes progress more easily to owning outright.

5.1 We will support local authorities to build more

Residents told us

[I'm concerned] that there may not always be council homes for my grandchildren. You never know what life throws at you.

147 We have built more council homes since 2010 than in the previous 13 years.⁸⁸ However building remains at a low level when compared to the peak of council house building – when local authorities delivered nearly half of new homes.⁸⁹ Local authorities have identified barriers preventing them building new homes:

- restrictions imposed by the Government on their ability to borrow money to fund house building;
- uncertainty about the level of rent that they can charge residents from 2020/21; and,
- limitations on how they are able to use their receipts from homes sold under the Right to Buy.

148 To address the barriers to local authorities building – and deliver the Prime Minister's commitment to a new generation of council house building – we are already taking action by:

86 Table 678, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales> and Table 1, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/695299/Right_to_Buy_sales_in_England_2017_to_2018_Q3.pdf

87 English Housing Survey 2016/17

88 <https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>

89 MHCLG Live Table 209

- announcing that we will raise the housing borrowing cap by up to £1 billion in areas of high affordability pressure;⁹⁰
- giving landlords much greater confidence and certainty in their future rental income through the new rent settlement of Consumer Price Index +1 per cent to 2025;⁹¹ and,
- publishing a consultation on how local authorities can use the money raised from Right to Buy sales to help them build more homes.

We want to use this Green Paper to explore how we could go further.

Raising the housing borrowing cap

149 We have heard from local authorities that they can and want to build more of the homes people need, but are constrained by the borrowing cap. The overall housing borrowing cap for local authorities is set at £29.8 billion, and there is currently £3.6 billion of borrowing headroom available to local authorities in total,⁹² but this capacity is not always in the areas where local authorities are ready and able to build. In reality, many local authorities, especially those who are more ambitious and have already borrowed to build, have very little headroom left to borrow. 47 local authorities have less than 5 per cent of their borrowing headroom available,⁹³ so they simply cannot build any new council homes.

150 We will use the new £1 billion borrowing programme to measure the appetite and ambition of local authorities and their effectiveness at building new homes, with a view to considering whether further reforms are needed. We must also weigh the continuing need to drive down public sector debt. We hope to see the borrowing programme fully subscribed and to receive evidence of a wide range of proposals from local authorities for new development.

151 Recognising the need for fiscal responsibility, this Green Paper seeks views on whether the Government's current arrangements strike the right balance between providing grant funding for housing associations

and Housing Revenue Account borrowing for local authorities.

Reforming Right to Buy Receipts

152 We are publishing a consultation paper alongside this Green Paper which sets out proposed changes to the way local authorities can use Right to Buy receipts to deliver new homes. We are considering allowing local authorities to keep the Right to Buy receipts they already hold for longer than the current three years to ensure the receipts can be used alongside the borrowing cap increase. We are also considering allowing a greater proportion of the cost of new Social Rent council homes in areas of high affordability pressure to be met through Right to Buy receipts and to allow greater flexibility over the tenure of replacements – to include shared ownership as well as Affordable Rent and Social Rent. We are seeking view on these and other options and welcome input to the consultation which was published alongside this Green Paper and can be found at: <https://www.gov.uk/government/consultations/use-of-receipts-from-right-to-buy-sales>.

Giving Local Authorities confidence to invest in home building

153 We have also been listening to councils about their concerns that the Government may decide to implement provisions contained in the Housing and Planning Act 2016 which would mean they have to make a payment in respect of their vacant higher value council homes and return some of the funds raised to the Government. Many councils have told us that without knowing for certain whether this policy might be implemented in future years, it is difficult to make long term investment decisions. The Government remains committed to the principle that councils should use their housing assets effectively and should consider selling high value homes and using the funding to build more affordable housing. However, this should be a decision to be made locally, not mandated through legislation and we understand that the uncertainty around the future of this policy could prevent councils from building. Therefore to increase councils' confidence to plan ambitious house building programmes, we are confirming in this Green Paper that the Government will not bring the Higher Value

90 <https://www.gov.uk/government/topical-events/autumn-budget-2017>

91 <https://www.gov.uk/government/news/2-billion-boost-for-affordable-housing-and-long-term-deal-for-social-rent>

92 MHCLG Local authority revenue expenditure and financing England: 2016 to 2017 individual local authority data – outturn <https://www.gov.uk/government/statistics/local-authority-revenue-expenditure-and-financing-england-2016-to-2017-individual-local-authority-data-outturn>

93 *ibid*

Assets provisions of the Housing and Planning Act 2016 into effect. We will look to repeal the legislation when Parliamentary time allows.

The role that local housing companies can play

154 Housing companies can be an effective way to deliver new homes that the private sector is not delivering or that local authorities cannot deliver through their Housing Revenue Account. Generally, local authorities should deliver new affordable housing through their Housing Revenue Account. However, there are occasions where delivering these homes through housing companies might be appropriate. This could include situations where local authorities do not have a Housing Revenue Account because they have previously transferred their stock, or where the Housing Revenue Account cannot sustain new building. In these circumstances, local authorities should consider whether they could transfer new affordable homes to a registered provider once they are complete.

155 Where a local authority applies to us for consent to dispose of more than five council homes to a local housing company, we will want to see proposals which maximise the number of affordable homes and increase the overall level of housing supply. In these situations a company might support bringing existing social homes back into use or be able to replace them with higher numbers, or a more appropriate mix, of homes.

156 The Government believes it is important that social housing residents have the opportunity to realise their aspirations and become homeowners. Where housing companies are delivering and retaining affordable homes we would expect them to offer an opportunity for tenants to become homeowners. Where our consent is required for schemes to go ahead, local authorities should explain how they plan to make a home ownership offer to tenants of any new affordable homes.

5.2 Community-led housing

157 Community-led housing is about local people playing a leading and lasting role in solving local housing problems, creating genuinely affordable homes – including for ownership – and strong communities. The very fact that community-led

housing enjoys the support of local people helps unlock sites for new homes. This has been particularly successful in rural areas and on smaller sites where other developers are unwilling to build.

158 In 2016, we awarded £60 million in grants under the Community Housing Fund to 148 local authorities most affected by local affordability issues.⁹⁴ We have now launched a new £163 million Homes England programme to deliver the Community Housing Fund outside London.⁹⁵ The programme will provide revenue funding for community groups bringing housebuilding projects forward and capital funding for local authorities to provide local enabling infrastructure (such as access roads). As part of this programme, Homes England is also developing a new capital funding product that is suitable for the tenures used in community-led housing.

Residents told us

Housing Co-ops are a great way to live. For the tenant there is power, rather than relying on an external landlord, we can deal with issues as they arise, and take responsibility for getting things done... It would be great if this way of living was more widespread, so that more tenants had direct control over their own housing.

The landlord is governed by a Board made up of a majority of residents, who are elected by members. This works because those who are most affected by decisions such as rent setting, service provision and new developments have the final say on those decisions. Board members are doubly accountable to their tenants because they live next door to them and are accountable to them via elections.

159 The level of new housing delivery from the community-led housing sector in England is much lower than in comparable countries in Europe and North America, where several per cent of overall new homes is not unusual.⁹⁶ **How we can boost community-led housing and overcome the barriers communities experience to developing new community owned homes?**

94 <https://www.gov.uk/government/news/60-million-boost-for-communities-affected-by-second-homeownership>

95 <https://www.gov.uk/government/collections/community-housing-fund>

96 'Housing Cooperatives Worldwide' 2017 Available: <http://www.housinginternational.coop/housing-co-operatives-worldwide/>

Case study: Rame Cross, Cornwall



Initiated and led by a Wendron Parish Council based housing working party, Cornwall Community Land Trust negotiated a land deal, designed and prepared a brief and secured planning permission for this 16 affordable home project in Rame Cross, a rural village in West Cornwall. Cornwall CLT then partnered with Coastline Housing Association to build the homes. The project received £378,000 from the Community Housing Fund which was critical to the scheme's delivery.

The houses are a mixture of affordable rent (11) and shared ownership (5), with the dwellings a mixture of bungalows and houses. The land is owned by Cornwall CLT and leased to the housing association. Construction finished in March 2018 and all dwellings are now occupied.

Resident-led estate regeneration

160 At the resident engagement events many raised concerns about the process and benefits of estate regeneration. We know that this can be an uncertain and anxious time for residents with some telling us that they feel like regeneration is something that is "done to them", that they do not have enough say over what is going to happen to their homes and their estate. We also know that when done well residents talked of estate regeneration providing opportunities to improve the quality of their lives and provide good quality homes.

161 Building on the good practice set out in the Estate Regeneration National Strategy, we will explore how the £400 million Government investment announced at Budget 2017 can attract wider local public and private investment into estates and the surrounding communities to create new and improved homes and more opportunities for local residents to be partners in the process and benefit directly from the changes. We will work with public, private and community sector partners to better understand how public and private investment can lead to improved social and economic outcomes for the existing community.

5.3 Helping housing associations and others develop more affordable homes

162 The Government recognises and values housing associations as important partners in delivering new affordable homes, as well as for their role in boosting social mobility through successful affordable home ownership products.

Residents told us

I feel privileged and lucky to be a housing association tenant, having an affordable, secure and quality home means everything and has helped me into employment and the security has also helped my children be happy and successful. My eldest has completed university and is in full time employment. My 18 year old also has a full time job. My youngest is settled and doing well in a local school.

163 We are already investing over £9 billion in our Affordable Homes Programme, including an additional £2 billion announced by the Prime Minister in October 2017, alongside flexibility to deliver Social Rent. We announced on 26 June 2018 how we will deliver a further 23,000 affordable homes outside of London, including at least 12,500 at Social Rent in the areas of highest affordability pressure.⁹⁷ This represents a real change in how we focus the Government’s grant funding – targeting affordable homes to the areas where they are most needed. The programme will support the delivery of over 250,000 homes of a range of affordable tenures by March 2022.

164 Government funding is of course not the only source of investment for new affordable housing; indeed, capital grant only meets a minority of the cost of development. Housing associations invest significantly in the delivery of new affordable homes – particularly through private borrowing and their own resources. The Government has made it easier for housing associations to access the lending markets in order to develop affordable housing by:

- giving landlords much greater confidence and certainty in their future rental income through the new rent settlement of Consumer Price Index +1 per cent to 2025;
- guaranteeing £3.25 billion of borrowing under the Affordable Housing Guarantee Scheme; and

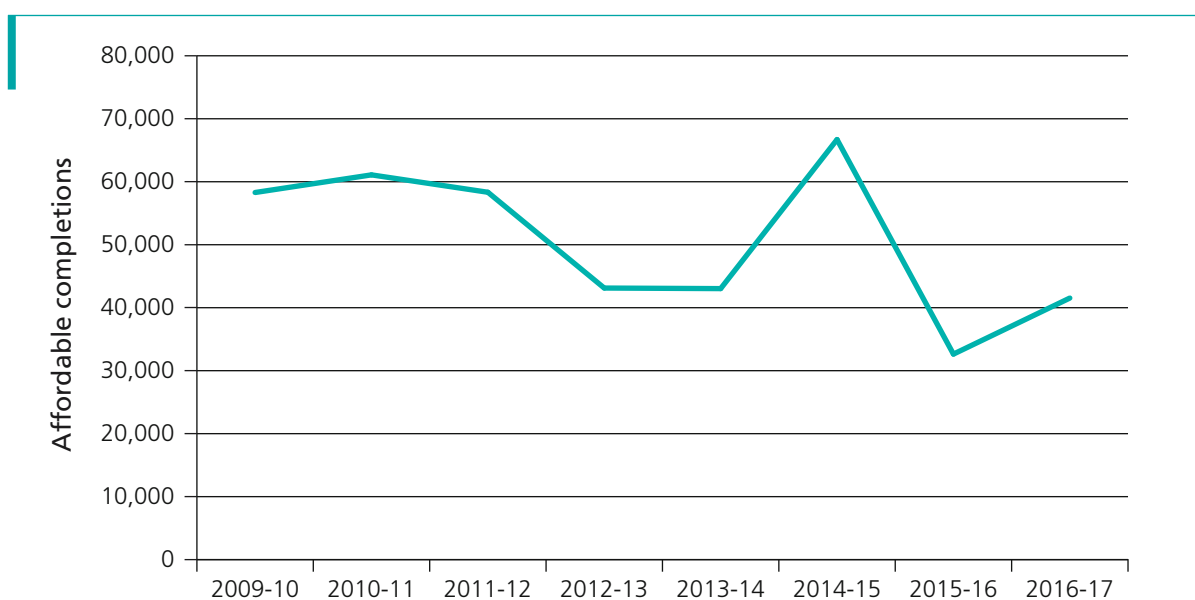
- implementing deregulatory reforms to give housing associations greater freedom over how they run their organisations and use their resources.

Longer term certainty

165 The Government has delivered capital investment in social housing for many years, but the stop-start nature of programmes has led to peaks and troughs in delivery. Housing associations and others tell us this makes it more difficult to plan ahead over the longer timeframes needed to build more affordable homes. This affects the risk appetite of their Boards and slows down the pace of delivering new homes. Government has also been told by developing housing associations that these peaks and troughs can affect the cost of labour and materials, providing poorer value for taxpayers’ money, as providers rush to meet deadlines at the end of programmes.

166 We want to give housing associations and others the certainty they require to develop ambitious plans to deliver the affordable homes this country desperately needs. We have already announced strategic partnerships with eight housing associations up to 2022. Government will actively investigate the benefits of going further by providing funding certainty to some housing associations over an even longer period.

Figure 7: Affordable housing delivery, 2016/17⁹⁸



97 <https://www.gov.uk/government/news/brokenshire-confirms-social-housing-investment-boost>

98 MHCLG Live Table 1000

167 The eight strategic partnerships announced on 3 July 2018, will deliver an extra 23,500 homes by 2022 over their previous plans, including 14,280 additional affordable homes.⁹⁹ The Greater London Authority is also building strategic partnerships with ambitious housing associations to increase the number of affordable homes built over a longer time period.

168 These strategic partnerships demonstrate that funding certainty can make a real difference to how many affordable homes are delivered. This will support housing associations to further increase their delivery to meet the Government's overall supply ambition of 300,000 homes by the mid-2020s.

169 The Government seeks views on the impact of providing longer term certainty over investment.

What level of additional affordable housing, over existing investment plans, could be delivered by social housing providers if they were given longer term certainty over funding?

The role of guarantees in supporting new affordable housing

170 At Budget 2017 the Chancellor announced £8 billion worth of new guarantees to support new housing supply.¹⁰⁰ Through our extensive market engagement in recent months, housing associations have told us that the previous Affordable Housing Guarantee Scheme was helpful, particularly for smaller and medium-sized providers who are less well placed than the larger associations to access the capital markets in their own right. We have taken on board that providing access to the capital markets in the way the Affordable Housing Guarantee Scheme previously did would help support more affordable homes to be built.

Ensuring a strong regulatory environment

171 The economic regulatory regime is crucial to securing the confidence of lenders. We know that mergers and acquisitions have resulted in some very large developing housing associations, which are important to delivering the homes people need. In addition, different types of landlords are being set up and new business models are being developed. These include "for profit" companies (who, unlike housing associations, do not have to reinvest their profits into

their stock and new homes), and housing associations which exclusively lease rather than own all their properties.

172 To ensure that the economic regulatory regime remains strong and the consumer regulation meets our expectations for residents, we are undertaking a review of regulation. We will also be looking at how economic regulation can continue to provide lenders with the assurance they need to invest in new affordable homes. We welcome input to the call for evidence which was published alongside this Green Paper and can be found at: <https://www.gov.uk/government/consultations/review-of-social-housing-regulation-call-for-evidence>.

Unlocking more affordable homes

173 The Government remains committed to delivering more affordable homes to support the delivery of the 300,000 overall supply ambition and meet the needs of those let down by the broken housing market. To support this we have revised the National Planning Policy Framework, are increasing the supply of land and affordable homes in places of high housing demand through housing deals with local areas,¹⁰¹ and investing £9 billion through the Affordable Homes Programme (including £400 million of capital grant committed to building more supported and specialised housing).

Boosting social investment in social housing

174 We also recognise the role that social impact investors can play to increase supply of social housing, including for people going through tough times. Investments include:

- financing for housing associations which have a particular social focus, to supplement existing commercial investment streams;
- ethical property developments which deliver a higher proportion of affordable housing;
- increasing support for smaller housing providers;
- social lettings agencies and property funds that serve people facing mental health issues or substance abuse problems, domestic abuse victims and those with offending histories; and,

99 <https://www.gov.uk/government/news/homes-england-agrees-first-wave-of-strategic-partnerships-to-ramp-up-building-of-affordable-homes>

100 <https://www.gov.uk/government/topical-events/autumn-budget-2017>

101 <https://www.gov.uk/government/publications/oxfordshire-housing-deal>

- financing for specialist housing for adults with long term disabilities.

Improving the welfare system to help people struggling with the cost of housing

175 Residents spoke about their experience of welfare reform and concerns that Universal Credit was contributing to rent arrears. Landlords and the wider housing sector also expressed concerns – and Government has listened:

- To support low-income households in the private rented sector the Government created Targeted Affordability Funding. This is aimed at those areas where benefit rates have diverged the furthest from local rents. At Budget 2017, this funding was increased by £125 million, enabling the Government to increase 213 Local Housing Allowance rates, of which 203 were in England.
- At Budget 2017 we also announced that Universal Credit claimants will not be subject to any ‘waiting days’ and can now apply for an advance of 100 per cent of their indicative entitlement immediately, with the repayment period increasing from 6 months to 12 months. These changes will reduce rent arrears, provide a more stable rental income and restore confidence to landlords.

176 Universal Credit is designed to mirror the world of work, to give people control over their lives and encourage them to take responsibility for their financial affairs. This is important in minimising the difference between paid employment and receiving benefits. It also supports the rebalancing of power between residents and landlords in the social sector – giving residents clear ownership for their rental and service charge payments and empowering them as consumers.

5.4 Ensure we are using existing social housing efficiently for those who need it most

177 No matter how many affordable homes are built social housing will still be a precious resource so ensuring it is allocated fairly is crucial. Access to the

social rented sector is managed at a local level within a national framework. Local authorities set their own policies for allocations which will be published, but which must be in line with national legislation, regulations and statutory guidance.

178 The development of policy changes and local differences across England in terms of housing pressures has meant that the national picture of allocations is a complex one. We need to better understand how the system is playing out in local areas in order to understand if it is striking the right balance between fairness, support and aspiration.

179 We therefore propose an evidence collection exercise to help us understand how the allocations framework is working across the country. This evidence collection exercise will focus on:

- How local authority flexibilities on qualification and prioritisation are being used in practice – this will help us understand what is working and where the system and its implementation might be creating barriers or disincentives to people taking up opportunities or fulfilling their aspirations. It will also help to further understanding of how local authorities are making their decisions and supporting those most in need.
- How housing associations work with local authorities in allocating social housing – almost half of housing association general needs lettings are let to people on local authority waiting lists, as part of nomination agreements with the local authority.¹⁰²
- The role of local variations in lettings delivery including how they facilitate choice for residents – most social housing is let through some form of ‘choice-based lettings’ approach under which vacancies are openly advertised and people can apply for those that meet their needs. However, some local authorities have adopted other methods for matching residents to available properties.

Local authority tenancies

180 Our engagement with residents highlighted the importance they attach to housing stability in protecting vulnerable people and supporting strong communities, work and education.

102 MHCLG social housing lettings Continuous Recording (CORE) statistics

181 Currently, most people living in social housing have tenancies with lifetime security of tenure. These residents can stay in their social home indefinitely as long as they keep to the conditions of their tenancy agreement.

182 Since April 2012 all social landlords have had the flexibility to grant fixed term tenancies of two years or more, as well as existing lifetime tenancies.

183 Given the pressures on social housing the Government introduced further changes in the Housing and Planning Act 2016 to restrict the use of lifetime tenancies by local authority landlords. These changes are not yet in force but would require local authorities generally to grant tenancies on a fixed term basis and to review them towards the end of the fixed term period to decide whether to grant a further tenancy.

184 Since this legislation there has been a growing recognition of the importance of housing stability for those who rent. The challenges facing renters, including those in the private sector, were recognised in our White Paper, *'Fixing our broken housing market'*, and we are consulting on how to overcome the barriers to longer tenancies in the private rented sector.¹⁰³

185 Many residents spoke about the benefits of security in their tenancies, saying that they created strong, supportive communities, and particularly enabled people with vulnerabilities to thrive. Some felt that residents were more likely to look after their property, their neighbours, and the community if they had a lifetime tenancy. While some people thought it was right that residents should move out of social housing if they no longer needed it given the pressures on housing, many also had concerns about the uncertainty when fixed term tenancies came to an end and the impact this could have on their families and communities.

186 We have listened carefully to the views and concerns of residents and have decided not to implement the provisions in the Housing and Planning Act 2016 at this time.

187 We continue to recognise the benefits of fixed term tenancies in the right circumstances and social landlords can continue to consider how they can make use of them to get the best use out of their social

housing. But we think that how social landlords use fixed term tenancies should generally be decided at the local level, in consultation with residents, the wider community, and other social landlords in the area, in order to get the right balance between providing security for individuals and communities, and making best use of the homes available.

188 We have recently taken steps to ensure that when the mandatory fixed term tenancies provisions were implemented, lifetime tenants who suffer domestic abuse would retain lifetime security, when granted a new tenancy by a local authority. We want to make sure that similar protections for victims of domestic abuse are in place where local authorities offer fixed term tenancies at their discretion, and will therefore seek to bring forward legislation to achieve this when parliamentary time allows.

189 In the meantime we strongly encourage local authorities to give careful consideration to the safety and welfare of victims of domestic abuse, by ensuring that where they are offering further tenancies to lifetime social tenants as a result of domestic abuse, such tenancies are granted on a lifetime basis.

5.5 Ensuring social housing is a springboard to homeownership

Voluntary Right to Buy

190 There was significant interest from housing association tenants in an initial, small-scale pilot offering them the Right to Buy on similar terms to local authority tenants in 2016. Building on the success of the first pilot, we will launch a £200 million large-scale pilot of the Voluntary Right to Buy for housing association tenants this summer, which will give thousands of housing association residents in the Midlands the opportunity to purchase their own home.¹⁰⁴ We are using this pilot to test how the Voluntary Right to Buy works in practice within housing associations. It is important that we ensure the process works for tenants, and that housing associations are able to replace the homes sold under the pilot. We will test a new feature of the Voluntary

103 <https://www.gov.uk/government/news/longer-tenancy-plans-to-give-renters-more-security>

104 <https://www.gov.uk/government/topical-events/autumn-budget-2017>

Right to Buy – a “portable discount” which allows a tenant to move their discount to a different property where their home is not for sale.

Improving routes to affordable home ownership

191 We have taken action to increase the delivery of shared ownership homes. This includes a range of measures introduced in 2016 that made over 170,000 new households eligible, providing more people with a route into homeownership and greater social mobility.¹⁰⁵

192 However we know that some people can struggle to buy more equity in their homes. We have heard from both providers and shared owners and identified three main barriers:

- a) The minimum 10 per cent staircasing requirement – raising the money to buy a 10 per cent share can be difficult while trying to manage all other monthly outgoings. For some this may take many years, which can be a deterrent.
- b) The increasing value of the home – house price inflation creates uncertainty and this can make it difficult for shared owners to plan for the future. House prices rising faster than incomes in recent years has also made it more difficult.
- c) The additional fees – shared owners potentially need to pay mortgage and legal fees each time they purchase additional shares.

193 We are determined to remove the barriers that many shared owners face. We want everyone who enters shared ownership to have the opportunity to increase equity in their home. **How can we best support providers to develop new shared ownership products that enable people to build up more equity in their homes?**

Case study – new approaches to Shared Ownership: SO Resi Plus



Thames Valley Housing (TVH) is a housing association based in South East England. In 2015 they introduced “SO Resi plus” – a shared ownership model that allows shared owners to staircase in increments of 1 per cent at a price set at the point of purchase. “SO Resi plus” has proved to be a very popular product for TVH. In 2016 they signed up the 100th person to the scheme, and there are currently just under 500 customers taking part. Last year they achieved a 94 per cent sign up rate. Overall an average of 18 per cent of applicants are choosing to buy the extra 1 per cent each year, compared to an average of 3-4 per cent who staircase in traditional shared ownership.

105 <https://www.gov.uk/government/news/help-to-buy-new-announcements>

194 Rent to Buy was introduced to the Government's Affordable Homes Programme in 2016 to support those who aspire to home ownership but have struggled to save for a deposit. Tenants pay sub-market rent (at or below 80 per cent of the market rate) for a minimum of five years, to help them save for a deposit to buy their home.

195 For those who are still unable to purchase their home after the fixed term, we are encouraging more housing providers to offer the homes as shared ownership – providing Rent to Buy tenants with an opportunity to buy a stake in their home while still having the ability to buy more shares and achieve full ownership. We want to encourage innovative models that help tenants that are struggling to raise deposits.

Questions

45. Recognising the need for fiscal responsibility, this Green Paper seeks views on whether the Government's current arrangements strike the right balance between providing grant funding for housing associations and Housing Revenue Account borrowing for local authorities.

46. How we can boost community-led housing and overcome the barriers communities experience to developing new community owned homes?

47. What level of additional affordable housing, over existing investment plans, could be delivered by social housing providers if they were given longer term certainty over funding?

48. How can we best support providers to develop new shared ownership products that enable people to build up more equity in their homes?

Consultation details

Consultation Summary

Topic of this consultation:	This consultation seeks responses to proposals relating to social housing.
Scope of this consultation:	The Ministry of Housing, Communities and Local Government is consulting on proposals relating to social housing.
Geographical scope of this consultation:	The proposals set out in this Green Paper relate to England only.
Impact Assessment:	<p>The purpose of the consultation is to gather evidence and seek views on proposals.</p> <p>Any policy changes brought forward as a result of the consultation would be subject to appropriate assessment.</p>

How to Respond

To:	This consultation is open to everyone. We are keen to hear from a wide range of interested parties from across the housing sector, including residents, landlords, local government, tenant engagement organisations and housing charities.
Body/ bodies responsible for the consultation:	Ministry of Housing, Communities and Local Government.
Duration:	The consultation will begin on 14 August 2018. The consultation will end on 6 November 2018. All responses should be received by no later than 23:45 on 6 November 2018.
Enquiries:	During the consultation, if you have any enquiries, please contact: SocialHousingGreenPaper@communities.gsi.gov.uk
How to respond:	<p>Consultation responses should be submitted by online survey: https://www.surveymonkey.co.uk/r/A_new_deal_for_social_housing</p> <p>We strongly encourage responses via the online survey, particularly from organisations with access to online facilities such as local authorities, representative bodies and businesses. Consultations on housing receive a high level of interest across many sectors. Using the online survey greatly assists our analysis of the responses, enabling more efficient and effective consideration of the issues raised for each question.</p> <p>We have listened to concerns about the use of online surveys and have made a number of adjustments ahead of this consultation. The online survey will allow respondents to: select the sections they wish to answer without having to go through the whole survey; save and return to the survey later; and, submit additional information or evidence to support their response to this consultation.</p>
	<p>Should you be unable to respond online we ask that you complete the pro forma available at https://www.gov.uk/government/consultations/a-new-deal-for-social-housing and send it to: SocialHousingGreenPaper@communities.gsi.gov.uk</p> <p>or:</p> <p>Social Housing Team Ministry of Housing, Communities and Local Government Third Floor Fry Building 2 Marsham Street London SW1P 4DF</p> <p>When you reply it would be very useful if you confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include:</p> <ul style="list-style-type: none"> • your name, • your position (if applicable), • the name of organisation (if applicable), • an address (including postcode), • an email address, and • a contact telephone number.

Glossary

Affordable housing: housing for sale or rent, including social housing, for those whose needs are not met by the market.

Affordable Rent: social housing provided as part of an agreement with Homes England, the Greater London Authority or the Secretary of State where the rent is set up to 80% of market rent.

Arms Length Management Organisation: an organisation that provides and/or manages housing on behalf of a local authority on a not-for-profit basis.

Anti-social behaviour: conduct that has caused, or is likely to cause, harassment, alarm or distress to a person, or conduct capable of causing housing-related nuisance or annoyance to any person.

Borrowing Cap: the limit set by government that local authorities can borrow up to.

Community Land Trust: a non-profit organisation for the ownership and/or management of assets (e.g. housing) for the benefit of the local community. They are member organisations – with membership open to any person within the defined community – and may take various legal forms.

Consumer Price Index: a measure of inflation.

Council flat/house: a home rented from a local authority as distinct from a housing association.

English Housing Survey: a continuous national survey commissioned by the Ministry of Housing, Communities and Local Government (MHCLG). It collects information about people's housing circumstances and the condition and energy efficiency of housing in England.

Fixed Term Tenancy: a tenancy that lasts for a defined period of time at the end of which the landlord will decide whether to bring the tenancy to an end or grant a further one. In social housing the fixed term must be at least two years.

General Needs Housing: a way of describing social housing for rent that is not supported needs.

Green Paper: a consultation document produced by the government. The aim of this document is to allow people both inside and outside Parliament to give the department feedback on its policy or legislative proposals.

Homes England: the national housing delivery agency.

Housing association: non-profit organisation set up to provide affordable homes for those in need.

Housing Benefit: a benefit that is administered by local authorities, which is designed to assist people who rent their homes and have difficulty meeting their housing costs.

Housing Co-operative or Mutual: a form of home ownership whereby the residents each own part of a corporation that owns the building(s). The term "fully mutual" means that membership of the co-operative is mandatory for all tenants.

Housing Health and Safety Rating System: a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings.

Housing Revenue Account: a local authority account in which all income and spending arising from its social housing stock is managed.

Household Reference Person: the 'householder' in whose name the accommodation is owned or rented. The concept is widely used in household surveys such as the English Housing Survey.

Key Performance Indicators: a measurable value that demonstrates how effectively main objectives are achieved.

Local Housing Allowance: a scheme applicable in the private rented sector, which limits the maximum amount of Housing Benefit or the Housing Cost Element of Universal Credit to an applicable rate, based on household size and Broad Rental Market Area.

Local Housing Company: independent commercial organisations wholly or partly owned by local authorities to buy, develop or manage properties.

Memorandum of Understanding: a framework that sets out how two parties will work together on a particular issue.

National Planning Policy Framework: a framework that sets out the Government's planning policies for England and how these are expected to be applied.

Non-Departmental Public Body: a body which has a role in the processes of national government, but is not a government department or part of one, and which accordingly operates to a greater or lesser extent at arm's length from ministers.

Private Registered Provider: a registered provider of social housing that is not a local authority. Most are housing associations.

Private Rented Sector: homes rented from private landlords.

Rent To Buy: an affordable home ownership scheme that allows tenants to pay sub-market rent for a limited period, to help them save for a deposit to buy their home.

Registered provider of social housing: a social housing landlord that is registered with the Regulator of Social Housing. This includes local authority landlords and private registered providers (such as housing associations and housing co-ops).

Right to Buy: this scheme allows tenants of local authorities and some housing associations, with a secure tenancy, to purchase their home, with a discount.

Right to Buy Receipts: money arising from the sale of local authority homes sold either under the Right to Buy legislation or sold voluntarily to secure tenants at less than market value.

Shared ownership: an affordable home ownership scheme that allows residents to purchase 25-75% of a home and then pay a subsidised rent on the remaining share. Residents are able to buy further shares in their homes in minimum 10% instalments, and in most circumstances, up to full ownership.

Social Housing: housing to rent below the market rent or to buy through shared ownership or equity percentage arrangements, that is made available to people whose needs are not adequately served by the housing market.

Social Rent: low cost rent set in accordance with a government formula.

Social Rented Sector: homes for rent that are owned and managed by local authorities and private registered providers.

Tenant Management Organisation: local authority tenant led (by unpaid volunteers) groups who take responsibility for managing the homes they live in.

The Regulator of Social Housing (The Regulator): an independent regulator which regulates providers of social housing (including local authority and private registered providers). Its principal role is to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs.

Universal Credit: a single, means-tested working-age benefit; paid to people whether in work or not.

Vacant Higher Value Council Homes (Higher Value Assets): A policy in the Housing and Planning Act 2016 that would enable the Government to ask local authorities to make a payment based on the market value of their vacant higher value council homes, with the expectation that they would sell these homes and the money raised would be used to fund a replacement home and extend the Right to Buy to Housing Association tenants.

Voluntary Right To Buy: In its 2015 manifesto, the Government committed to extend the Right to Buy to housing association tenants. In October 2015, the National Housing Federation, on behalf of the housing association sector, made an agreement with Government to extend Right to Buy level discounts to eligible tenants through a voluntary rather than statutory approach. An initial pilot ran during 2016/17 with five housing associations, and a larger scale Midlands pilot of the scheme will launch in summer 2018.

White Paper: policy document produced by the government that set out their proposals for future legislation and may include a draft version of a Bill that is being planned.

Annex A – The Regulatory Framework for social housing

The Housing and Regeneration Act 2008 sets out specific duties and responsibilities for an independent Regulator of Social Housing (“the Regulator”).

Who is regulated?

The regulatory framework applies to all “registered providers” of social housing. Local authorities who own homes are automatically registered and there is a registration process for private sector providers (such as housing associations, registered charities and “for profit” landlords) and bodies such as Arms Length Management Organisations.

What is the purpose of Regulation?

What are expectations of landlords?

The principal regulatory tool is a set of **seven outcome-based standards** to deliver these objectives. This comprises:

No.	Name of Standard	Published	Type	Requirement
1	Governance and Financial Viability	April 2015	Economic	Effective organisational governance and resource management
2	Value for Money	April 2018	Economic	Ensure assets and resources deliver the best value possible
3	Rent	April 2015	Economic	Setting and charging rent in line with Government rules
4	Tenant Involvement and Empowerment	July 2017	Consumer	Landlords should provide choice and effective communication to tenants, including complaint handling
5	Home	April 2012	Consumer	Ensure homes are kept safe, decent and in a good state of repair
6	Tenancy	April 2012	Consumer	Letting homes in a fair, transparent and efficient way
7	Neighbourhood and Community	April 2012	Consumer	Keeping the wider area clean and safe, promoting wellbeing and tackling anti-social behaviour

How are the standards monitored and enforced?

Legislation requires the Regulator to carry out its responsibilities in a way that minimises interference and (so far as is possible) is proportionate, consistent, transparent and accountable.

Consistent with this approach, the operation of the regulatory framework is based on the principle of ‘co-regulation’. This means that the Regulator regards

Parliament has set the Regulator two fundamental objectives:

- a) an **economic regulation objective**, which seeks to ensure a viable sector that is well-governed and efficient to command lender confidence and support delivery of new housing through a combination of private finance and public funding, and
- b) a **consumer regulation objective**, which seeks to support the provision of social housing that is well-managed and of appropriate quality, and to protect and empower residents.

Boards of organisations and local councillors as being responsible to their tenants for ensuring that the business and its services are managed effectively and that providers comply with the requirements of all regulatory standards.

The Regulator is asked to adopt a proactive, risk-based approach to enforcing the economic standards, which apply only to private registered providers. In contrast, the Regulator’s role in enforcing the four consumer

standards – which apply to all registered providers – is limited. It may only intervene for a breach of a consumer standard if it thinks there are reasonable grounds to suspect that a landlord's failure to meet a consumer standard has caused, or may cause serious detriment to tenants or potential tenants. The Regulator may also intervene where it considers there is a significant risk that if no action is taken, the failure to meet a standard will result in serious detriment to tenants or potential tenants. The Regulator interprets 'serious detriment' as actual or potential harm to tenants and where there has been systemic failure.

Where there is a breach of standards, the Regulator will initially work with the landlord to improve its performance. However, if this approach does not yield results or the landlord refuses to cooperate then the Regulator has a range of other powers it can use.



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Ministry of Housing,
Communities &
Local Government

Review of Social Housing Regulation

Call for Evidence



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Scope of the Call for Evidence

Topic of this Call for Evidence:	This Call for Evidence seeks information to support the review of the regulatory regime for social housing, which was announced in the Social Housing Green Paper.
Scope of this document:	This Call for Evidence seeks information to support the review of the regulatory regime for social housing.
Geographical scope:	This Call for Evidence relates to England only.
Impact Assessment:	The purpose of this Call for Evidence is to gather evidence to inform the review of the regulatory regime for social housing. Any legislative changes brought forward as a result of this review would be subject to appropriate assessment.

Basic Information

Body/bodies responsible for the Call for Evidence:	The Ministry of Housing, Communities and Local Government
Duration:	This Call for Evidence will last for 12 weeks from Tuesday 14 August 2018 to Tuesday 6 November 2018.
Enquiries:	For any enquiries about this Call for Evidence please contact socialhousingreview@communities.gsi.gov.uk
How to respond:	<p>Responses should be submitted by online survey:</p> <p>https://www.surveymonkey.co.uk/r/socialhousingregulation</p> <p>We strongly encourage responses via the online survey, particularly from organisations with access to online facilities such as local authorities, representative bodies and individual landlords. Using the online survey greatly assists our analysis of the responses, enabling more efficient and effective consideration of the issues raised for each question.</p> <p>Should you be unable to respond online we ask that you complete the pro forma found towards the end of this document at page 13. Additional information or evidence can be provided in addition to your completed pro forma.</p> <p>In these instances you can email your pro forma to:</p> <p>socialhousingreview@communities.gsi.gov.uk</p>

Or send to:

Affordable Housing Regulation and Investment Division
Ministry of Housing, Communities and Local Government
Third Floor – Fry Building
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London
SW1P 4DF

Call for Evidence

Introduction

1. The Social Housing Green Paper published today offers a new deal for social housing. It contains a series of proposals to improve residents' experience of their homes and their communities. A robust regulatory framework is essential to this by ensuring that existing homes are safe, of good quality, and that landlords deliver the right services. It is also crucial in attracting investment to build new social housing so that hardworking people and our more vulnerable citizens have access to safe, decent and affordable homes.
2. The last review of regulation was carried out nearly 8 years ago¹. Since then, there have been significant changes in the social housing sector. It is important the regulatory framework is able to adapt to these changes and has the appropriate tools it needs to ensure the sector remains well-regulated.
3. We announced in the Green Paper our intention to carry out a review of the regulatory framework for social housing to ensure that it remains fit for purpose, reflects changes in the sector and drives a focus on delivering a good service for residents. The review will have three key objectives:
 - a. to rebalance the relationship between social housing landlords² and residents, setting out the level of service residents should expect and clarifying how they can hold their landlord to account when they are not delivering;
 - b. to ensure private registered providers³ of social housing are well governed and financially viable – reflecting the changing business models and levels of risk in the sector; and
 - c. to make sure the Regulator of Social Housing (“the Regulator”) has effective powers to deliver the first two objectives and that there are clear lines of accountability between the Regulator and Parliament.

Why are we calling for evidence?

4. The regulatory regime is designed to ensure residents of social housing enjoy a secure home and quality service from their landlords, and that we continue to grow the sector so that there are safe and decent homes for everyone who needs one. This Call for Evidence is intended to gather information about how well the regulatory regime is delivering this vision - what works well, what does not and what drives behaviour.

¹ <https://www.gov.uk/government/publications/review-of-social-housing-regulation--2> (October 2010)

² Social housing landlords are local authorities who own housing and private organisations that are registered with the Regulator of Social Housing.

³ Private registered providers include housing associations, registered charities and “for profit” landlords.

5. Along with the questions posed in the Green Paper, it marks the start of a process of on-going engagement with a wide range of stakeholders, that will include technical workshops, a working group and sounding board to ensure we are as fully informed as possible about what change is needed and how that should be delivered.
6. By the end of the review, we will have a clear and demonstrable understanding of how the regulatory regime should change to deliver the objectives set out in the Green Paper, and how that should be delivered. We want residents to have a good experience of living in social housing. We want landlords to be financially robust and well run and to have faith in the regime. And we want lenders to be confident in the sector so that they continue to invest in the sector. We will consider a range of measures – including bringing forward changes to primary legislation, if necessary.

Scope of the review

7. The review of regulation will focus on the way social housing is regulated. We will look at whether the statutory objectives set the right direction for the Regulator, and whether the Regulator has the tools it needs to deliver against those objectives, including its powers to set standards and its monitoring, reporting and enforcement powers. It will also look into whether the right processes are in place with regard to the transparency and accountability of the Regulator.
8. The review will not include areas where the Government has recently set policy or legislated – for example, arrangements for the insolvency of a housing association or the setting of rents.

Principles of Regulation

Why regulate social housing?

9. The review of regulation starts from the basis that social housing should continue to be regulated. The rationale for regulation is two-fold:
 - To protect and empower residents. There are over 4 million social homes in England. Residents in these homes have limited choices on who is their landlord. Regulation therefore provides a safety net which sets the minimum standard of service residents should demand and how landlords can be held to account if they fail to deliver. Their landlords also need to be well run and financially viable to maintain the homes they own.
 - To secure both public and private investment to enable delivery of new homes. We invest significant public funds in social housing. The Affordable Homes Programme is over £9bn and will deliver over 250,000 new affordable homes by March 2022, the vast majority of this funding goes to private registered providers. As well as public funding there is over £70bn of private finance invested in private registered providers to deliver new homes. Private registered providers will continue to require access to private finance if they are to contribute towards the Government's housing ambitions of building 300,000 homes per annum. Ensuring private registered providers of social housing are

well run, use their assets effectively and manage risk well encourages investment into the sector and the delivery of new homes for future residents.

10. We consider this is clear rationale for the continued regulation of social housing.

The legislative framework

11. The overarching regulatory framework is set out in the Housing and Regeneration Act 2008⁴ (as amended). At the heart of the system is an independent Regulator. Parliament has given the Regulator a set of fundamental objectives against which it is required to deliver. The Regulator has statutory powers to set outcome-focused standards covering economic and consumer issues, and has a range of monitoring and enforcement powers to enforce these standards. A more detailed explanation of the objectives and standards, and how the regulatory framework operates, is set out in Annex 1.

Q1. We would welcome information on whether the current statutory objectives, and monitoring and enforcement powers are right, whether they need amending, and if so, how.

Approach to regulation

12. Regulation is an essential part of delivering the economic and social outcomes for social housing we want to achieve, and it is important that it is delivered effectively. Last year the Cabinet Office carried out a review of all regulators across Government⁵ and concluded that effective models of regulation focused on outcomes and operated on the basis of “regulated self-assurance”. This means avoiding unnecessary prescription on how providers operate and instead putting greater emphasis on the provider being accountable to their customers for the delivery of good quality services. Regulators should still have considerable regulatory and enforcement powers, including some powers of inspection, but such inspections should be proportionate and risk-based, with a focus on intervening where there is consistently poor delivery of service.

13. Many of these principles are embedded in the existing regulatory framework for social housing. The Regulator delivers against its statutory objectives by publishing standards setting out its expectation of landlords, the level of service their residents should expect and what a well-run and viable organisation looks like. Legislation requires the Regulator to operate in a way that minimises interference and (so far as is possible) is proportionate, consistent, transparent and accountable⁶.

Q2. We would welcome information on whether the “regulated self-assurance” approach to regulation of social housing is the right approach. If not, how should it be changed?

⁴ <https://www.legislation.gov.uk/ukpga/2008/17/contents>

⁵ *Regulatory Futures Review*, Cabinet Office, January 2017, <https://www.gov.uk/government/publications/regulatory-futures-review>

⁶ Section 92k(5) of the Housing and Regeneration Act 2008

Economic Regulation

The social housing sector

14. The social housing sector is large and varied. It consists of over 166 local authorities, which own a total of 1.6m social homes; and over 1400 private registered providers, which own 2.4m properties⁷. Private registered providers are a diverse group of landlords ranging from very large organisations with large building programmes, to very small organisations embedded in individual communities. Over 95% of these 2.4m homes are owned and serviced by around 20% of the larger providers. In contrast almost 80% of providers own fewer than 1,000 homes. A number of landlords have charitable status and are therefore driven by their charitable objectives.

Approach to economic regulation

15. The Regulator takes a proactive, risk-based approach to economic regulation⁸, which applies by law only to private registered providers (see Annex 1). This allows it to focus its resources on those landlords which own the most homes and are organisationally more complex, while still providing a basic level of oversight for all landlords. Such an approach enables the Regulator to identify and help resolve financial and governance problems, using its range of regulatory and enforcement powers as appropriate, which helps protect people's homes. It also helps secure lender confidence so that they invest in the sector at competitive rates, and ensures organisations are financially viable and well run.

16. We are committed to retaining strong economic regulation, and we are also clear that we will not introduce measures that risk the reclassification of private registered providers as public sector organisations.

Q3. We would welcome information on the effectiveness of the current approach to economic regulation.

The social housing sector is evolving

17. The social housing sector is not a single or static entity. It is diverse and constantly changing. Since the last review of social housing, we have seen at least four key trends:

- a. increasing exposure to the housing market. The private registered providers that have continued to develop homes are more reliant on revenue from building homes for private sale and other market activities to cross-subsidise development of social housing. Over 50% of new social or affordable homes built by private registered providers are subsidised by market sales. However, this model now means that they are exposed to sales risk, and the cyclical nature of the housing market and wider economic pressures, in a way they were not previously;

⁷ MHCLG Live Table 104

⁸

- b. mergers of housing associations have resulted in some landlords becoming more complex organisations to run. The largest housing association now has over 120,000 affordable homes;
- c. new “for profit” providers entering the sector, which have different models of behaviour to “traditional” not-for-profit housing associations and hence operate in a different way from them; and
- d. the emergence of new business models, including landlords who exclusively lease rather than own all their properties.

18. The regulatory framework needs to be able to adapt to these and any new changes in a way that ensures the financial health of the sector remains robust.

Q4. We would welcome information on any areas of the economic regulatory framework which might not work effectively or provide sufficient oversight when meeting the challenges of the evolving sector.

Consumer Regulation

19. Every resident has the right to expect their home to be safe and decent and to receive a good service from their landlord. As explained in the Green Paper, the legislation is clear that where a landlord (whether a private registered provider or local authority) breaches a consumer standard, the Regulator can only use its regulatory and enforcement powers if there is or may be a “serious detriment” to existing or potential residents⁹. The Regulator interprets this as meaning where there is “serious actual harm or serious potential harm to tenants”¹⁰. This is a higher threshold for regulatory intervention than for breach of economic standards. In addition, the Regulator’s approach to regulation of the consumer standards is reactive¹¹, in that it responds to issues as they emerge, and it does not monitor landlords’ performance on consumer standards.

20. The Green Paper sets out a number of specific proposals with regard to consumer regulation. These are set out at Annex 2. We would welcome any additional information you may want to provide on the approach to consumer regulation as part of this Call for Evidence.

The Regulatory System as a Whole

21. Whilst economic and consumer regulation are set out as individual objectives in legislation, it is clear that for the regulatory system to work, they must mutually reinforce each other and work together in harmony. It is in the interests of residents

⁹ Section 198A of the Housing and Regeneration Act 2008

¹⁰ See

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/698332/Regulating_the_Standards_April_2018.pdf - Page 28

¹¹

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/698332/Regulating_the_Standards_April_2018.pdf

that their housing provider is well run and financially sound to be sure that their homes are secure for the long term and the landlord is able to fund the repairs and support services they need. It is in the interests of landlords that residents are satisfied and well supported in order to deliver against their charitable purposes and they meet their obligations as social housing providers. It is in the interest of lenders that there is a robust regulatory framework in place to give them confidence in the security of their investments so that they can continue to lend at competitive rates.

22. In our engagement with residents from across the country as part of the work on the Green Paper, it has become clear that although many residents were satisfied with housing management services they received, some were not and a significant proportion reported very poor experiences. As a result, the Green Paper is clear that we will be strengthening consumer regulation, but it is crucial in doing so that economic regulation remains robust.

23. Consumer and economic regulation need to work together in one system – as we make changes to one side we need to consider the other. We would therefore welcome information on any issues that we should bear in mind as the review moves forward.

Q5. We would welcome information on any specific issues that we should be aware of as the review progresses, to ensure that we retain a coherent regulatory framework.

24. We want to make sure that the Regulator has the right enforcement tools available to ensure compliance with both economic and consumer regulation. The Green Paper sets out our ambition to improve the enforcement tools available to the Regulator to intervene where there is a consistently inadequate level of service to residents.

Q6. We would welcome information on any risks arising from improving the approach to consumer regulation enforcement.

Relationship with the Hackitt Review

25. Dame Judith Hackitt's Review of Building Regulations and Fire Safety¹² called for major reform and culture change in the construction and fire safety industries. Dame Judith's Final Report recommended that we establish a new regulatory framework focused, in the first instance, on multi-occupancy, higher-risk residential buildings that are 10 storeys or taller. Her report also suggested that we consider whether some of her recommendations should apply to other buildings as well. The Review concluded that the new system needed to have greater transparency and clear accountability to ensure that residents are safe and feel safe in their homes.

26. We are committed to bringing forward legislation that delivers meaningful and lasting change, creating an improved system of scrutiny for building safety and giving residents a much stronger voice as part of this. We are considering the recommendations made in Dame Judith's report and how to implement them. An implementation plan will be published in the autumn. However, we have taken the

¹² <https://www.gov.uk/government/collections/independent-review-of-building-regulations-and-fire-safety-hackitt-review>

opportunity to set out some proposals in response that address issues raised by Dame Judith within the Social Housing Green Paper.

27. There are clear overlaps between the Dame Judith review and the regulatory framework for social housing. We are keen to make sure that regulatory regimes work effectively together – including through close information sharing between regulatory bodies – and avoid duplication wherever possible.

Q7. What are your views on risks and opportunities presented by the regulatory regime suggested by Dame Judith Hackitt and how that should work with social housing regulation?

Any Other Suggestions for Improvement

28. Finally, we would welcome any additional comments you have on the effectiveness of the existing regulatory framework (including any additional information you may want to provide on the approach to consumer regulation), and whether you have any further ideas of what changes you would like to make.

Q8. We would welcome any further information that might inform the review of the regulatory framework.

Questions

About You

Are the views expressed on this consultation your own personal views or an official response from an organisation you represent?

- Personal view
- Organisational response

If you are responding on behalf of an organisation, please select the option which best describes your organisation

- Local authority
- Housing association
- Other registered provider of social housing
- Resident association or tenant panel
- Financial sector
- Trade association or interest group
- Tenant Management Organisation (TMO)
- Arms Length Management Organisation (ALMO)
- Other (please specify)

Please provide the name of your organisation

Principles of Regulation

Q1. We would welcome information on whether the current statutory objectives, and monitoring and enforcement powers are right, whether they need amending, and if so, how.

Q2. We would welcome information on whether the “regulated self-assurance” approach to regulation of social housing is the right approach. If not, how should it be changed?

Economic Regulation

Q3. We would welcome information on the effectiveness of the current approach to economic regulation.

Q4. We would welcome information on any areas of the economic regulatory framework which might not work effectively or provide sufficient oversight when meeting the challenges of the evolving sector.

The Regulatory System as a Whole

Q5. We would welcome information on any specific issues that we should be aware of as the review progresses, to ensure that we retain a coherent regulatory framework.

Q6. We would welcome information on any risks arising from improving the approach to consumer regulation enforcement.

Relationship with the Hackitt Review

Q7. What are your views on risks and opportunities presented by the regulatory regime suggested by Dame Judith Hackitt and how that should work with social housing regulation?

Any Other Suggestions for Improvement

Q8. We would welcome any further information that might inform the review of the regulatory framework.

Annex A – The Regulatory Framework for Social Housing

Who is regulated?

The regulatory framework applies to all “registered providers” of social housing. Local authorities who own homes are automatically registered and there is a registration process for private sector providers (such as housing associations, registered charities and “for profit” landlords) and bodies such as Arms Length Management Organisations.

What is the purpose of regulation?

Parliament has set the Regulator two fundamental objectives:

a) an **economic regulation objective**, which is:

- to ensure that registered providers of social housing are financially viable and properly managed and perform their functions efficiently and economically;
- to support the provision of social housing sufficient to meet reasonable demands (including by encouraging and promoting private investment in social housing);
- to ensure that value for money is obtained from public investment in social housing;
- to ensure that an unreasonable burden is not imposed (directly or indirectly) on public funds; and
- to guard against the misuse of public funds.

b) a **consumer regulation objective**, which is:

- to support the provision of social housing that is well-managed and of appropriate quality;
- to ensure that actual or potential tenants of social housing have an appropriate degree of choice and protection;
- to ensure that tenants of social housing have the opportunity to be involved in its management and to hold their landlords to account; and
- to encourage registered providers of social housing to contribute to the environmental, social and economic well-being of the areas in which the housing is situated.

What are expectations of landlords?

The principal regulatory tool is a set of **seven outcome-based standards** to deliver these objectives. This comprises:

Economic Standards

- **Governance and Financial Viability Standard (April 2015)** – ensure effective governance arrangements that deliver their aims, objectives and intended outcomes for tenants and potential tenants in an effective, transparent and accountable manner. Manage their resources effectively to ensure their viability is maintained while ensuring that social housing assets are not put at undue risk;
- **Value for Money Standard (April 2018)** – putting in place and delivering a comprehensive and strategic approach to achieving value for money in meeting their organisation’s objectives. This includes maintaining a robust assessment of the performance of all their assets and resources, managing their resources economically, efficiently and effectively to provide quality services and homes, and planning for and delivering on-going improvements in value for money; and
- **Rent Standard (April 2015)** – charging rents in accordance with the Government’s rent policy.

Consumer Standards

- **Tenant Involvement and Empowerment Standard (July 2017)** – which includes a requirement for landlords to provide choices and effective communication of information for residents on the delivery of all standards, and to have a clear, simple and accessible complaints procedure;
- **Home Standard (April 2012)** – requires homes to be safe, decent and kept in a good state of repair;
- **Tenancy Standard (April 2012)** – requires registered providers to let their home in a fair, transparent and efficient way, and enable tenants to gain access to opportunities to exchange their tenancy; and
- **Neighbourhood and Community Standard (April 2012)** – requires registered providers to keep the neighbourhood and communal areas associated with the homes that they own clean and safe; help promote social, environmental and economic well-being in areas where they own homes; and work in partnership with others to tackle anti-social behaviour in neighbourhoods where they own homes.

How are the standards monitored and enforced?

Legislation requires the Regulator to carry out its responsibilities in a way that minimises interference and (so far as is possible) is proportionate, consistent,

transparent and accountable.

Consistent with this approach, the operation of the regulatory framework is based on the principle of “co-regulation”. This means that the Regulator regards Boards of organisations and local Councillors as responsible to their residents for ensuring that the business and its services are managed effectively and that providers comply with the requirements of all regulatory standards.

The Regulator is asked to adopt a proactive, risk-based approach to enforcing the economic standards, which apply only to private registered providers. In contrast, the Regulator’s role in enforcing the four consumer standards – which apply to both local authorities and private registered providers – is limited. It may only intervene for a breach of a consumer standard if it thinks there are reasonable grounds to suspect that a landlord’s failure to meet a consumer standard has caused, or may cause serious detriment to tenants or potential tenants. The Regulator may also intervene where it considers there is a significant risk that if no action is taken, the failure to meet a standard will result in serious detriment to tenants or potential tenants. The Regulator interprets ‘serious detriment’ as actual or potential harm to tenants and where there has been systemic failure.

Where there is a breach of standards, the Regulator will initially work with the landlord to improve its performance. However, if this approach doesn’t yield results or the landlord refuses to cooperate then the Regulator has a range of other powers it can use.

What powers of enforcement does the regulator have?

Should there be a breach of the standards, the Regulator has a range of regulatory and enforcement powers available. The key powers are set out below.

Power	Applicable to private registered providers^a	Applicable to local authority landlords
Survey to assess the condition of stock	x	x
Inspection to establish compliance with the regulatory requirements	x	x
Hold an inquiry where it suspects landlord mismanagement	x	x
Issue an Enforcement Notice	x	x
Issue fines	x	
Order payment of compensation to a resident	x	
Appointment of manager to improve performance of the landlord	x	
Transfer land to another provider to improve management of land (following an inquiry)	x ^b	
Suspension and removal of officers in cases of mismanagement (during or after inquiry)	x ^c	

Appoint a new officer to address service failure and improve management of company	x ^c	
Appoint an adviser to improve performance		x
Requirement to tender some or all of its management functions	x	x
Requirement to transfer management of housing to a specified provider	x	x

a) This includes registered charities, housing associations and "for profit" private sector landlords, b) Does not apply to registered charities, c) Applies to not-for-profit providers only

Annex B – Green Paper Questions on Consumer Regulation

<i>Speeding up the complaints process</i>
How can we best ensure that landlords’ processes for dealing with complaints are fast and effective?
How can we best ensure safety concerns are handled swiftly and effectively within the existing redress framework?
<i>Arming residents with information on landlord performance</i>
Do the proposed key performance indicators cover the right areas? Are there any other areas that should be covered? Should landlords report performance against these key performance indicators every year? Should landlords report performance against these key performance indicators to the Regulator? What more can be done to encourage landlords to be more transparent with their residents?
Do you think that there should be a better way of reporting the outcomes of landlords’ complaint handling? How can this be made as clear and accessible as possible for residents?
Is the Regulator best placed to prepare key performance indicators in consultation with residents and landlords? What would be the best approach to publishing key performance indicators that would allow residents to make the most effective comparison of performance?
<i>Strengthening choice over services</i>
Are there any other innovative ways of giving social housing residents greater choice and control over the services they receive from landlords?
<i>Understanding what a good service looks like</i>
Does the Regulator have the right objective on consumer regulation? Should any of the consumer standards change to ensure that landlords provide a better service for residents in line with the new key performance indicators proposed, and if so how?
Should the Regulator be given powers to produce other documents, such as a Code of Practice, to provide further clarity about what is expected from the consumer standards?

Strengthening regulation of consumer standards

Is “serious detriment” the appropriate threshold for intervention by the Regulator for a breach of consumer standards? If not, what would be an appropriate threshold for intervention?

Should the Regulator adopt a more proactive approach to regulation of consumer standards? Should the Regulator use key performance indicators and phased interventions as a means to identify and tackle poor performance against these consumer standards? How should this be targeted?

Should the Regulator have greater ability to scrutinise the performance and arrangements of local authority landlords? If so, what measures would be appropriate?

Are the existing enforcement measures adequate? If not, what additional enforcement powers should be considered?

Is the current framework for local authorities to hold management organisations such as Tenant Management Organisations and Arms Length Management Organisations to account sufficiently robust? If not, what more is needed to provide effective oversight of these organisations?

What further steps, if any, should Government take to make the Regulator more accountable to Parliament?

Embedding good customer service and neighbourhood management

What key performance indicator should be used to measure whether landlords are providing good neighbourhood management?

How are landlords working with local partners to tackle anti-social behaviour? What key performance indicator could be used to measure this work?

Annex C – Personal Data

The following is to explain your rights and give you the information you are entitled to under the Data Protection Act 2018.

Note that this section only refers to your personal data (your name, address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the data controller and contact details of our Data Protection Officer

The Ministry of Housing, Communities and Local Government (MHCLG) is the data controller. The Data Protection Officer can be contacted at dataprotection@communities.gsi.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

The Data Protection Act 2018 states that, as a government department, MHCLG may process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for two years from the closure of the consultation.

5. Your rights, e.g. access, rectification, erasure

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right:

- a. to see what data we have about you
- b. to ask us to stop using your data, but keep it on record
- c. to ask to have all or some of your data deleted or corrected
- d. to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

6. The data you provide directly will be stored by Survey Monkey on their servers in the United States. We have taken all necessary precautions to ensure that your rights in terms of data protection will not be compromised by this.

7. Your personal data will not be used for any automated decision making.

8. Your personal data will be stored in a secure government IT system. Data provided to Survey Monkey will be moved from there to our internal systems by April 2019.

About this Call for Evidence

This Call for Evidence document and the Call for Evidence process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this Call for Evidence, including personal data, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 2018 (DPA), the EU General Data Protection Regulation, and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, as a public authority, the Department is bound by the Freedom of Information Act and may therefore be obliged to disclose all or some of the information you provide. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Ministry of Housing, Communities and Local Government will process your personal data in accordance with the law and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties. A full privacy notice is included in Annex C.

Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this Call for Evidence has followed the Consultation Principles? If not or you have any other observations about how we can improve the process please contact us via the [complaints procedure](#).

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Foreword



A personal view from Dame Judith Hackitt

In my interim report published in December 2017 I described how the regulatory system covering high-rise and complex buildings was not fit for purpose. In the intervening period, we have seen further evidence confirming the deep flaws in the current system:

- lack of an audit trail as to whether essential safety work was carried out on the Ledbury Estate, and other large panel systems tower blocks;
- a door marketed as a 30-minute fire door failed prior to 30 minutes when tested, revealing concerns around quality assurance and the ability to trace other fire doors manufactured to that specification;
- another tower block fire where fire spread between floors via wooden balconies; and
- a major fire in a car park in Liverpool which came close to encroaching on a block of flats nearby.

It is not my intention to repeat here all of the shortcomings identified in the interim report. However, it is important to emphasise that subsequent events have reinforced the findings of the interim report, and strengthened my conviction that there is a need for a radical rethink of the whole system and how it works. This is most definitely not just a question of the specification of cladding systems, but of an industry that has not reflected and learned for itself, nor looked to other sectors. This does not mean that all buildings are unsafe. Interim mitigation and remediation measures have been put in place where necessary for existing high-rise residential buildings to assure residents of their safety regarding fire risk. It is essential that this industry now works to implement a truly robust and assured approach to building the increasingly complex structures in which people live.

The key issues underpinning the system failure include:

- **Ignorance** – regulations and guidance are not always read by those who need to, and when they do the guidance is misunderstood and misinterpreted.

- **Indifference** – the primary motivation is to do things as quickly and cheaply as possible rather than to deliver quality homes which are safe for people to live in. When concerns are raised, by others involved in building work or by residents, they are often ignored. Some of those undertaking building work fail to prioritise safety, using the ambiguity of regulations and guidance to game the system.
- **Lack of clarity on roles and responsibilities** – there is ambiguity over where responsibility lies, exacerbated by a level of fragmentation within the industry, and precluding robust ownership of accountability.
- **Inadequate regulatory oversight and enforcement tools** – the size or complexity of a project does not seem to inform the way in which it is overseen by the regulator. Where enforcement is necessary, it is often not pursued. Where it is pursued, the penalties are so small as to be an ineffective deterrent.

The above issues have helped to create a cultural issue across the sector, which can be described as a ‘race to the bottom’ caused either through ignorance, indifference, or because the system does not facilitate good practice. There is insufficient focus on delivering the best quality building possible, in order to ensure that residents are safe, and feel safe.

A global concern

England is by no means alone in needing to improve building safety. Scotland has provided some excellent examples of good practice which are included in this report, in particular around supporting resident participation and collaboration. However, at the time of writing, the Scottish Government had commissioned a further review of building regulation, driven by serious structural failures which have occurred there. The Building Products Innovation Council in Australia

has also published its own report, 'Rebuilding Confidence: An Action Plan for Building Regulatory Reform'¹ since I wrote my interim report – it tells a story which could just as easily be applied to us. Extracts from that report are included in Appendix K of this report for easy reference.

A principled approach

At the heart of this report are the principles for a new regulatory framework which will drive real culture change and the right behaviours. We need to adopt a very different approach to the regulatory framework covering the design, construction and maintenance of high-rise residential buildings which recognises that they are complex systems where the actions of many different people can compromise the integrity of that system.

The principle of risk being owned and managed by those who create it was enshrined in UK health and safety law in the 1970s, following the review conducted by Lord Robens, and its effectiveness is clear and demonstrable. The principles of health and safety law do not just apply to those who are engaged in work but also to those who are placed at risk by work activities, including members of the public. It should be clear to anyone that this principle should extend to the safety of those who live in and use the 'products' of the construction industry, such as a multi-occupancy building, where the risk of fire exposes residents to danger.

A decision was taken back in 1975 to specifically exclude consumer safety and building safety from the Health and Safety Executive's (HSE) remit. However, since then, HSE's remit has increasingly extended into certain key areas – e.g. domestic gas safety. This review concludes that there is a strong case for the full effect of the key principle of risk ownership and management to be applied alongside building regulations.

This report recommends a very **clear model of risk ownership**, with clear responsibilities for the Client, Designer, Contractor and Owner to demonstrate the delivery and maintenance of safe buildings, overseen and held to account by a new Joint Competent Authority (JCA).

The new regulatory framework must be simpler and more effective. It must be truly **outcomes-based** (rather than based on prescriptive rules and complex guidance) and it must have real teeth, so that it can drive the right behaviours. This will create an environment where there are incentives

to do the right thing and serious penalties for those who choose to game the system and as a result put the users of the 'product' at risk.

This approach also acknowledges that prescriptive regulation and guidance are not helpful in designing and building complex buildings, especially in an environment where building technology and practices continue to evolve, and will prevent those undertaking building work from taking responsibility for their actions.

An outcomes-based framework requires people who are part of the system to be competent, to think for themselves rather than blindly following guidance, and to understand their responsibilities to deliver and maintain safety and integrity throughout the life cycle of a building.

We must also begin thinking about **buildings as a system** so that we can consider the different layers of protection that may be required to make that building safe on a case-by-case basis. Some of the social media chatter and correspondence I have read whilst I have been engaged in this review shows how far we need to move in this respect. The debate continues to run about whether or not aluminium cladding is used for thermal insulation, weather proofing, or as an integral part of the fabric, fire safety and integrity of the building. This illustrates the siloed thinking that is part of the problem we must address. It is clear that in this type of debate the basic intent of fire safety has been lost.

A **risk-based approach** to the level of regulatory oversight based on a clear risk matrix will be most effective in delivering safe building outcomes. Complex systems that are designed for residential multi-occupancy must be subject to a higher level of regulatory oversight that is proportionate to the number of people who are potentially put at risk.

Transparency of information and an audit trail all the way through the life cycle of a building from the planning stage to occupation and maintenance is essential to provide reassurance and evidence that a building has been built safe and continues to be safe. For example, the current process for testing and 'certifying' products for use in construction is disjointed, confusing, unhelpful, and lacks any sort of transparency. Just as the process of constructing the building itself must be subject to greater scrutiny, the classification and testing of the products need to undergo a radical overhaul to be clearer and more proactive.

1 Hills, Rodger (2018), *Rebuilding Confidence: An Action Plan for Building Regulatory Reform*, BPIC, Australia.

Where concerns are identified through testing or incident investigation, these findings must be made public and action needs to be taken if these issues are putting people at risk. This industry sector stands out from every other I have looked at in its slow adoption of traceability and quality assurance techniques. These are in widespread use elsewhere and the technology is readily available.

Progress since the interim report – implementation of recommendations and stakeholder collaboration

Since the interim report was published a good deal of progress has been made on some of the interim recommendations. We have also received a wealth of high-quality input from the working groups that were set up in February.

Above all, I have been heartened by the strong support we have had to drive a major culture change throughout the whole system. Reports dating back as far as the 1990s, such as ‘Rethinking Construction’ authored by the eminent Sir John Egan,² highlight many of the cultural issues which needed to be addressed, even then, to develop a modern, productive and safe construction sector. It is good that we start from such a strong and common agreement on the problems to be fixed, but we must also understand and overcome the issues that have stopped change from happening in the past. While conducting this review I have had personal experience of the high level of self-interested advocacy which hampers good independent decision-making in this sector, and gets in the way of much needed progress to a different set of behaviours.

It has become clear to me that the fire safety sector is not as strong or mature as other areas of engineering expertise, such as structural engineering. It is important that the sector looks to how it can implement the findings of this review and embrace closer and professionally robust working with the construction industry.

A radical overhaul to futureproof the system

While this review recommends a different approach, it is far from being a leap of faith. It is built upon confidence of what we know works here in our culture in other sectors, and more importantly in the construction sector.

The Construction (Design and Management) Regulations (CDM Regulations) under the Health and Safety at Work Act have already driven exactly this culture and behaviour change in the very same industry sector in relation to the safety of those employed in constructing and maintaining buildings. Other industry sectors have developed a mature and proportionate way to manage and regulate higher-risk and complex installations. These approaches now need to be repeated in relation to the safety and quality of complex buildings and to the safety of those who live in them. This is not just my view but one that we have heard repeatedly from the many people we have spoken to as part of this review – they have told us that they want to see a revised framework for building regulation, one that is as clear and effective as the CDM Regulations.

There are many people who stand ready and willing to help deliver this level of radical change and are ready to take on the key principles:

- What is described in this report is **an integrated systemic change not a shopping list** of changes which can be picked out on a selective basis.
- **To embed this systemic change will require legislative change and therefore take time** to fully implement. There is no reason to wait for legal change to start the process of behaviour change once it is clear what is coming and what is expected. A sense of urgency and commitment from everyone is needed.
- **We must find a way to apply these principles to the existing stock of complex high-rise residential buildings as well as new builds.** That is a moral obligation to those who are now living in buildings which they bought or rented in good faith assuming them to be safe and where there is now reason to doubt that. This will take time and there will be a cost attached to it. It is beyond the scope of this review to determine how remedial work is funded but this cannot be allowed to stand in the way of assuring public safety.
- We need to **maintain the spirit of collaboration and partnership** which has been a feature of the review process to date. In a sector that is excessively fragmented we have seen during the course of this review a will to work together to deliver consistent solutions. This will be especially important going forward to change culture.

2 Egan, John. (1998) *Rethinking Construction: Report of the Construction Task Force*, HMSO, London.

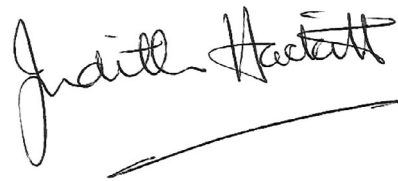
- **The ideas proposed in this report have broader application** to a wider range of buildings and to drive change more broadly.
- There will be those who will be fearful that the change will slow down the build of much needed new housing; however, there is every reason to believe that the opposite will be true. More rigour and oversight at the front end of the process **can lead to significant increases in productivity**, reduction in ongoing costs and to better outcomes for all in the latter and ongoing stages of the process. Improving the procurement process will play a large part in setting the tone for any construction project. This is where the drive for quality and good outcomes, rather than lowest cost, must start.

The criticism about thinking in silos must also be laid in part at the regulatory system that oversees the industry's activities. Viewed from one end of the lens it may matter a lot who 'owns' particular aspects of regulation, be that in terms of government departments or different national and local regulatory bodies. But for those on the receiving end this often results in disjointed and confusing guidance – what often gets described as "too much regulation". The mapping exercise which was explained extensively in the interim report has had a profound effect on thinking and has identified a real opportunity to put joined-up regulation into practice. There is no need for a new regulator to deliver this new regime but there is a need for existing regulators to come together and bring their collective expertise and knowledge to bear in a very different way to deliver a stronger and better regime that will benefit everyone.

The ultimate test of this new framework will be the rebuilding of public confidence in the system. The people who matter most in all of this are the residents of these buildings. The new framework needs to be much more transparent; potential purchasers and tenants need to have clear sight of the true condition of the space they are buying and the integrity of the building system they will be part of. The relationship between landlords and tenants, in whatever ownership model exists in a given building, needs to be one of partnership and collaboration to maintain the integrity of the system and keep people safe. There must be a clear and easy route of redress to achieve resolution in cases where there is disagreement. I have continued to meet with residents and this new framework will ensure that their perspective will not be lost in the future.

One of the greatest concerns which has been expressed to me is whether there is the political will to achieve radical and lasting change. I believe that we have a real opportunity to do this, and to create a system in which everyone will have greater confidence. At the high end of this ambition this country can lead the world in developing a robust and confidence-building approach to the built environment and improving construction productivity. I have felt privileged to work with those who share this ambition and have indicated my willingness to stay engaged in the process of implementation and delivery.

Finally, I want to thank the review team I have worked with over the last 10 months for their dedication and hard work. This has been a challenging review and we have covered a lot of ground. We have all been deeply affected by many of the personal stories we have heard from residents and want to see lasting change result from this review. That is the very least we can all do for the bereaved and the survivors of the tragedy that occurred on 14 June 2017, and for everyone who needs to know that their homes are safe for them to live in.



DAME JUDITH HACKITT

Executive summary

Executive summary

Overview

The interim report identified that the current system of building regulations and fire safety is not fit for purpose and that a culture change is required to support the delivery of buildings that are safe, both now and in the future. The system failure identified in the interim report has allowed a culture of indifference to perpetuate.

More specifically:

- the roles and responsibilities of those procuring, designing, constructing and maintaining buildings are unclear;
- the package of regulations and guidance (in the form of Approved Documents) can be ambiguous and inconsistent;
- the processes that drive compliance with building safety requirements are weak and complex with poor record keeping and change control in too many cases;
- competence across the system is patchy;
- the product testing, labelling and marketing regime is opaque and insufficient; and
- the voices of residents often goes unheard, even when safety issues are identified.

The new regulatory framework set out in this report must address all of these weaknesses if there is to be a stronger focus on creating and maintaining safe buildings. It must strengthen regulatory oversight to create both positive incentives to comply with building safety requirements and to effectively deter non-compliance. It must clarify roles and responsibilities. It must raise and assure competence levels, as well as improving the quality and performance of construction products. Residents must feel safe and be safe, and must be listened to when concerns about building safety are raised.

This new regulatory framework must be delivered as a package. The framework will be based around a series of interdependent, mutually reinforcing

changes where one new measure drives another. In doing so it reflects the reality of most high-rise buildings which operate as a complex inter-locking system. Only this genuine system transformation will ensure that people living in high rise buildings are safe and have confidence in the safety of their building, both now and in the future.

The new framework is designed to:

- **Create a more simple and effective mechanism for driving building safety** – a clear and proportionate package of responsibilities for dutyholders across the building life cycle.³ This means more time will be spent upfront on getting building design and ongoing safety right for the buildings in scope. This will create the potential for efficiency gains; scope for innovation in building practices; and value for money benefits from constructing a building that has longer-term integrity and robustness.
- **Provide stronger oversight of dutyholders with incentives for the right behaviours, and effective sanctions for poor performance** – more rigorous oversight of dutyholders will be created through a single coherent regulatory body that oversees dutyholders' management of buildings in scope across their entire life-cycle. A strengthened set of intervention points will be created with more effective change control processes and information provision.
- **Reassert the role of residents** - a no-risk route for redress will be created and greater reassurances about the safety of their home will be offered, as well as ensuring that residents understand their role and responsibilities for keeping their building safe for themselves and their neighbours.

In making these changes, the new framework will also radically enhance the current model of responsibility so that:

3 Covering procurement, design, construction, occupation, maintenance and refurbishment.

- Those **who procure, design, create and maintain** buildings are responsible for ensuring that those buildings are safe for those who live and work in them.
- **Government** will set clear outcome-based requirements for the building safety standards which must be achieved.
- The **regulator** will hold dutyholders to account, ensure that the standards are met and take action against those who fail to meet the requirements.
- **Residents** will actively participate in the ongoing safety of the building and must be recognised by others as having a voice.

Recommendations

The recommendations for this new framework are explained over the following ten chapters of this report and are summarised below.

The key parameters of a new regulatory framework (set out in Chapter 1) will establish:

- A **new regulatory framework** focused, in the first instance, on **multi-occupancy higher risk residential buildings (HRRBs) that are 10 storeys or more in height;**
- A **new Joint Competent Authority (JCA)** comprising Local Authority Building Standards, fire and rescue authorities and the Health and Safety Executive to oversee better management of safety risks in these buildings (through safety cases) across their entire life cycle;
- A **mandatory incident reporting mechanism** for dutyholders with concerns about the safety of a HRRB.

Improving the focus on building safety during the design, construction and refurbishment phases (set out in Chapter 2) through:

- A set of **rigorous and demanding dutyholder roles and responsibilities** to ensure a stronger focus on building safety. These roles and responsibilities will broadly align with those set out in the Construction (Design and Management) Regulations 2015;

- A **series of robust gateway points to strengthen regulatory oversight** that will require dutyholders to show to the JCA that their plans are detailed and robust; that their understanding and management of building safety is appropriate; and that they can properly account for the safety of the completed building in order to gain permission to move onto the next phase of work and, in due course, allow their building to be occupied;
- A **stronger change control process** that will require robust record-keeping by the dutyholder of all changes made to the detailed plans previously signed off by the JCA. More significant changes will require permission from the JCA to proceed;
- A **single, more streamlined, regulatory route to oversee building standards** as part of the JCA to ensure that regulatory oversight of these buildings is independent from clients, designers and contractors and that enforcement can and does take place where that is necessary. Oversight of HRRBs will only be provided through Local Authority Building Standards⁴ as part of the JCA, with Approved Inspectors available to expand local authority capacity/expertise or to newly provide accredited verification and consultancy services to dutyholders; and
- More **rigorous enforcement powers**. A wider and more flexible range of powers will be created to focus incentives on the creation of reliably safe buildings from the outset. This also means more serious penalties for those who choose to game the system and place residents at risk.

Improving the focus on building safety during the occupation phase (set out in Chapter 3) through:

- A **clear and identifiable dutyholder** with responsibility for building safety of the whole building. The dutyholder during occupation and maintenance should maintain the fire and structural safety of the whole building, and identify and make improvements where reasonable and practicable;

4 The proposed new name for Local Authority Building Control – see Chapter 2.

- A requirement on the dutyholder to present **a safety case** to the JCA at regular intervals to check that building safety risks are being managed so far as is reasonably practicable;
- **Clearer rights and obligations for residents** to maintain the fire safety of individual dwellings, working in partnership with the dutyholder. This will include a combination of transparency of information and an expectation that residents support the dutyholder to manage the risk across the whole building ; and
- A **regulator for the whole of the building (the JCA) in relation to fire and structural safety in occupation** who can take a proactive, holistic view of building safety and hold dutyholders to account with robust sanctions where necessary.

Giving residents a voice in the system (set out in Chapter 4) through:

- Providing **reassurance and recourse** for residents of all tenures by providing:
 - greater transparency of information on building safety;
 - better involvement in decision-making, through the support of residents associations and tenant panels; and
 - a no-risk route for residents to escalate concerns on fire safety where necessary, through an independent statutory body that can provide support where service providers have failed to take action, building on ongoing work across Government.

Setting out demanding expectations around improved levels of competence (set out in Chapter 5) through:

- The construction sector and fire safety sector demonstrating more effective leadership for ensuring building safety amongst key roles including **an overarching body to provide oversight of competence requirements**.

Creating a more effective balance between government ownership of building standards and industry ownership of technical guidance (set out in Chapter 6) by:

- Moving towards a system where **ownership of technical guidance rests with industry** as the intelligent lead in delivering building safety and providing it with the flexibility to ensure that guidance keeps pace with changing practices **with continuing oversight from an organisation prescribed by government**.
- A package of **regulations and guidance that is simpler to navigate but that genuinely reflects the level of complexity** of the building work. This new approach will reinforce the concept of delivering building safety as a system rather than by considering a series of competing or isolated objectives.

Creating a more robust and transparent construction products regime (set out in Chapter 7) through:

- **a more effective testing regime with clearer labelling and product traceability**, including a periodic review process of test methods and the range of standards in order to drive continuous improvement and higher performance and encourage innovative product and system design under better quality control. This regime would be underpinned by a more effective market surveillance system operating at a national level.

Creating a golden thread of information about each HRRB (set out in Chapter 8) by:

- **Obligating the creation of a digital record for new HRRBs from** initial design intent through to construction and including any changes that occur throughout occupation. This package of building information will be used by the dutyholders to demonstrate to the regulator the safety of the building throughout its life cycle.

And in addition:

- **Tackling poor procurement practices** (set out in Chapter 9) including through the roles and responsibilities set out above, to drive the right behaviours to make sure that high-safety, low-risk options are prioritised and full life cycle cost is considered when a building is procured;

- **Ensuring continuous improvement and best-practice learning through membership of an international body** (set out in Chapter 10).

The recommendations in this report relate predominantly to HRRBs which will be overseen by the JCA. However, it is made clear in the following chapters where the review believes that there would be merit in certain aspects of the new regulatory framework applying to a wider set of buildings.

Costs and savings associated with the new regulatory framework

These recommendations will require additional actions from those building and owning HRRBs. However, there are a number of potential benefits from this approach: for example, investing more in upfront design is likely to save financial resources later on in the process.

Research from the USA suggests that net savings in the region of 5% in the costs of the construction of newly built projects are possible where a digital record is utilised (see Chapter 8). In addition, a clearer set of roles and responsibilities could:

- create certainty in the market in terms of what the changes look like and in both the immediate and longer term reduce risks of poor quality

building work, increasing investor confidence and mitigating the likelihood of any slowing down in the pace of building work; and

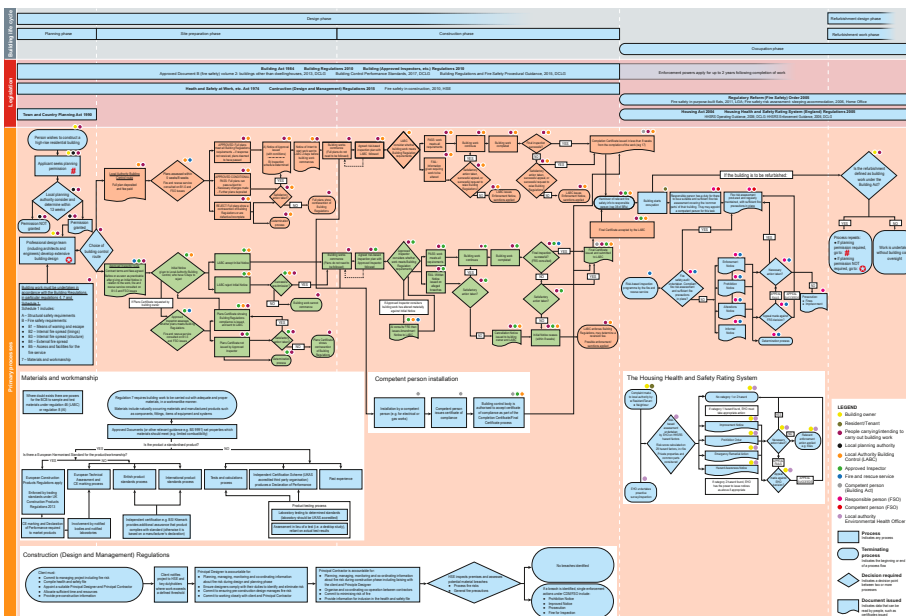
- reduce confusion between different actors over who is responsible for specific aspects of the work, and minimise the likelihood of mistakes that need to be rectified, speeding up the transaction process and potentially deliver efficiencies that manifest themselves in greater productivity.

More broadly, investing in improved competence levels could ensure that more skilled workers are able to correct errors and improve efficiency alongside ensuring compliance with the regulations. An improved product testing and marketing regime could also have additional quality benefits, for instance in ensuring sustained product performance.

Mapping the existing and future regulatory frameworks

The interim report included an outline map of the existing regulatory system insofar as it applied to the design, construction, occupation and maintenance of a high-rise residential building. Even though it did not cover all detailed scenarios, it was still **highly** complex – involving multiple routes, regulators, dutyholders and differing (and overlapping) sets of legislation.

Figure 1: Map of the current regulatory system for high-rise residential buildings



The new regulatory framework for HRRBs attempts to move in the opposite direction by making the regime significantly more straightforward and comprehensible whilst also making it more rigorous and effective. At Appendix B we have included an outline map of the new framework based on our recommendations. It is **significantly** simpler. This greater simplicity is because of the following key changes:

- the same regulatory body (the JCA) oversees building safety across the building life cycle;
- the same legislative framework applies across the building life cycle;
- the existing overlaps between different legislation and different regulators (in particular the Housing Act 2004 and the Fire Safety Order 2005) have been removed;
- there are no longer two parallel, but confusingly different, building control bodies providing oversight during design and construction;
- there are a new set of specific JCA interventions across the building life cycle (gateway points and safety case review); and
- self-certification processes (whereby aspects of building work can be signed off by the individuals doing the work without broader regulatory oversight) have been removed.

The report acknowledges there are some areas where complexity remains, especially around oversight of construction products. The review sets a clear direction towards eventual greater simplification although there remains much more to do.

Conclusion

Whilst the recommendations in each chapter are crucial, in isolation they will fail to achieve the systemic change sought. The framework operates as a mutually reinforcing package and requires the implementation of its interdependent components in order for this to be achieved.

Implementing the package proposed in this report may take some time. Whilst some of the recommendations can be delivered in the short term, some will require primary legislation and in the meantime industry must start 'living' the cultural shift that is required – the most important element of achieving that will be leadership from within industry.

It is therefore important that government develops a joined-up implementation plan to provide a coherent approach to delivering the recommendations in this report.

The next chapter sets out some of the key parameters that underpin the new regulatory framework. The subsequent chapters set out in detail the recommendations covering each key element of change.