

Consultation response

Ministry of Housing, Communities and Local Government

Social Housing Green Paper: A new deal for social housing

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We're here so no one has to fight bad housing or homelessness on their own.

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Summary

Chapter 1: Ensuring homes are safe and decent

- We welcome the emphasis which the green paper places on the need for standards of safety to be recognised as a joint enterprise between landlords and tenants.
- We're pleased that the Government supports the principles behind the Hackitt report recommendations and is committed to new legislation, but we're concerned the Government suggests this will take time. If residents' safety is to be assured, then the Government must take urgent action.
- Hackitt¹ also recommended a need for culture change in the relationship between landlords and residents, *flagging that this could be put in to effect quickly, in advance of any legislative changes*. We strongly support this. If tenants are to be genuinely involved in their housing, the sector needs to shift to a vibrant empowerment culture, stemming from the governing body and the CEO through to all levels of staff.
- Basic safety measures, such as a requirement to install smoke alarms, carbon monoxide alarms and to carry out an electrical inspection every five years, should apply to all tenants regardless of tenure. We also recommend that the Housing Health and Safety Rating System (HHSRS) should be enforced in social housing, as well as private rented sector.
- We suggest that in addition the Decent Homes Standard should cover the appearance of neighbourhoods, as well as individual homes.
- We strongly welcome the Homes (Fitness for Human Habitation) Bill², which will make it a requirement of all tenancy agreements that a home is fit for human habitation. This will allow tenants to take court action if the *outcome* of the landlord's neglect is such that the accommodation is rendered unfit.
- Cuts to legal aid³ mean advice on landlord and tenant issues is no longer available, despite the abundant evidence that this would result in substantial savings to the court system and other statutory agencies. It is imperative that the current government review of LASPO⁴ should result in the restoration of legal aid for early advice on housing problems.

Chapter 2: Effective resolution of complaints

- Mediation should not be regarded as an appropriate means of resolving disputes where the health and safety of residents could be compromised (such as complaints of a Category 1 Hazard under the

¹ [Independent Review of Building Regulations and Fire Safety: Final Report, recommendation](#), (Page 68, paragraph 4.25), Dame Judith Hackitt, May 2018

² Karen Buck MP's [Homes \(Fitness for Human Habitation\) Bill 2017-19](#), which is supported by the Government and is due to have its Second Reading in the Lords on 23 November 2018.

³ Legal Aid, Sentencing and Punishment of Offenders Act 2012

⁴ Ministry of Justice, [Post-implementation review of LASPO](#), last updated June 2018

Housing Health & Safety Rating System or statutorily unfitness under forthcoming housing fitness legislation⁵).

- We suggest an awareness campaign, and further resources, to ensure residents are aware the Ombudsman aims to support residents and their landlords to resolve complaints locally. However, attempts to increase early resolution must not become barriers to access or cause delays in the system.
- We strongly urge the government to remove the 'democratic filter' for referral to the Ombudsman. This would speed up the resolution of issues and help to reduce the stigma felt by residents of social landlords because a democratic filter doesn't apply to people with complaints in most other sectors.
- The government should make it a requirement that all tenancy agreements and leases set out the process for making and escalating complaints in the same way that information about free, independent advice is on every energy bill.
- We recommend that the Legal Help scheme is extended to cover detailed advice and some support to make a referral to the Ombudsman or the Regulator, to ensure that residents can access advice and support to make a complaint.
- On tenant involvement, landlords should be required to adopt recommendations made by tenants or justify why this isn't possible, rather than simply saying they need to be given 'opportunities to influence and be involved'.
- We strongly support Codes of Practice on the Tenant Involvement and Empowerment Standard and other consumer standards. This would make it easier for residents to challenge breaches of the standards.
- We strongly support the proposal that the Tenant Involvement and Empowerment (TIE) Standard⁶ on complaints should set out specific timescales for dealing with complaints. Standards could require landlords to adopt recommendations made by tenants or justify why this isn't possible, rather than merely saying that tenants need to be given 'opportunities to influence and be involved'.

Chapter 3: Empowering residents and strengthening the Regulator

- We dispute the opening premise that if residents are provided with better information on the performance of providers, allowing them to compare performance, they will be more empowered.
- Social renters can't simply choose to rent from another landlord in the same way that, in theory at least, a patient can move to a new GP or a parent can choose a school.

⁵ Karen Buck MP's [Homes \(Fitness for Human Habitation\) Bill 2017-19](#), which is supported by the Government and is due to have its Second Reading in the Lords on 23 November 2018.

⁶ [Tenant Involvement and Empowerment Standard](#), Homes & Communities Agency, 2017 (paragraph 2.1.2)

- So, while access to information on performance would be helpful, publication of ratings and league tables may not be as effective as the publication of inspection reports and league tables in other areas of public service provision.
- We recommend that the Government needs to explore further with residents the idea of performance rating of social landlords
- If Government decides to go ahead with KPIs, the suggested KPIs make a good start in covering the areas of most concern to residents. We strongly support the efficacy of complaints being a KPI. However, we recommend a separate consultation with residents on what additional consumer standards, and performance indicators, they wish to see.
- To ensure effective resident scrutiny, the Regulator should place a clear obligation on social landlords to provide timely, useful information to residents.⁷ **We recommend the Government extends FOI legislation to require all social housing providers, and their contractors, to respond to FOI requests.**
- We urge the Government to be cautious about the using KPIs to inform or influence the extent to which landlords receive Affordable Homes Programme funding. While this may be effective in incentivising performance, it could also have unintended consequences on standards.
- Current resident engagement measures aren't always effective in improving services because of the limitations of co-regulation, lack of resources, an unknown and distant regulator and no proactive enforcement of consumer standards.
- There is certainly a need for stronger representation of residents at national, regional and local government level. We recommend the reintroduction of an independent organisation, such as a Tenants Union (similar to the former National Tenants Voice), which is formally recognised, independently funded and inclusive via use of different involvement channels.
- There is merit in the Government commissioning an independent evaluation of cooperative, community and mutual social housing models, and publishing good practice. But, we are opposed to a Government programme to promote the transfer of local authority homes to community-based housing associations. Local proposals to transfer existing homes to community, cooperative or mutual models should only be triggered by residents and should only happen if a clear majority vote for it.
- We recommend that the consumer standards are expanded to cover other issues which are important to residents via a separate consultation. Additional consumer standards and KPIs could cover major works, neighbourhood renewal and estate regeneration, and service charges.
- We strongly recommend the Government removes the 'serious detriment' test for intervention in complaints about social housing, which is preventing proper enforcement of standards. Instead, the Government should require proactive inspection, reporting and enforcement of the consumer standards.

⁷[Implementing social housing reform: directions to the Social Housing Regulator: consultation](#) (paragraph 64), DCLG, July 2011

- We agree with the Secretary of State that there is a powerful case for strengthening the Regulator, so it focuses on how residents are treated and the level of services they should expect. We recommend a proactive inspection regime, based on that previously used by the Audit Commission, should be reintroduced, developing the lessons learned from the previous regime.⁸
- We recommend that groups of tenants (whether recognised by their landlords or not) should be able to refer their concerns directly to the regulator where they have common concerns which they believe are caused by a systemic failing in the landlord's services.
- We recommend a 'twin peaks' regulatory model for social housing, based on the financial services regulation model. With a separate consumer protection regulator (based on the model of the Financial Conduct Authority) focused solely on protecting tenants and ensuring their voice is heard, operating alongside a slimmed-down and focused Social Housing Regulator (operating on the model of the Prudential Regulation Authority), which could continue to concentrate on its core economic brief for housing associations.
- Government should undertake a comprehensive review of current and potential enforcement powers available to the consumer regulator, including how often they are used, their effectiveness and how they compare to the powers available in other regulatory frameworks both in England and other jurisdictions. Residents should be involved in this review.

Chapter 4: Tackling stigma and celebrating thriving communities

- If Government is serious about '*a change in the way social housing residents are treated, viewed and respected*'⁹ then it must ensure that media and public are part of this change.
- National and local government should take the lead in acknowledging and affirming the positive attributes and value of social housing and challenging the stigmatisation and marginalisation of social housing and its residents. The government should consider the priority it attaches to home ownership compared to social rent housing and the signal that sends to social residents about their importance and status as well as the signaling effect to others in society.
- We recommend that the best way to tackle stigma is to provide more social homes so that they are available to a larger proportion of the population. There is significant demand, with 1.2m households waiting for a social rented home and many more households being denied access to the waiting list. The shortage of social homes has played a fundamental part in increasing the stigma around social housing as it has residualised the sector.
- We recommend a further way to remove stigma is to ensure investment in improving social housing neighbourhoods, possibly through a change to the Decent Homes Standard and funding to support this.
- It's also essential that the sort of design mistakes made in previous large social housing developments, which can set them apart from other forms of housing or make them less desirable, adding to stigma, are not repeated when building new social housing at scale.

⁸ <http://www.jrf.org.uk/sites/default/files/jrf/migrated/files/1859352391.pdf>

⁹ Paragraph 108

- We support the NPPF requirements on accessibility and provision of local and green infrastructure and amenities. It's important that the forthcoming associated guidance tackles the ongoing stewardship of housing and neighbourhood quality.

Chapter 5: Expanding supply and supporting home ownership

- We strongly recommend that long-term expenditure on Housing Benefit, Local Housing Allowance and Universal Credit are considered when assessing the right policy settlement and financial commitments for government to make on both capital grant and borrowing for social housing.
- We recommend that the Government uses the upcoming Spending Review as an opportunity to remedy the shortage of grant funding for social housing by making sufficient grant available to enable an ambitious programme of social housebuilding.
- We recommend certainty on capital grant, rent levels and support to cover rent through the welfare system, as they are all crucial for delivering the resources needed for social housing providers to build additional affordable housing.
- We support in principle the use of new strategic partnerships to give housing associations longer-term funding certainty. However, it is vital government ensures the homes built with this funding are genuinely affordable to those in the greatest housing need.

Introduction

Shelter welcome the opportunity to respond to this vitally important green paper. Our housing crisis is one of the biggest challenges facing this country.

In January 2018, we launched¹⁰ an independent Social Housing Commission to examine the state of social housing in modern Britain and its future role in ending the housing crisis and addressing the crucial issues highlighted by the Grenfell Tower fire.

YouGov polling revealed many of the challenges described by Grenfell residents in the aftermath of the tragic fire are faced by social housing communities right across England:

- Almost half (48%) of families in social housing who reported issues around poor or unsafe conditions felt ignored or were refused help. Problems included fire safety, gas leaks, electrical hazards, mould and pest problems, among others
- Almost a quarter (24%) of families in social housing said they feel looked down on because of where they live, compared with only 8% of families who are private renters or homeowners

Our Commission is chaired by Reverend Mike Long of Notting Hill Methodist Church near Grenfell Tower. Among the other 15 commissioners are Baroness Doreen Lawrence, Ed Miliband MP, Baroness Sayeeda Warsi, Lord Jim O'Neill, and Grenfell tower survivor Edward Daffarn.

A major aim of the Commission is to give social housing tenants across the country, starting with the Grenfell community itself, a far louder say in the future of social housing. So, alongside the launch of the Commission, we started a Big Conversation¹¹ – a national consultation giving people the opportunity to get their voices heard, and collectively identify how to make a bigger and better social housing sector. In response, over 30,000 people took our survey on social housing.

This was followed by a series of five workshops in different parts of England, four public debates and four research and policy workshops with Shelter's service users to provide opportunities for social tenants, as well as their neighbours and people on waiting lists, to share their thoughts and experiences – both good and bad.

The Commission was also supported by an extensive programme of original research and analysis. Working with the research agency Britain Thinks we undertook qualitative and quantitative research with social renters, groups who could be social renters such as private renters, and the wider public.

In January 2019, the Commission will launch its report and present its recommendations to the prime minister and other party leaders. We will then be able to share with government the full findings of the research, and the full extent of the Commission's recommendations.

As set out in this response, we welcome many of the proposals contained in the green paper. We strongly support the announcement that measures in the Housing and Planning Act 2016, allowing government to levy councils for vacated high value council homes, will be repealed 'when Parliamentary time allows'. And the Act's requirement that council landlords let on fixed-term tenancies will not be implemented 'at this time'. Shelter oppose both measures and had argued strongly that they would deny people the settled homes they need.

¹⁰ [Shelter launches new social housing commission](#), Shelter Media, 23 January 2018

¹¹ [Our Big Conversation](#), Shelter

Also welcome is the suggestion of 'regulatory change' so that consumer standards in social housing are enforced in a similar way to the economic standards, with abolition of the 'serious detriment test' if it prevents the Regulator from taking a proactive approach. Social housing must have a regulator with teeth if tenants are to have decent homes. And the service provided to tenants must be a big priority for inspection and enforcement.

There are also welcome suggestions to set timescales for landlords, and the Ombudsman, to more quickly deal with complaints so that tenants receive a speedy resolution to their concerns. This should help in individual cases.

But this is underpinned by the idea that tenants can exercise consumer choice: if they see their landlord is providing a poor service under proposed new performance indicators and league tables, then they can vote with their feet. But, as survivors of the Grenfell fire have pointed out, social renters can't simply move to another landlord in the same way that a patient can move to a new GP.

Once in social housing, the shortage of homes, combined with massive demand, means that it's extremely difficult to move. We're advising many families in the shadow of Grenfell Tower who are severely overcrowded and with dreadful disrepair. But there are few suitable homes for them to move to.

So, the big disappointment is the green paper doesn't commit a single extra penny to social housing. Without more funding to build far more homes for the thousands trapped in temporary accommodation and expensive private rentals, and to ensure that existing social homes are safe and healthy to live in, too many people will be at risk of being trapped in bad housing.

If the Government is serious about the future of social housing, it must be recognised as a vital part of our national fabric in the same way as the NHS. We want to see the Government commit to investing in the future of social housing via the building of a new generation of millions of new homes for social rent. This will provide new hope for those in greatest housing difficulty, such as homeless families and struggling private renters who will never be able to afford to buy a home, as well as ensuring that existing social homes and neighbourhoods are safe, healthy and happy places to live.

Response to specific consultation questions

Chapter 1: Ensuring homes are safe and decent

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

We welcome the emphasis which the green paper places on the need for standards of safety to be recognised as a joint enterprise between landlords and tenants. The Grenfell Tower fire has inevitably led to a specific focus on fire safety, but the same imperative for resident engagement applies to all health and safety issues.

The Tenant Involvement and Empowerment Standard contains specific expectations. These are valuable principles, but they are too broad, and open to narrow interpretation, or lip service, in practice.

We fully endorse the recommendations of the Hackitt report that: *No landlord or building manager should be able to treat the views and concerns of residents with indifference. The system should ensure that the needs of all residents, including those who are vulnerable, are taken into account, and it should provide them with the reassurance they need that their homes are safe.*¹²

We're pleased that the Government supports the principles behind Hackitt's recommendations and is committed to new legislation in this respect. But we're concerned the Government feels such reform will take time. If residents' safety is to be assured, then the Government must take urgent action to ensure:

- Landlords have a strategy for resident engagement on safety which consists not only of aspirational objectives, but also addresses the operational commitments by which it proposes to achieve those goals.
- Tenant engagement on safety should include the provision of accessible information about the safety systems and standards in their building, including core elements prescribed by regulations. This will ensure that all residents receive a comprehensive set of essential information allowing them to benchmark the safety of their building against others.
- Residents are involved – not merely consulted – in respect of decisions about work which affects the condition or safety of their homes, setting out precisely how this should be done
- Arrangements should be communicated to residents before major works begin or measures are taken.
- Providers provide residents with details of the internal process to raise their concerns and respond rapidly if residents do so. The first port of call for residents with concerns about health and safety should be the safety manager for the building or other officer nominated by the landlord.
- Where residents who have raised concerns feel that their concerns have not been adequately addressed, then there must be a clear and direct route of escalation and redress to an independent body.

¹² Paras 4.2, 4.4, 'Building a Safer Future': Independent Review of Building Regulations and Fire Safety: Final Report (Dame Judith Hackitt). Cm 9607, May 2018.

The combination of transparency of information and clear channels of communication and participation should reassure residents that their voice is genuinely significant. Partnership working should equally ensure that residents comply with their own obligations, such as giving access for works or using non-combustible materials if replacing doors.

We strongly support Hackitt's recommendation that funding is provided for organisations working to assist residents as they could provide training, advice and support to residents on safety issues. These organisations could have other functions, such as sharing best practice and assisting landlords to improve their complaints handling.

We welcome the Government's intention to develop a programme of support for tenant engagement with issues of building safety. We also welcome the proposal to establish a pilot scheme with a group of social landlords to devise and test different options for communicating with residents and providing the means of genuine involvement on safety issues.

Hackitt¹³ also recommended a need for culture change in the relationship between landlords and residents so that the good practice that already exists becomes the norm across the whole sector, *flagging that this could be put in to effect quickly, in advance of any legislative changes.*

We support this. If tenants are to be genuinely involved in their housing, the sector needs to embrace a vibrant empowerment culture in the social housing sector, stemming from the governing body and the CEO through to all levels of staff.

However, tenants' groups report that this culture simply doesn't exist and/or isn't a priority in most social landlords. Without this, tenants face barriers in fulfilling a regulatory role. People who attended our deliberative events told personal stories of social tenants experiencing problems, such as landlords failing to properly maintain their homes or deal with tenancy management problems. They reported an overall feeling of powerlessness in the system, driven by a perceived lack of recourse when there are problems. Landlords' own complaints procedures were not generally seen as an effective means of redress because there's no external pressure or strong incentives to improve.

2. Should new safety measures in the private rented sector also apply to social housing?

Yes. Basic safety measures, such as a requirement to install smoke alarms, carbon monoxide alarms and to carry out an electrical inspection every five years, should apply to all tenants regardless of tenure.

However, there is a greater opportunity here which should not be missed. We recommend that the Housing Health and Safety Rating System (HHSRS) should be enforced in the social rented, as well as private rented sector. All participants who responded to the Universities of Bristol and Kent research report *Closing the Gaps*¹⁴ were agreed that it is entirely illogical that certain housing tenures should be exempted from the HHSRS.

¹³ [Independent Review of Building Regulations and Fire Safety: Final Report, recommendation](#), (Page 68, paragraph 4.25), Dame Judith Hackitt, May 2018

¹⁴ *Closing the Gaps: Health and Safety at Home*: David Cowan, Helen Carr, Edward Kirton-Darling and Edward Burtonshaw-Gunn, Universities of Bristol and Kent, November 2017.

Indeed, one of the fitness standards under the cross-tenure Homes (Fitness for Human Habitation) Bill is the absence of a Category 1 hazard. So, the HHSRS will clearly have a role to play as an assessment process. Together with the fitness standards and guidance on the implementation of the new Act, it will form the basis of the concept of fitness (including health and safety matters).

Social housing is not subject to the current legislation on enforcement of the HHSRS, which requires local authorities to take enforcement action in respect of 'Category 1 hazards' and gives the power to take action where the building contains a 'Category 2 hazard'. The main objection to the application of the HHSRS to the social rented sector is that local housing enforcement teams cannot act as an enforcement agency against local authority landlords (which would ultimately necessitate a local authority taking itself to court) and are generally reluctant to respond to complaints from housing association tenants.

There is therefore a need for the Regulator of Social Housing to use HHSRS specialists to assess whether there are Category 1 hazard or other breach of fitness standards. They could also be used to provide the independent technical evidence which a resident would need to bring a county court claim for damages and an injunction (order) for works under what will become the Homes (Fitness for Human Habitation) Act.

There is also a need for the HHSRS Operating Guidance¹⁵ to be made more accessible so that residents and providers can more readily understand how the hazard rating system works.

3. Are there any changes to what constitutes a Decent Home that we should consider?

Not all social rented homes meet the existing Decent Homes Standard and so the priority should be to ensure that this happens.

The present four tests – freedom from any hazard that poses a serious threat to health or safety; a reasonable state of repair; reasonably modern facilities and services; efficient heating and insulation – cover most kinds of improvement that will be necessary to bring homes up to the standard.

We suggest that in addition the Decent Homes Standard should cover the appearance of neighbourhoods, as well as individual homes.

There is also an urgent need to update the guidance¹⁶ on implementation of the Decent Homes Standard, particularly in relation to reasonably modern facilities and services and a reasonable degree of thermal comfort, which still dates from 2006.

Consideration should be given to making the guidance more prescriptive, particularly in relation to safety issues, which are not addressed at all except through a reference to the (non) existence of a Category 1 hazard under the HHSRS. Moreover, there is a need to revise the section on resident engagement, which occupies only four paragraphs under the heading "Working in accordance with tenants' wishes".¹⁷

4. Do we need additional measures to make sure social homes are safe and decent?

¹⁵ A Decent Home: Definition and guidance for implementation June 2006 – Update, para 7.19.

¹⁶ [A decent home: definition and guidance](#), MHCLG, 2006

¹⁷ Ibid, paragraphs 6.9 – 6.12.

In addressing this question, it is necessary to consider whether the law provides a satisfactory and coherent underpinning for existing and future measures to ensure homes are safe and decent.

As the *Closing the Gaps report* highlighted, the law relating to health and safety in people's homes is piecemeal, out-dated, complex, dependent upon tenure, and patchily enforced. It makes obscure distinctions, which have little relationship with everyday experiences of poor conditions. Tenants wanting to remedy defects face numerous and often insurmountable barriers to justice.

Therefore, we strongly welcome the Government's support for the Homes (Fitness for Human Habitation and Liability for Standards) Bill, which revives a long obsolete provision which would make it a requirement of all tenancy agreements of seven years or less that a home is fit for human habitation at the beginning of, and throughout, a letting. The landlord's responsibilities will be to ensure that the property complies with the ten fitness standards. A tenant can complain to the court if the *outcome* of the landlord's neglect is that the accommodation is rendered unfit; whereas at present the tenant must prove to the court that the *cause* of the poor conditions is the landlord's failure to carry out his/her repairing obligations. The new Act will apply to private and social tenancies.

Subject to Royal Assent, this will allow residents who have concerns about their health and safety being compromised to seek redress through the courts as well as via the Ombudsman, and possibly the Regulator. But, however much the law on housing conditions and provision for tenant engagement are improved, there will always be a need for residents to seek independent legal advice, not only when the problem has escalated into a crisis and become the subject of court proceedings, but at an earlier stage when, with advice and advocacy, it is possible that the issue may be resolved without resort to the courts.

Because of the cuts to legal aid made by the Legal Aid, Sentencing and Punishment of Offenders Act 2012 ('LASPO'), advice on landlord and tenant issues is no longer available on legal aid, despite the abundant evidence that such provision would result in substantial savings to the court system and other statutory agencies such as social services further down the line. It is imperative that the current MoJ Review of LASPO should result in the restoration of legal aid for early advice on housing problems.

Chapter 2: Effective resolution of complaints

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

Mediation should not be regarded as an appropriate means of resolving disputes where the health and safety of residents could be compromised.

This would be akin to expecting a diner in a restaurant to mediate with the owner to ensure their food is being stored and prepared in a way that doesn't make them unwell. To ensure consumer protection in social housing, providers should be expected to meet minimum standards and take resident concerns and complaints extremely seriously. Where this doesn't happen, residents must expect a regulatory system that holds housing providers to account in the same way as health, education and other consumer regulation.

Nor should mediation be expected to resolve complaints that a landlord has breached minimum statutory housing standards (e.g. the property contains a Category 1 Hazard under the Housing Health & Safety Rating System or is deemed statutorily unfit under forthcoming housing fitness legislation¹⁸) or

¹⁸ Karen Buck MP's [Homes \(Fitness for Human Habitation\) Bill 2017-19](#), which is supported by the Government and is due to have its Second Reading in the Lords on 23 November 2018.

regulatory standards (e.g. the Home Standard¹⁹). When residents pay rent and/or service charges, they should expect their landlord to meet minimum statutory, regulatory and contractual standards in return, without having to turn to mediation.

In 2017/18, the Housing Ombudsman determined 1,712 cases²⁰ and responsive repairs continued to be the largest category of complaint received (37%). This indicates that most residents' complaints relate to disrepair. Many disrepair issues could affect the health and safety of residents.

However, in the case of complaints that do not compromise the health and safety of residents, such as less urgent repairs or other housing management problems, there could be value in strengthening the mediation opportunities available to residents to avoid the need for them taking legal action against the landlord or for the Ombudsman or Regulator to undertake an inspection.

For these lower-level issues, a strengthened mediation scheme could offer quicker, simpler and more cost-effective redress for tenants and help prevent complaints escalating. In a recent Housing Ombudsman consultation²¹, their role in local resolution was particularly welcomed from a resident perspective.

As the green paper points out, in 2017/18, 77% (5,467) of the 7,087 cases closed by the Housing Ombudsman 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. The Ombudsman reports that nearly 80% of complainants felt that local resolution of complaints did help in their cases, but the responses showed that there is more the Ombudsman could do to improve the effectiveness of local and early resolution.

We suggest an awareness campaign, with the Housing Ombudsman having enough resource to meet demand, to ensure residents are aware that the Ombudsman aims to support residents and their landlords to resolve complaints locally. However, attempts to increase early resolution must not become barriers to access or create delays in the system as has been the case with the 'democratic filter' (see below).

So, any attempt to strengthen mediation opportunities locally should not duplicate independent mediation offered by landlords or within the Ombudsman scheme.

6. Should we reduce the eight-week waiting period to four weeks, or should we remove the requirement for the "democratic filter" stage altogether?

We strongly recommend the government to remove the democratic filter altogether.

Since 2012, the Housing Ombudsman is the single, specialist ombudsman for all complaints about social landlords (taking on responsibility for complaints relating to local authority landlords from the Local Government Ombudsman).

The Localism Act 2011²² requires tenants who have exhausted their landlord's internal complaints procedure to ask for their complaints to be considered by a 'designated person': a local MP, councillor or designated tenant panel.

¹⁹ [The Home Standard](#), Homes and Communities Agency, April 2012

²⁰ The Housing Ombudsman, *Annual report and accounts 2017-18*, 2018 https://www.housing-ombudsman.org.uk/wp-content/uploads/2018/07/Annual-Report-and-Accounts-2017-18_Web-Accessible.pdf

²¹ Ibid, page

²² [Localism Act 2011](#), section 180: housing complaints

If tenants wish to refer their case direct to the Ombudsman, they must wait eight weeks from when their landlord has given its final response to the complaint.²³

The original rationale for the introduction of a democratic filter was that local councillors and MPs would become more expert at using their influence to stop complaints arising or resolving them at an earlier stage. Tenant panels were viewed as having a similar function by, for example, acting as an advocate for the complainant, by giving advice, providing a review of the way the complaint has been handled or being more proactive and suggesting a solution.

However, there is growing evidence that the democratic filter simply causes further delays to the satisfactory resolution of complaints:

- The Interim Housing Ombudsman recently reported²⁴ that in 2017, 93% of their complainants had to wait the full eight weeks to access their service after completing the landlord's complaint process. She reported this adds further stress and frustration on top of the housing problem they are living with every day.
- Around half of the respondents to a consultation on Ombudsman's 2017-18 Business Plan²⁵ reported they found the designated person arrangements confusing and that they added little value. About half of respondents were, to varying degrees, negative about the designated persons arrangements. Some felt that generally residents prefer going straight to the Ombudsman, seeing them as independent.
- As the green paper points out, the same Ombudsman's consultation found that although some local designated person arrangements work well, in many cases they don't, and some designated persons don't fully understand their role.
- The Housing Ombudsman currently lists only 91 designated tenant panels on its website.²⁶ This means that residents in many areas can only be referred by a local MP or councillor. There could be a conflict of interest if they are a council housing resident and their local councillors and MP are of the same political party as that controlling the council. In the recent Ombudsman's consultation²⁷ respondents reported a reluctance to use designated persons because of confidentiality or perceived conflict of interest.

We therefore agree with the Interim Housing Ombudsman in supporting full removal of the democratic filter. As she points out, removal of the filter would not prevent tenant panels, MPs and councillors from assisting residents to resolve issues if they wished to.

Furthermore, removal of the filter could also help to reduce the stigma felt by residents of social landlords. As the green paper points out, the democratic filter doesn't apply to people with complaints in most other sectors who wish to make a referral to an ombudsman.

²³ [Localism Act 2011](#), section 180: housing complaints, 7B

²⁴ Andrea Keenoy, Interim Housing Ombudsman [Eight-week delay for complaints adds stress and frustration and should be removed](#), *Inside Housing*, 16 October 2018

²⁵ [Our plans and budget for 2017-18: responses to our consultation](#), Housing Ombudsman Service

²⁶ <https://www.housing-ombudsman.org.uk/useful-tools/fact-sheets/designated-tenant-panels/>

²⁷ Ibid, page 5

7. What can we do to ensure that the “designated persons” are better able to promote local resolutions?

If the democratic filter remains, we suggest that the Ombudsman consults on how designated persons are better able to promote local resolution, asking for examples of good practice where the designated person arrangements are working well. Then publishes a good practice guide for designated persons.

Respondents to the Ombudsman consultation indicated that in some places the ‘designated persons’ arrangements are working well and expressed interest in the Ombudsman service helping to improve how designated persons arrangements work.

The Housing Ombudsman Business Plan 2018-19 already commits the Ombudsman to:

- review and clarify their policy and guidance on local resolution and build capacity to deliver this
- evaluate the effectiveness of recently revised guidance on early resolution
- develop materials and other resources to promote a better understanding of the role of designated persons
- increase the range of online tools (for example videos and webinars) to improve landlords’ and residents’ understanding of how to resolve disputes

8. How can we ensure that residents understand how best to escalate a complaint and seek redress?

There are a number of ways to raise awareness with residents of how best to escalate a complaint:

- The government could make it a requirement that all tenancy agreements and leases set out the process for making and escalating complaints in the same way that information about free, independent advice is on every energy bill. Citizens Advice research into consumer redress schemes²⁸ shows that the most difficult stage of complaining to a scheme was identifying how to make a complaint.
- The current Tenant Involvement and Empowerment (TIE) Standard²⁹ already specifically expects:

Providers shall offer a range of ways for tenants to express a complaint and set out clear service standards for responding to complaints, including complaints about performance against the standards, and details of what to do if they are unhappy with the outcome of a complaint. Providers shall inform tenants how they use complaints to improve their services. Registered providers shall publish information about complaints each year, including their number and nature, and the outcome of the complaints. Providers shall accept complaints made by advocates authorised to act on a tenant’s/tenants’ behalf.

The TIE Standard on complaints should be tightened so that it is more prescriptive, for example by specifically requiring providers to, on receipt of a complaint, inform the resident in writing of the process and how to refer the complaint to the Ombudsman or Regulator, or take court action, if

²⁸ Gill, C., Creutzfeldt, N., Williams, J., O’Neill, S. and Vivian, N., [Confusion, gaps and overlaps: A consumer perspective on alternative dispute resolution between consumers and businesses](#), Citizen’s Advice, 2017

²⁹ [Tenant Involvement and Empowerment Standard](#), Homes & Communities Agency, 2017 (paragraph 2.1.2)

they remain unhappy with the outcome at the end of the landlord's complaints procedure. The research on consumer redress schemes mentioned above³⁰ found consumers felt more confident about approaching a scheme if they'd been clearly signposted by the business.

- The TIE Standard should also be backed by a Code of Practice in the same way as some of the economic standards, so that it is easier for residents to challenge breaches of the regulatory standard.
- It's unclear whether landlords currently comply with the specific expectations on complaints in the TIE Standard because many complaints won't meet the threshold of the 'serious detriment test'. We therefore recommend that the test is abolished, and a new Housing Consumer Regulator is established to promote and proactively regulate the protection of consumers. The new regulator could be required to set out on its website what standards residents of different tenures should expect and provide clear information on what to do if the standards aren't met.
- Finally, we believe there's a strong case for an awareness campaign to ensure social tenants understand their rights to seek redress, as suggested in the green paper.³¹ This would also help to address stigma and the fear of consequences that some residents report³². Our Social Housing Commission have heard how residents of Grenfell Tower felt when they made complaints and were branded as 'trouble makers', and their voices portrayed as non-representative of the majority of residents living in the tower and surrounding areas. In our recent consultation with social tenants, they reported that they can be seen as troublemakers if they complain.

9. How can we ensure that residents can access the right advice and support when making a complaint?

It's important that residents not only understand their statutory, regulatory and contractual rights to redress, but that they are able to enforce them via access to advice and support in making a complaint or referral to the Ombudsman or Regulator.

During the work of our Social Housing Commission, Grenfell United informed us that, in referring their complaints to the Ombudsman, they found the process time-consuming and daunting, and would have valued more advice and support in making their case, particularly when their landlord had the capacity and resources to gather comprehensive documents to repudiate the complaint.

Shelter is cited in the green paper³³ as one of several organisations providing advice and support to residents in making a complaint. We can certainly advise people of their rights to complain³⁴ and give them information on how to refer their case to the Ombudsman³⁵. However, changes made to the

³⁰ Gill, C. et al, [Confusion, gaps and overlaps: A consumer perspective on alternative dispute resolution between consumers and businesses](#), Citizen's Advice, 2017

³¹ Paragraph 51

³² Paragraph 52

³³ Ibid

³⁴ https://england.shelter.org.uk/housing_advice/complaints_courts_and_tribunals/how_to_complain

³⁵ https://england.shelter.org.uk/housing_advice/repairs/complain_to_the_ombudsman_about_repairs_in_social_housing

funding of legal advice by the LASPO Act³⁶ mean that we're unlikely to have the resources to provide casework advice and support to make a referral to the Ombudsman.

Residents may also need access to legal aid to commission independent experts (e.g. fire safety experts or surveyors) to substantiate their complaints to both the Ombudsman and the Regulator.

We recommend that the Legal Help scheme is extended to cover detailed advice and some support to make a referral to the Ombudsman or the Regulator, to ensure that residents can access advice and support to make a complaint would be to extend.

10. How can we best ensure that landlords' processes for dealing with complaints are fast and effective?

We strongly support Codes of Practice on the Tenant Involvement and Empowerment Standard and other consumer standards. This would make it easier for residents to challenge breaches of the standards.

We strongly support the suggestion in the green paper³⁷ that the Regulator should set out more specific timescales for dealing with complaints. The current standards on complaints set no minimum timescales but state that landlords must '*have an approach ...that ensures that complaints are resolved promptly, politely and fairly*'.

The government should direct the Regulator to ensure that consumer standards are more specific, setting clear, minimum expectations:

- All complaints processes should emphasise the need for a written record of complaints
- There should be standard timelines for responding to and resolving issues. The timescale could reasonably differ depending on the severity of the issue, ensuring that the most serious health and safety problems are dealt with quickly and effectively.
- On tenant involvement, landlords should be required to adopt recommendations made by tenants or justify why this isn't possible, rather than simply saying they need to be given 'opportunities to influence and be involved'.

Our (unpublished) research found that most social renters have a reasonable relationship with their landlord, feel that their landlord listens to their concerns and agree that their landlord resolves issues in their home in a timely way.³⁸

However, some are unhappy with how quickly their landlord responds to issues with their housing. Residents we spoke to also described being told that repairs being put off due to budget reasons, leaving them feeling disempowered, and frustrated about where their rent payments had been going.³⁹

People talked about daily frustrations with communication or waiting for work to be completed. A specific frustration was a lack of a named officer to contact with issues, an inability to deal with anyone offline, and (particularly for housing association tenants whose landlord covered a large area) only having contact with someone based across the country, who lacked specific knowledge about their home, or

³⁶ Legal Aid, Sentencing and Punishment of Offenders Act 2012 removed legal aid for advice on disrepair and other landlord and tenant issues.

³⁷ Paragraph 53

³⁸ Britain Thinks, *The estate we're in: Social housing in England after Grenfell*, 2019

³⁹ Britain Thinks, *The estate we're in: Social housing in England after Grenfell*, 2019

town. Some tenants reported to us that they received unacceptable levels of service – such as landlords asking people to wait in their home for workmen for days on end.⁴⁰

“Influence only happens when something bad happens. I had a fire in my home. The housing association did not install a fire alarm before I moved in. After 8 months of exhausting complaints contacting Housing Ombudsman and my local MP and local fire brigade I got changed made for the whole housing stock. That really is disgraceful.”
(Social tenant, response to Shelter’s Big Conversation mass consultation survey)

“They can be a bit slow at getting things done - it took them a week or 2 to fix the front door after it had been kicked in.” (Social tenant, Middlesbrough)

A significant minority of social renters also feel their landlord ignores their efforts to raise issues. One in five (22%) social renters don’t feel that their landlord listens to their concerns.⁴¹

“They talk to you as if you’re scum. To them, it’s a business. The same as if you’re renting from a private landlord.” (Social renter, Colne)

Social renters reported an overall feeling of powerlessness in the system, driven by a perceived lack of recourse when there are problems.⁴²

11. How can we best ensure safety concerns are handled swiftly and effectively within the existing redress framework?

We share the government’s concerns that in 2017/18 the average time taken for a determination by the Housing Ombudsman was eight months.

However, the new six-month target in the Ombudsman’s 2018-19 Business Plan⁴³ is still not fast enough, particularly where residents have health & safety concerns.

We note⁴⁴ that the Ombudsman has already made changes to their systems to more easily identify complaints received from residents of tower blocks and complaints which specifically concern issues of health and safety. We suggest that the online form to complain to the Housing Ombudsman should allow tenants to flag where their complaint relates to health & safety concerns.

Chapter 3: Empowering residents and strengthening the Regulator

The opening premise of this chapter is that if residents are provided with better information on the performance of providers, allowing them to compare performance, they will be more empowered. This

⁴⁰ Britain Thinks, *The estate we’re in: Social housing in England after Grenfell*, 2019

⁴¹ Britain Thinks, *The estate we’re in: Social housing in England after Grenfell*, 2019

⁴² Britain Thinks, *The estate we’re in: Social housing in England after Grenfell*, 2019

⁴³ [Housing Matters: Fairness Matters. Business Plan 2018-19](#), Housing Ombudsman Service, page 14

⁴⁴ Ibid, page 2

includes the measurement and reporting of resident satisfaction in a similar way to the NHS 'friends and family test'.

We dispute this premise. It is underpinned by the idea that tenants can exercise consumer choice: if they see their provider is providing a comparatively poor service, then they can vote with their feet and move to another provider or recommend to others not to rent from them.

But, as survivors of the Grenfell fire have pointed out⁴⁵, social renters can't simply choose to rent from another landlord in the same way that, in theory at least, a patient can move to a new GP or a parent can choose a school. Once in social housing, the shortage of homes, combined with massive demand, means that it's extremely difficult to move. We're advising many families in the shadow of Grenfell Tower who are severely overcrowded and with dreadful disrepair. But there are very few suitable homes in the locality for them to move to.

12. Do the proposed key performance indicators cover the right areas? Are there any other areas that should be covered?

The green paper proposes⁴⁶ that the best way for residents to compare performance is for *'the performance of all landlords to be assessed against a number of agreed and meaningful key performance indicators, relating to standards that matter to residents, made publicly available in a way that enables easy comparison'*.

The publication of ratings and league tables may not be as effective as the publication of inspection reports and league tables in other areas of public service provision. While it may be feasible (though not always possible) for parents to choose not to send their children to poorly performing schools or for a patient to avoid a poorly-performing hospital, social tenants have very little scope to choose their social landlord.

Choice-based lettings may help a little, but people in need of a social home usually have to accept offers of suitable accommodation. And once living in their home, have very limited options to move landlord. Until they have more options, they must be assured that their landlord will be held to account for meeting consumer standards.

However, access to information on how providers are performing against standards, highlighting good and bad landlords, would be helpful, and may provide some incentive to providers to improve performance. Tenants we spoke to in our forthcoming research are familiar with rating systems from other areas of their lives and so intuitively felt a rating system would be effective and that landlords would care about the results. People viewed the rating of landlords as an additional avenue for expressing discontent because multiple tenants giving landlords poor scores would make a strong statement.

But, as stated above, social tenants have very little scope to choose or change their social landlord, so we question how effective public league tables might be in protecting consumers. What could residents do if publication of performance indicators showed that their provider was performing poorly? How could they make their landlord improve? Until social tenants have more options, they must be assured that their landlord will be held to account for meeting consumer standards.

⁴⁵ Apps, P., [Grenfell survivors: green paper does not go far enough](#), Inside Housing, 14 August 2018

⁴⁶ Paragraph 57

So, we recommend that there is a new consumer protection regulator for social housing, which proactively inspects and reports on whether providers are meeting the consumer standards.

Therefore, we recommend that the Government should explore further with residents the idea of performance rating of social landlords – and how residents see these as having the effect of improving performance.

If residents feel that performance indicators would be helpful, and the Government therefore decides to go ahead with KPIs, it's important that they fully reflect the main priorities of residents.

The proposed key performance indicators in the green paper are:

- 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.

The proposed KPIs make a good start in covering the areas of most concern to residents. We strongly support the efficacy of complaints being a KPI.

We recommend that there should be a separate consultation with residents on what additional consumer standards, and performance indicators, they wish to see.

We believe that KPIs should be based on, and included in the current, and any additional consumer standards (backed by new Codes of Practice), namely:

- Home Standard⁴⁷, including homes complying with relevant Decent Homes guidance
- Tenancy Standard⁴⁸, including allocations of home and provision of tenancies
- Neighbourhood and Community Standard⁴⁹, including neighbourhood and anti-social behaviour management
- Tenant Involvement and Empowerment Standard⁵⁰, including complaints and tenant involvement

For example, we suggest that the performance indicator on resident engagement should be strengthened to require that providers respond to the priorities and concerns of residents, rather than simply require '*respectful and helpful engagement*'. Indeed, the proposed KPI on engagement is weaker than the current TIE Standard which requires providers to ensure '*tenants are given a wide range of opportunities to influence and be involved in*' policies, service delivery decisions and management of their homes.

We suggest that residents are consulted on whether there is a need for additional consumer standards and KPIs on:

- Transfer options for tenants
- Disposal (i.e. sale) or transfer in ownership of homes, including housing association mergers
- Major works, neighbourhood renewal and estate regeneration

⁴⁷ [Home Standard](#), Homes & Communities Agency, 2012

⁴⁸ [Tenancy Standard](#), Homes & Communities Agency, 2012

⁴⁹ [Neighbourhood and Community Standard](#), Homes & Communities Agency, 2012

⁵⁰ [Tenant Involvement and Empowerment Standard](#), Homes & Communities Agency, 2012

- Service charges
- Provision of services via different channels (e.g. face-to-face provision via local offices, telephone services and digital-only provision)

13. Should landlords report performance against these key performance indicators every year?

If landlords are to be required to report on performance against KPIs, then the information publicly residents will only be as good as the landlord reporting. If performance against KPI had repercussions for providers, such as financial penalties, then there is a risk that providers might attempt to collect or report data in a way that reflects their performance in the best light, for example asking specific questions in customer satisfaction surveys.

So if providers are required to self-report, rather than being proactively inspected and rated by a new consumer protection regulator, then – at the very least – tenants need a way to be involved in scrutinising what landlords how their landlords collect and report data against the KPIs, and have rights to refer to the Regulator if they think there's a problem or the data doesn't reflect their experiences.

14. Should landlords report performance against these key performance indicators to the Regulator?

A new consumer protection regulator should proactively inspect, report on and enforce standards.

15. What more can be done to encourage landlords to be more transparent with their residents?

If residents are to be fully involved in holding their landlords to account, they need access to relevant information, both proactively and on request. Too often, residents' groups report that they've been refused the information they need to influence decisions or challenge service delivery, such as breakdowns of spending of services charges or details of maintenance or modernisation contracts.

To ensure effective resident scrutiny, the Regulator should place a clear obligation on social landlords to provide timely, useful information to residents.⁵¹

Government and landlords could resource online information hubs where tenants can access and share the information they need. The recently established Tower Blocks UK⁵² website is a good example of this. It aims to support residents of tower blocks by sharing information and resources.

One problem is that housing associations, tenant management organisations and ALMOs are not subject to Freedom of Information (FOI) requests in the same way as local authority landlords. Grenfell Action Group requested information from Kensington & Chelsea TMO but hit a problem with this.

We recommend the Government extends FOI legislation to requires all social housing providers, and their contractors, to respond to FOI requests.

This could be based on Andy Slaughter MP's Freedom of Information (Extension) Bill 2017-19, introduced to Parliament in July 2017⁵³, which aimed to make providers of social housing, local

⁵¹[Implementing social housing reform: directions to the Social Housing Regulator: consultation](#) (paragraph 64), DCLG, July 2011

⁵² www.towerblocksuk.com

⁵³ [Freedom of Information \(Extension\) Bill 2017-19](#). The Bill didn't receive government backing and was talked out in July 2018.

safeguarding children boards, Electoral Registration Officers, Returning Officers and the Housing Ombudsman, public authorities for the purposes of the Freedom of Information Act 2000; to make information held by persons contracting with public authorities subject to the Freedom of Information Act 2000.

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?

Yes, we do.

We agree that the TIE Standard should be amended to require landlords to collate and report data on complaints in a consistent manner that's clear and accessible for residents.

The green paper suggests that this should consist of:

1. How many complaints were resolved
2. How many were resolved after repeated complaints
3. How many were referred to the Housing Ombudsman

We recommend that (1) should be amended to *'how many complaints were resolved to the satisfaction of residents'*.

17. Is the Regulator best placed to prepare key performance indicators in consultation with residents and landlords?

If KPIs are to reflect what is important to residents, then social housing residents' groups should lead on setting KPIs, with these then developed and published by the Regulator.

18. What would be the best approach to publishing key performance indicators that would allow residents to make the most effective comparison of performance?

We recommend that a new consumer protection regulator for social housing should proactively inspect, report on and enforce consumer standards.

We agree there is merit in looking at the publication of performance information by the Scottish Housing Regulator, but there is also merit in looking at how Regulators of other sectors (e.g. health, education, finance and food safety) publish performance information, including via league tables and rating systems.

However, as set out above, the publication of information is not enough because social housing residents cannot exert consumer choice in the same way as other sectors. There needs to be proactive inspection and enforcement of consumer standards.

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?

If, as stated in the green paper⁵⁴, 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, then it's essential that there is proactive regulation of the consumer standards by:

- Removal of the 'serious detriment test'
- The creation of a new consumer protection regulator for social housing
- Both regular comprehensive inspection and short-notice inspection by the regulator
- Strong enforcement action by the Regulator, ultimately linked to the governance rating

We urge the Government to be cautious about the using KPIs to inform or influence the extent to which landlords receive Affordable Homes Programme funding. While this may be effective in incentivising better performance, it could also have the unintended consequence of adversely affecting performance.

For example, most larger housing associations now operate on long-term (e.g. 25-year) business plans. If the housing association is planning to develop new homes, the plans may contain expectations of receiving certain amounts of Affordable Housing Programme funding. If the funding isn't forthcoming, but the provider still decides to deliver the homes, then they may have to cut back on other areas of spending, such as on maintenance and modernisation of existing homes or tenant involvement.

During our recent research social tenants reported to us that repairs were often left unattended because the landlord claimed they couldn't afford to undertake the work.

"Reported repair issues need to be taken seriously. I gave up trying to get damaged, cracked and stained plaster repaired following a major roof leak, as I couldn't bear the persistent mansplaining, accusations of being untruthful and downright incompetence. The housing association simply doesn't want to spend money." (Social tenant, Shelter's Big Conversation mass consultation survey)

Also, if KPIs are linked to funding then, while this may act as an incentive to providers, it wouldn't provide an immediate outcome for residents, including those whose health and safety is being compromised. Only effective regulation can do this.

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?

No, current resident engagement measures aren't effective in improving services.

Government attempts to formally involve tenants in the regulation of social housing have been largely ineffective. Since 2010, government policy has expected that 'local mechanisms should be used to address routine problems' to 'enable tenants to hold their landlord to account and press for better services'.

Earlier this year, the Hackitt Review of fire safety⁵⁵ concluded a lot more must be done to ensure the voices of all residents, regardless of tenure, are heard and their concerns properly addressed.

But tenants report to us that they lack opportunities to be involved and feel powerless.

This is for several reasons:

⁵⁴ Paragraph 68

⁵⁵ Hackitt, D, [Independent Review of Building Regulations and Fire Safety: Final Report, recommendation](#) (page 64, paragraph 4.7), May 2018

Limitations of co-regulation

Tenant Panels were expected, though not legally required, to be used as a mechanism to scrutinise landlord performance and resolve complaints. While there are many good examples of effective tenant scrutiny⁵⁶, tenant panels have failed to take off as envisaged. There are around 3.9m households living in social housing, yet the Housing Ombudsman currently lists only 91 designated tenant panels on its website.

We recommend the Government and Regulator should urgently require landlords to actively support the formation of tenant panels and share good practice on how this should be done.

Lack of resources

National tenant groups report that since 2010, severe cuts to local authority budgets, the focus on value for money in social housing, and other financial pressures on landlords (such as the 2016 1% rent cut) has meant that tenant involvement and empowerment has not been prioritised by landlords and there are considerably fewer resources available to support it. At a recent tenant involvement conference⁵⁷, one tenant engagement officer reported that he was covering 20,000 tenancies.

There are fewer residents on landlords' governing boards, and a lack of funding has undermined the tenants' movement. Southwark Group of Tenant Organisations is the only remaining tenants' federation funded through a tenants' levy: a payment made along with rent.

We recommend that the Government ensures that providers are adequately resourcing tenants groups, including providing training and capacity-building. If providers claim they don't have the resources to do so, then the Government should provide grant funding or, if residents prefer, consider requiring a small levy on rents for this purpose.

Channel shifts in involvement

There has been also a shift in how landlords consult with tenants. Online forums, telephone surveys, YouTube videos, and shorter, sharper scrutiny exercises, are replacing face-to-face meetings, resident groups and long-term scrutiny panels. While this is positive in that it can reach a wider range of residents for views, it means that residents are responding to the priorities of their landlords, with fewer opportunities to come together to identify and discuss their own priorities to achieve the outcomes they want.

The Government should direct the Regulator to amend the TIE Standard to require providers to support residents who wish to meet to discuss priorities, by providing physical meeting spaces, childcare (where necessary) and help with transport to attend meetings. It should also require providers to offer to set up virtual meeting spaces, such as online groups, for residents who prefer to be involved this way.

An unknown and distant regulator

Tenants can refer cases of 'serious detriment' resulting from systemic failures to the Regulator for investigation. However, it appears that residents are generally unaware they can do so. Among people attending our deliberative events, there was little to no awareness of the existence of a regulatory body. The Regulator of Social Housing had virtually no name recognition, and no tenants had ever had any personal interactions with it. This was viewed as an indictment of the Regulator: if no tenants have heard of it, they don't see themselves as benefitting from it or it taking action on their behalf.

The Government branding in the Regulator's logo was seen to exemplify the lack of effort being put into raising public awareness. People thought it looked 'official' and unapproachable, in contrast to logos of better-known regulators, such as Ofsted.

Poor regulation of tenant involvement standards

⁵⁶ Scrutiny Today and in the Future: Research and Analysis, TPAS, July 2017 (not available online to non-members)

⁵⁷ [Resident Involvement Conference 2018](#), Northern Housing Consortium, 14 June 2018

The 'serious detriment' test for intervention by the Regulator means that landlords are unlikely to be held to account for failing to involve residents. There have been no interventions by the Regulator for breaches of the Tenant Involvement and Empowerment Standard.⁵⁸

We recommend that the Government should remove the 'serious detriment test' and require proactive inspection, reporting and enforcement of the consumer standards.

Tenant involvement must not be the only means for providers to be held to account. It's important to reiterate that people attending our deliberative events felt that tenant involvement would be less necessary if there was adequate regulation of the services provided by social landlords. They saw regulation as important because social housing is an important part of society and because failure to meet standards can have serious, and even fatal, consequences for residents.

We recommend that the Regulator is seen as the main means of holding providers to account for failing to meet standards set by residents, including on tenant involvement and empowerment. This should include acting in response to referrals from residents who have concerns that standards have been breached.

21. Is there a need for a stronger representation for residents at a national level? If so, how should this best be achieved?

Yes, there is certainly a need for stronger representation at national, regional and local government level. For example, welfare reforms, such as the Bedroom Tax and Household Benefit Cap, have serious implications of social tenants. But, however involved they are with their own provider, they can't have an influence on these policies. So, they also need a strong voice on government policies which affect them.

Four national tenants' organisations have called for the reintroduction of a national tenant voice organisation similar to the National Tenant Voice.⁵⁹ They argue⁶⁰ that, post-Grenfell, the work done to ensure the safety of tenants in social housing demonstrates the need for a 'coherent, legitimate and empowered' voice for tenants, so that they can communicate directly with government and other agencies about a wide range of issues. The Mayor of London has called for the government to establish a Commissioner for Social Housing Residents modelled on the Children's Commissioner for England.⁶¹

We recommend the reintroduction an independent organisation, such as a Tenants Union (similar to the former National Tenants Voice), which is formally recognised and funded to represent the views of tenants in social housing to national, regional and local government.

This new body could:

- Collect tenants' views on issues facing them
- Carry out and publicise research into these issues
- Raise matters with government and other bodies on issues affecting tenants
- Inform tenants about services in their area and develop a two-way dialogue with them
- Help to develop and strengthen the representative tenants' movement, e.g. local groups

⁵⁸ Hilditch, M, [Tenants' lack of power was a major problem 10 years ago and it has yet to be solved](#), Inside Housing, 16 June 2018

⁵⁹ Tenants' and Residents' Organisations of England (TAROE), Confederation of Co-operative Housing (CCH), National Federation of Tenant Management Organisations (NFTMO) and Tenant Participatory Advice Service (TPAS)

⁶⁰ Tanner, B, [DCLG urged to back new national tenant voice](#), 24 Housing, July 2017

⁶¹ Mayor of London Press Release, [Mayor urges PM to strengthen voice of social housing residents](#), 1 September 2017

People attending our deliberative events were mostly welcoming of this idea. However, they identified barriers to making it work on the ground:

(a) Funding

It should be independent of councils and housing associations. People questioned whether it could be truly independent if funded by government. They had an inherent mistrust in politicians and authorities in general, which made them doubt they would listen and bring about change on tenants' behalf. Participants felt that tangible proof of change as a result of tenant input is the key to gaining the trust of residents and increasing their participation.

Whether this new entity goes ahead or not, the existing national tenant organisations also need to be adequately resourced both by government and landlords. This was recommended by the recent Hackitt Review.⁶² This need for resourcing was reflected by people attending our deliberative events, who cited budget cuts as limiting participation.

TAROE Trust have suggested this could be achieved via the reintroduction of the Tenant Empowerment Programme grants system (which remains in Scotland and Wales). However, their preference is funding via a modest levy on rents (e.g. 50p per annum per tenancy), similar to the levy used to fund the Housing Ombudsman system. This would provide a reliable income stream to ensure that such groups could adequately ensure tenants had a voice in national housing policy.

(b) Inclusivity

It would need to be fully representative to avoid 'busy bodies' dominating the agenda. The green paper reflects this⁶³ stating that, to be successful, it would be important that any independent platform represents the voices of a wide diversity of tenants across the country and can win their confidence as an independent resident champion.

To that ensure this, people attending our events suggested the need for awareness-raising via publicity campaigns and information in tenant welcome packs. They also suggested that it should provide residents with a number of channels to get involved: online to provide quick and easy access for busy people but also by telephone or face-to-face for those excluded from online access.

However, they felt they had little time and inclination to get involved and it would be difficult to persuade those who are very busy or are working full time to take part. They were only likely to get involved if they felt it made a real difference. So, the new body would need to be seen to be listened to by national, regional and local government.

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?

Local authority housing should already be considered community housing in the sense that the provider has been democratically elected by the local electorate and should be answerable to them.

However, it is reported that fewer housing association residents are involved in governance and decision making. Z2K and TAROE Trust told our Social Housing Commission⁶⁴ that even just a decade

⁶² [Independent Review of Building Regulations and Fire Safety: Final Report, recommendation](#) (page 68, paragraph 4.4a) Dame Judith Hackitt, May 2018

⁶³ Paragraph 75

⁶⁴ Zacchaeus 2000 Trust, *Submission to Shelter's Big Conversation*, May 2018, <https://www.z2k.org/> to be added when published

ago, most housing associations included a significant number of tenants and leaseholders amongst their boards. But today, many larger housing associations have ended this good practice.

Z2K⁶⁵ suggest the recruitment processes of many of the larger associations do little to attract tenants and they are less inclined to consider applications from residents who appear likely to ask challenging questions. TAROE Trust⁶⁶ report that some are focussed instead on getting people with the right 'skills' to help them manage their increasingly complex organisations.

This reduction in involvement in governance contrasts with other European countries, such as Denmark and Austria, which have a large co-operatively governed social housing sector.⁶⁷

Research⁶⁸ shows the social and community benefits of co-operative and mutual housing models and highlights how they can help with accountability. Social housing models of this nature have been gaining recognition in England.

As the green paper points out, local authority residents already have the right to manage their homes via the formation of a Tenant Management Association, or to ask for their homes to be transferred to a housing association. These can include community, cooperative and mutual models of governance.

For example, the Community Gateway Association⁶⁹ in Preston was named the country's top housing association by 24 Housing in 2017⁷⁰, and their list of best social landlords also included Phoenix Community Housing, Greenfields Community Housing, Rochdale Boroughwide Housing and Merthyr Valleys Homes.

Through the Gateway model, tenants can directly influence what happens to their homes and communities as well as the services provided. They are represented on the association's board, on the Gateway Tenants' Committee, in service action groups and through ongoing, direct contact with staff and other residents.

[Rochdale Boroughwide Housing](#), which operates more than 13,500 homes, is the UK's first tenant and employee co-owned mutual housing society and is governed by a board of directors and a representative body. The board is responsible for the overall management of the society and the delivery of services, while the representative body sets out the strategy and direction, and is responsible for appointing the board of directors.

There is merit in the Government commissioning an independent evaluation of the strengths and weaknesses of cooperative, community and mutual social housing models, and publishing good practice for residents who have decided that this is what they want for their homes.

We are opposed to a Government programme to promote the transfer of local authority homes to community-based housing associations. This should solely be a matter for residents. Local proposals to

⁶⁷ [Tenant involvement in governance: models and practices](#), University of Birmingham, 2016

⁶⁸ Nic Bliss CCH produced with seven mutual associations and the University of Birmingham

⁶⁹ <https://www.communitygateway.co.uk/>

⁷⁰ Co-operative News, *Co-op and mutual housing associations top the list of best social landlords*, 2017, <https://www.thenews.coop/121090/sector/co-op-mutual-housing-associations-top-list-best-social-landlords/>

transfer existing homes to community, cooperative or mutual models should only be triggered by residents and should only happen if a clear majority vote for it. Residents who wish their homes to continue to be managed by the local housing authority should not be required to consider transfer to a mutual.

As local housing authorities have statutory duties to strategically tackle homelessness, help and accommodate homeless households, operate social housing allocation schemes, enforce standards in private housing and tackle discrimination (public sector equality duty), not to mention duties to improve health and education, it makes sense for them to retain and/or develop their own housing so that they have direct control over fulfilling these duties.

Housing associations, including community and mutual models, can and should assist with fulfilling these duties and meeting both general and specialise housing need. But, ultimately, they're not legally responsible in the same way as local authorities.

23. Could a programme of trailblazers help to develop and promote options for greater resident-leadership within the sector?

As set out above, an independent evaluation of different models of resident leadership, resulting in good practice guidance should be the first step before further piloting through trailblazers.

If the Government decides to go ahead with a programme of trailblazers, they should be triggered by a clear majority of residents via a vote, not by the preferences of the housing provider.

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?

We have not considered the evidence on outcomes delivered by TMOs.

We suggest that an independent evaluation of existing and former TMOs is needed to assess this, with emphasis placed on researching the experience of residents in terms of what outcomes they were hoping for, whether these were achieved and, if not, why this might be.

However, we question whether TMOs would ever have the capacity to manage thousands of homes across an entire local authority area, as with the Kensington & Chelsea TMO. They're likely to be more appropriate for specific blocks of flats, parts of large estates or smaller estates, or at ward/neighbourhood level in the case of street-based properties.

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

In addition to the cooperative, community and mutual models mentioned in response to question 22, there are examples of how tenant scrutiny can improve service provision, such as the examples contained in recent TPAS research.⁷¹

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?

⁷¹ Scrutiny Today and in the Future: Research and Analysis, TPAS, July 2017 (not available online to non-members)

There can be benefits, but residents' choice is key. Residents taking on services will not work if they don't choose to. Residents must be given the choice.

27. How can landlords ensure residents have more choice over contractor services, while retaining oversight of quality and value for money?

It shouldn't just be a matter of residents being able to choose from a list of contractors. Residents should also be involved in setting the parameters of services, particularly maintenance services (e.g. means of reporting repairs, out-of-hours provision, being able to choose timeslots, timescales for different types of repair). Residents should also be able to choose whether services should be delivered in-house rather than contracted out.

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

Leaseholders could be specifically mentioned in the consumer standards, such as the TIE Standard. Also, if there were additional consumer standards (as suggested in response to question 12), such as standards on service charges or major works, this could help leaseholders.

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?

As set out in our response to question 12, we strongly recommend that the consumer standards are made more prescriptive, such as setting timescales for dealing with complaints. Standards could require landlords to adopt recommendations made by tenants or justify why this isn't possible, rather than saying they need to be given 'opportunities to influence and be involved'.

We also recommend that they may need to be expanded to cover other issues which are important to residents. There should be a separate consultation with residents on what additional consumer standards, and performance indicators, they wish to see.

We suggest that residents are consulted on whether there is a need for additional consumer standards and KPIs on:

- Transfer options for tenants
- Disposal (i.e. sale) or transfer in ownership of homes, including housing association mergers
- Major works, neighbourhood renewal and estate regeneration
- Service charges

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?

Yes. We'd like to see Codes of Practice for the consumer standards.

This would not only be helpful to residents and providers to provide more clarity on what is expected to meet the requirements but would also make it easier for the courts to intervene.

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?

No. As stated in response to questions 8, 19 and 20 above, **we strongly recommend the Government removes the 'serious detriment' test for intervention in complaints about social housing, which is preventing proper enforcement of standards. Instead, the Government should require proactive inspection, reporting and enforcement of the consumer standards. All complaints from residents' groups of system failures should be investigated**

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?

Yes. We agree with the Secretary of State⁷² that *'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'*.

Standards of social housing should be proactively inspected and publicly reported by an independent regulator which can hold failing landlords to account in the same way as other public services, such as health (Care Quality Commission) and education (Ofsted).

There should be a focus on protection of consumers via inspection and enforcement of the consumer standards in the same way as other consumer regulatory bodies, such as the Financial Conduct Authority or Food Standards Agency.

A strengthened regulator was the most popular recommendation of those attending the deliberative events of our Social Housing Commission. There was widespread and spontaneous appetite for a regulator with more 'teeth'. This was seen as a workable and effective solution to pressing problems in the social housing sector. People said they wanted to see a new regulator working to identify good as well as inadequate practice by:

- Conducting regular inspections of social landlords, resulting in a rating which could lead to intervention if they were found to be failing
- Raising awareness of their regulatory role, so that tenant groups know how they can directly raise concerns about their home or neighbourhood
- Investigating complaints of systemic failings from tenant groups
- Removing the 'serious detriment' test for intervention or at the very least lowering the conditions for intervention
- Taking or recommending enforcement action against landlords that are found to be in breach of consumer standards
- Complete transparency about how they work, the conclusions of their investigations and the reasons behind these conclusions

Proactive inspection of consumer standards

A system of regular inspections was seen as a good idea by participants of our research, but there were concerns that it should work effectively. Unannounced inspections were viewed as the gold standard to ensure inspectors have an accurate picture. There were some concerns that an inspection regime could be expensive, with the costs ultimately being passed on to tenants.

⁷² Ministerial foreword (page 8)

Proactive inspection of social housing services is not a new concept. Until 2015, the Audit Commission's Housing Inspectorate undertook five-yearly inspections of the housing services provided by all English housing authorities on behalf of the Tenant Services Authority and worked in partnership with the TSA to inspect housing associations. The results of these inspections were used by the TSA in its overall assessment of housing association performance.⁷³ The inspections searched for and supported excellence while challenging poor performance. They focused on outcomes, rather than simply processes.

In 2008, the Commission convened a system of short notice inspections. These were developed to encourage improvements in delivering services by focusing on the outcomes for residents. They worked on the basis that landlords would concentrate on improving services rather than preparing for an inspection. They were viewed as more flexible than standard inspections and took up less time and fewer landlord resources, so were delivered at less cost. Because they could be commissioned and delivered in a short time-frame, they allowed a quick reaction to changing circumstances.

We recommend a proactive inspection regime, based on that previously used by the Audit Commission, should be reintroduced, developing the lessons learned from the previous regime.⁷⁴

Performance rating

A rating system was extremely popular with participants of our research, offering a powerful incentive for landlords to adopt good practices. Tenants are familiar with rating systems from other areas of their lives and so intuitively felt that it would be effective and that landlords would care about the results. People viewed the rating of landlords as an additional avenue for expressing discontent because multiple tenants giving landlords poor scores would make a strong statement.

While an Ofsted-style model of proactive inspection and rating would be a big improvement, it may not be reactive enough to protect residents from immediate health and safety risks, such as fire. Ofsted is legally required to re-inspect schools every five years, although a recent National Audit Office report⁷⁵ revealed that more than 1,600 schools teaching tens of thousands of pupils had not been inspected for six years or more, and of those, almost 300 had not seen an Ofsted inspector for at least 10 years.

If residents of social housing are to be protected from harm, regulation will require not just periodic inspections but proactive action in response to resident concerns. Ofsted inspects and assesses against a set of public service performance standards but has no specific remit to protect service users from harm. Ofsted inspections are top-down exercises. They are not designed to reflect pupil or parent voices or concerns. Parents cannot refer to Ofsted or ask them to take action.

We recommend that groups of tenants (whether recognised by their landlords or not) should be able to refer their concerns directly to the regulator where they have common concerns which they believe are caused by a systemic failing in the landlord's services.

Separation of economic and consumer regulation

Even with proactive inspection and regulation of consumer standards, there may be problems because this could lead to conflicting priorities for the regulator, there may be problems in having one regulator

⁷³ <http://webarchive.nationalarchives.gov.uk/20100806174549/http://www.audit-commission.gov.uk/housing/inspection/housingassociation/pages/default.aspx>

⁷⁴ <http://www.jrf.org.uk/sites/default/files/jrf/migrated/files/1859352391.pdf>

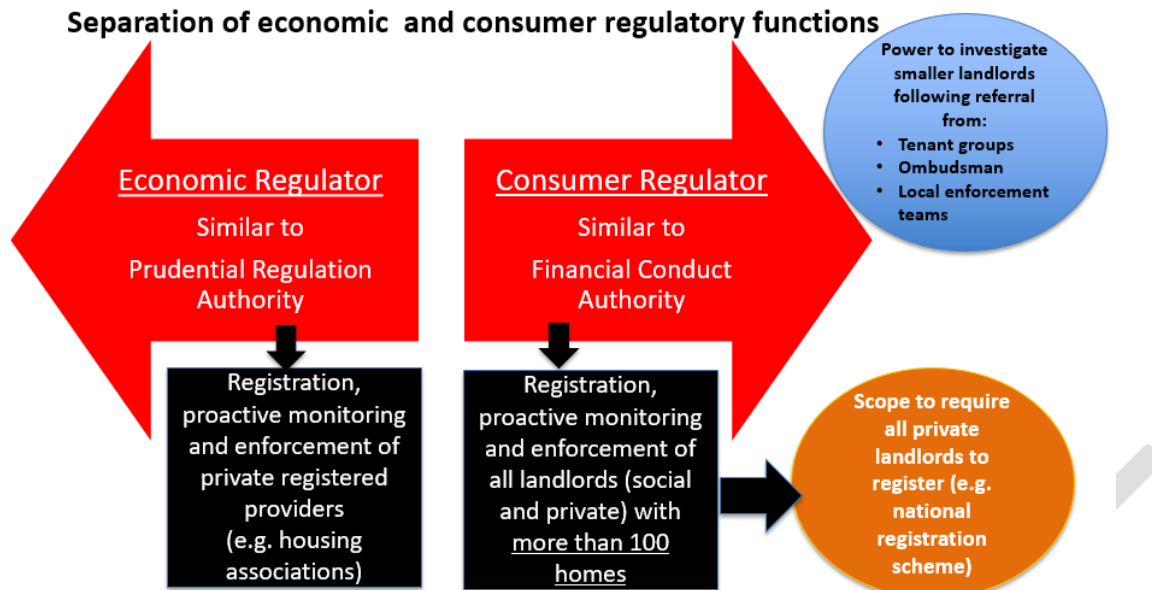
⁷⁵ Ofsted's inspection of schools, National Audit Office, May 2018

proactively enforcing both the economic and consumer standards of social housing because this could lead to conflicting priorities for the regulator. A regulatory focus on the growth and sustainability of the sector may crowd out regulation to protect residents.

It may be more appropriate to look at models used in sectors that are more focused on consumer protection, like financial services and food. In both these areas, following scandals and a crisis of confidence, Government accepted the merits of splitting regulation into two: one agency to ensure sustainability of the sector and the other with the sole remit of protecting consumers. At the heart of this regulatory reform was the recognition that it is difficult for regulators to play a dual role. One role will inevitably crowd out the other in terms of organisational priorities and skills sets required.

- Due to perceived regulatory failure during the 2007/8 financial crisis, the Government decided that the prudential regulation of banks should be separated from regulation of service standards and the protection of consumers. In 2013, reform of financial regulation saw the abolition of the Financial Services Authority and its responsibilities split between two new agencies. The Financial Conduct Authority became responsible for protecting consumers, enhancing integrity and promoting competition, while the Prudential Regulation Authority of the Bank of England took on prudential regulation.
- Government took a similar approach to regulation of the food sector following several high-profile deaths from foodborne illness. It was recognised that regulation to ensure the sustainability of the sector as overseen by Ministry of Agriculture, Fisheries and Food might conflict with protection of consumers and so the roles were split, with the Food Standards Agency set up with the sole remit of protecting consumers.
- We recommend a ‘twin peaks’ regulatory model for social housing, like the regulation of financial services and food. In both these areas, following scandals and a crisis of confidence, Government accepted the merits of splitting regulation into two: one agency to ensure sustainability of the sector and the other with the sole remit of protecting consumers.
- There should be a separate consumer protection regulator (based on the model of the Financial Conduct Authority) focused solely on protecting tenants and ensuring their voice is heard, operating alongside a slimmed-down and focused Social Housing Regulator (operating on the model of the Prudential Regulation Authority), which could continue to concentrate on its core economic brief for housing associations.

Separation of economic and consumer regulatory functions



The new consumer regulator could take on responsibility for all rented housing, rather than social renting alone. It is remarkable that private renters enjoy the protection of national regulators for their food, energy, water and telecoms, but have no equivalent concerned with improving the consumer standards of their homes, on which they spend a far higher proportion of their income.

There are good reasons for such a tenure-neutral approach. The divisions between landlords operating in the social and private rental sectors are becoming increasingly blurred. Some private landlords are already registered with the existing Social Housing Regulator, but this is not a requirement. Sometimes social landlords lease properties from private landlords. And several of the large social landlords now have large private sector renting portfolios and are significant private landlords in their own right.⁷⁶ Joint regulators also have international precedent, such as in the Republic of Ireland where responsibility for all private landlords and housing associations were brought under a single Residential Tenancies Board in 2016.⁷⁷

Where a landlord owns or manages a large number of homes, whether in single development (e.g. the Olympic Village) or geographically dispersed (e.g. a large buy-to-let portfolio), there is a case for them being registered with a single rented housing regulator. It makes sense for larger professional landlords to be required to meet the same consumer standards as registered social landlords, such as lettings policies, formal complaints procedures and tenant involvement. Registered landlords could be subject to some cyclical regulatory inspections as well as quicker, short notice inspections and then receive a rating based on a published report.

⁷⁶ For example, major social landlord Clarion currently manages 800 PRS properties with plans to build 3,000 more. Clarion Housing Group, *Clarion Housing Group to grow Build to Rent portfolio by 3,000 homes in five years*, 20 March 2018, <http://www.clarionhg.com/news-research/2018/march/clarion-housing-group-to-grow-build-to-rent-portfolio-by-3-000-homes-in-five-years/>; Notting Hill Genesis manages 962 market rent properties Notting Hill Housing Trust *Report and Financial Statement 2018*, 31 March 2018, <https://www.nhhg.org.uk/media/10708/nhhg-1718-signed-financial-statements.pdf>; and L&Q Group has £466 million invested in the private rented sector; London and Quadrant Housing Trust, *Financial statements 2017*, 2017, <https://www.lqgroup.org.uk/assets/files/view/84f4c87e-def3-4990-99c6-913cc4b26304/>

⁷⁷ Residential Tenancies Board, *RTB annual report 2016*, 2016, <https://www.rtb.ie/docs/default-source/annual-reports/annual-report-2016.pdf?sfvrsn=2>

In 2015, HMRC estimated that there were 2.15 million private landlords in the country.⁷⁸ To limit the administrative burden on both small landlords and the regulator itself, it would be appropriate to initially set a threshold on the size that private landlords must be before becoming subject to the new regulator. For example, the most recent government figures available suggest that setting the threshold at a portfolio of more than 25 properties would mean that fewer than 1% of all private landlords would be subject to the regulator, but more than 20% of all properties would be covered by higher standards and proactive enforcement.⁷⁹

We recommend that consideration is given to a new consumer regulator to publish and promote standards required in all rented homes and register, proactively inspect and enforce standards in private rented housing where the landlord owns over 25 homes.

For landlords with fewer than 25 homes, the regulatory model could work in the same way as the Food Standards Agency, which directly inspects larger establishments, and sets and monitors regulatory standards for smaller establishments, which are inspected and enforced by local environmental health enforcement officers.

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

If a new consumer regulator were created, this could not only cover private rented housing would overcome the problem of the current Regulator of Social Housing being unable to economically regulate local housing authorities. This would ensure that residents are protected regardless of the type of social housing provider.

34. Are the existing enforcement measures set out in Box 3 adequate? If not, what additional enforcement powers should be considered?

As the green paper sets out⁸⁰, the Regulator already has a wide range of enforcement powers at its disposal, such as enforcement notices, fines and the replacement of officers, although it has more limited powers to enforce standards of local housing authorities.

As set out in answer to question 19, we urge the Government to be cautious about the using KPIs to inform or influence the extent to which landlords receive Affordable Homes Programme funding. While this may be effective in incentivising better performance, it could also have the unintended consequence of adversely affecting performance.

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?

We recommend that a new consumer regulator for all rented housing should have direct oversight over all managers of social housing, including TMOs and ALMOs, as well as the owners of the housing (e.g.

⁷⁸ Scanlon, K. and Whitehead, C., *The profile of UK private landlords*, Council of Mortgage Lenders, December 2016 <https://www.cml.org.uk/documents/the-profile-of-uk-private-landlords/the-profile-of-uk-private-landlords-20170118.pdf>

⁷⁹ MHCLG. *Private landlords survey*, 2010, <https://www.gov.uk/government/statistics/private-landlords-survey-2010>
An update of this research is expected in 2019, and could be used to refresh the estimated level of impact

⁸⁰ Box 3, page 42

local authorities). A great deal of consumer protection issues stem from the way the homes and neighbourhoods are managed.

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

We recommend that MHCLG assesses how other regulatory bodies are accountable to Parliament.

Chapter 4: Tackling stigma and celebrating thriving communities

The green papers cites Shelter research showing 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.⁸¹

Further research conducted to inform our independent Social Housing Commission⁸² reveals the stigmatisation and marginalisation of social housing and social renters. Stigma and institutional indifference were concerns consistently raised in our national consultation⁸³, call for evidence, at home interviews, surveys, workshops and public events.

*"I got in an argument with a neighbour, and the next day I got a note through the door calling me a scrounger. They assumed I didn't have a job because we were the council house on the street."
(Social tenant, Birmingham)*

Our Commissioners heard the community around Grenfell Tower talk about being seen as second-class, ignored and told they were 'trouble makers' for making complaints about their homes and that they should be grateful to have one. Even in the immediate aftermath of the fire, some media and public attitudes towards the rehousing of survivors were unsympathetic and stigmatising. Views were expressed that social housing tenants would lower house prices if they moved elsewhere in the local area. Social tenants have been seen by some as 'scroungers' or 'benefit cheats'.

Our research shows evidence of stigmas and feeling of unfairness.⁸⁴ As the green paper sets out⁸⁵, 90% of social tenants feel they are negatively portrayed by the media.⁸⁶ . And the narrative used by some politicians, such as referring to council estates as 'sink estates' in the 1990s and 2000's as part of the political narrative of 'bulldozing' and 'blitzing' perceived deprivation away through demolition of homes and regeneration of neighbourhoods¹² is likely to have added to the stigma.

Media and political stereotyping is not always borne out by the true facts. Social housing is not damaging to people, nor does it cause deprivation.⁸⁷ Rather than being a barrier to mobility and aspiration, social housing it can be a platform for getting on in life.

⁸¹ https://england.shelter.org.uk/media/press_releases/articles/shelter_launches_new_social_housing_commission

⁸² The report of the Social Housing Commission will be published in January 2019

⁸³ More than 31,000 responses (non-representative)

⁸⁴ Britain Thinks, *Social housing in England after Grenfell*, 2019

⁸⁵ Paragraphs 108-114

⁸⁶ London School of Economics and Benefit to Society, *Overcoming the stigma of social housing*, 2018
<http://benefittosociety.co.uk/wp-content/uploads/2018/02/B2S-publication-final.pdf>

⁸⁷ Feinstein, L; Lupton, R; Hammond, C; Mujtaba, T; Salter, E and Sorhaindo, A, *The public value of social housing: a longitudinal analysis of the relationship between housing and life chances* The Smith Institute, 2008

Misrepresentation of social housing can, in turn, lead to incorrect public perception and stigma. For example, our new research shows that, despite multiple measures showing there are better conditions in social housing, more private tenants think they would get a better condition home in the private sector than in social housing.⁸⁸ Perhaps most worryingly, stigma affects people wanting a social home even when it may be the best housing option, such as for low income private tenants. Two thirds (63%) of private tenants feel that people would perceive them in a more negative light if they lived in social housing. Some of the people we spoke to hadn't applied for social housing for this reason.⁸⁹ Previous research found that only a third of people who want to live in social housing put their name down.⁹⁰

"I would feel embarrassed about it." (Private tenant, London)

Stigma even persists among some social renters. While our research shows most reject the negative stereotypes, many felt they had had a 'lucky' experience; and that elsewhere, there would be a grain of truth within the stories.

And social housing residents believe that this stigma and institutional indifference impacts on landlord attitudes and political decisions, preventing the building more social housing and to tenants getting the services they deserve. Social renters we spoke to raised concerns that indifference and stigma could lead to vital investment being deprioritised and tenants being ignored.⁹¹

Our commission also heard from residents who felt strongly that the key to tackling stigma and institutional indifference is to change the way in which the sector is regulated, and resident concerns are addressed, giving residents a real say in their homes and agency over their lives. The recommendations set out in chapter two and three of this response will mean residents voices will matter, their concerns will be addressed, and they will know that if that doesn't happen a system exists to protect them.

If Government is serious about 'a change the way social housing residents are treated, viewed and respected'⁹² then it must ensure that media and public are aware of the true facts about social housing residents. National and local government should take the lead in acknowledging and affirming the positive attributes and value of social housing and challenging the stigmatisation and marginalisation of social housing and its residents. While home ownership continues to be presented as the aspirational form of tenure, social housing residents are likely to be viewed as second-best.

This should also be regarded as part of a wider need to take responsibility for influencing public attitudes towards other groups, such a homeless people, welfare claimants and people without regularised immigration status. For example, renters who aren't British nationals can experience

<http://www.smith-institute.org.uk/book/the-public-value-of-social-housing-a-longitudinal-analysis-of-the-relationship-between-housing-and-life-chances/>

⁸⁸ Britain Thinks, *Social housing in England after Grenfell*, 2019

⁸⁹ Britain Thinks, *Social housing in England after Grenfell*, 2019

⁹⁰ Clarke, A.; Fenton, A.; Markkanen, S.; Monk, S. and Whitehead, C., *Understanding demographic, spatial and economic impacts on future affordable housing demand. Paper Four - Moving Into Social Housing*, Cambridge Centre for Housing and Planning Research, 2008, p. 3 https://www.cchpr.landecon.cam.ac.uk/Projects/Start-Year/2006/Understanding-demographic-spatial-economic-impacts-future-affordable-housing-demand/Paper-Four/Report/at_download/file

⁹¹ Britain Thinks, *Social housing in England after Grenfell*, 2019

⁹² Paragraph 108

significant stigma, and there is evidence this has been exacerbated by the Right to Rent legislation⁹³: almost one-third of private landlords say they are less likely to let to people who do not hold British passports or who do not appear to be British.⁹⁴

37. How could we support or deliver a best neighbourhood competition? Celebrating thriving communities

We are not averse to Government recognising the best neighbourhoods and awarding funding to support the growth of community-led initiatives. This may encourage the media to highlight positive examples of social housing neighbourhoods. Awards could also help to encourage a sense of pride, strengthen relationships and community ties, and allow people to formulate local solutions to local problems.

An example of encouraging self-organising communities can be seen in Rotterdam, where the city-wide Opzoomeren policy⁹⁵ was named after a street in Rotterdam where residents self-organised to improve their living environment. The process starts with encouraging some 'live wires' to organise a street party, which is used as the catalyst to draw up ideas for improving the area and promoting citizen's initiatives in the voluntary sector.

But while government recognition of social housing communities may help to encourage more positive perceptions, politicians and the media have a responsibility to highlight the large amount of existing evidence, including the many positive community initiatives and stories.

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

We recommend that the best way to tackle stigma is to provide more social homes so that they are available to a larger proportion of the population. There is significant demand, with 1.2m households waiting for a social rented home and many more households being denied access to the waiting list.

The shortage of social homes has played a fundamental part in increasing the stigma around social housing, it has residualised the sector. The loss of social housing via Right to Buy, demolition and disposal, without adequate replacement and expansion, have all meant fewer social homes. Because those most in need should rightly be prioritised for social housing, the sector has shifted from providing homes for people on a broad range of incomes to an increasing concentration of households on relatively worse-off households, marginalising social renters.

As the number of households in social housing has fallen, the extent of this change has been significant:

- One study found that social housing was three times more residualised in 2010 compared with 1970.⁹⁶

⁹³ The Immigration Act 2014 requires landlords to check the immigration status of someone they let to, with civil and criminal penalties for non-compliance. *Immigration Act 2014*, Part 3, c.1, <http://www.legislation.gov.uk/ukpga/2014/22/contents/enacted>

⁹⁴ YouGov, survey of 1,137 private landlords in the UK, online, July-August 2017

⁹⁵ URBED (2018) *International examples of affordable housing*, Shelter's Social Housing Commission, not yet published.

⁹⁶ Pearce, J. and Vine, J., *Quantifying residualisation: the changing nature of social housing in the UK*, Journal of Housing and the Built Environment, 2013 <https://link.springer.com/article/10.1007/s10901-013-9372-3>

- Another found a significant concentration of the number of social renting households on below average incomes over the last fifty years. Between the beginning of the 1960s and 2015-17 the proportion of social renting households on less than the average income increased from 62% to 80%.⁹⁷
- Further research looked at how much of the general population in each income decile lives in social housing. In 1979, in all but the highest income decile, they found that at least 30% of every household was social renting. By 2016, the only income deciles with more than 30% of households living in social housing were the lowest two.⁹⁸

This has been exacerbated by de-industrialisation of parts of the country with high concentrations of social housing, with 46% of social renters now living in ‘deprived areas’ according to government statistics⁹⁹. In turn, a general increase in economic inequality has meant that lower income social tenants became relatively poorer. Finally, the Right to Buy has led to the loss of more desirable homes in more expensive areas. For example, a disproportionate number of the homes sold through Right to Buy have been houses, rather than flats, shifting the split so that almost as many social homes are now flats as houses¹⁰⁰.

These very real changes in the profile of the social stock and social tenants have had a profound impact on the way social housing and social tenants are seen and spoken about. Although most people in social housing have a positive experience, among the population as a whole, social housing has shifted from being viewed as something a wide range of people on different incomes are proud to live in, to something that is marginalised and undesirable.

In turn, this stigma has created a feedback loop, amplifying the effect of residualisation. Changes in attitudes to social tenants has prompted additional wealthier tenants to leave social housing, either through the Right to Buy or buying on the open market. It also means fewer people live in, or know people who live in, social housing, allowing media misrepresentation that social renters do not work and an implied fecklessness to be accepted as representative, as outlined at the beginning of chapter four.

Residualisation has also reduced the political capital of those who live in social housing, with the large drop in the proportion of voters who live in social housing across the country likely to have made social renters a less politically important constituency. This may, in turn, have weakened the voice of social tenants in political debates.

Without an increase in the supply of social homes there is less scope for social housing to provide more desirable homes in desirable places, available to people on a broader range of incomes and relieve the influence that residualisation is having on stigmatisation.

⁹⁷ Judge, L. and Bell, T., *Housing stress is up – and has shifted. Our debate on social housing needs to keep up*, Resolution Foundation, 2018 <https://www.resolutionfoundation.org/media/blog/housing-stress-is-rising-the-social-housing-sector-must-respond-to-this-challenge/>

⁹⁸ Chartered Institute of Housing, *Rethinking Social Housing*, 2018 <http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/Rethinking%20Social%20Housing%20Final%20Report.pdf>

⁹⁹ MHCLG, *English Housing Survey: Stock condition 2016*, 2016/17 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/724359/Stock_condition.pdf

¹⁰⁰ More than 80% of homes sold through Right to Buy since 1986/87 (when records began) have been houses rather than flats. 46% of social rented homes are now houses. MHCLG, *Live tables on social housing sales*, 2018 Live Table 681 <https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales> and MHCLG, *English Housing Survey*, 2016/17, <https://www.gov.uk/government/statistics/english-housing-survey-2016-to-2017-headline-report>

We recommend a further way to remove stigma is to ensure investment in improving social housing neighbourhoods, possibly through a change to the Decent Homes Standard and funding to support this.

While our new research shows a high proportion of social renters are happy with their surroundings and feel part of their community, it also showed the overriding concerns of both social and private renters focussed on what they saw as the neglect of neighbourhoods. Renters raised concerns about:

- Physical signs of dereliction, including poorly designed estates
- Crime and anti- social behaviour not being resolved by the police, council or housing association
- Closures, or lack of, services, for example, bus routes being axed, libraries and community centres closing, and a lack of youth provision

Finally, it's essential that the sort of design mistakes made in previous large social housing developments, which can set them apart for other forms of housing or make them less desirable, adding to stigma, are not repeated when building new social housing at scale.

39. What is needed to further encourage the professionalisation of housing management to ensure all staff deliver a good quality of service?

As social housing has been residualised, the value of social housing management as a profession has declined. There are fewer housing management courses offered by universities, with a much greater focus on housing development. The digitalisation of housing management, housing association mergers and cuts to local authority resources have resulted in housing managers managing large numbers of tenancies and homes and fewer neighbourhood offices. This means it is more difficult for housing managers to provide a personalised service and fewer opportunities for residents to meet their housing manager in person.

A 2016 report¹⁰¹ looking at housing management in London found most providers are increasing housing management patch sizes or restructuring to make their operations more commercial. The average patch size for most providers was moving from 500-600 to around 750-1200 units per officer. This inevitably makes it virtually impossible for officers to provide a personalised service to residents.

The CEO of Notting Hill Genesis Housing recently admitted¹⁰² that while call centres are convenient for providers *'they are often disliked by people who describe their problems to faceless voices who have little knowledge of their home or situation'*. She has acknowledged that housing associations – especially senior staff – don't spend enough time visiting tenants at home and engaging with the issues they face beyond transactions about repairs or arrears.

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

Our new research found most social tenants are happy with their neighbourhood and two thirds feel part of their community, with many reporting that the stability of social renting allows them to put down roots. Three quarters of social tenants (73%) feel that they and their neighbours look out for each other. Living close to green spaces, amenities, friends and family are regarded as important.¹⁰³

However, one in nine (12%) social renters say that they are dissatisfied with the neighbourhood they live in.¹⁰⁴ In our discussions with social renters, they raised concerns about:

¹⁰¹ [On the cusp of change: The future of housing management in London](#), Housemark, September 2016

¹⁰² Davies, K, [Tenants' trust in associations is low – so we are looking at a new model](#), Inside Housing, 2 July 2018

¹⁰³ Britain Thinks, [Social housing in England after Grenfell](#), 2019 (unpublished)

¹⁰⁴ Britain Thinks, [Social housing in England after Grenfell](#), 2019 (unpublished)

- Physical signs of dereliction, including poorly designed estates and fly tipping that can make the neighbourhood feel like a place they don't want to live in
- Crime, with some tenants reporting issues with mugging and drug and alcohol abuse that never seem to be resolved either by the police or by the council or housing association
- Problem neighbours, and large groups of young people hanging around estates that can create an intimidating environment¹⁰⁵

Tenants facing these issues report them having large negative impacts on their lives. They often do not feel comfortable in their homes and worry about their own or their family's safety.

"I keep to myself. I wouldn't let my daughter play outside, not with the guys across the road standing outside their house drinking and swearing." (Social renter, London)

The current Neighbourhood and Community Standard requires providers to:

- Keep the neighbourhood and communal areas clean and safe.
- Co-operate with relevant partners to help promote social, environmental and economic wellbeing in the areas where they own properties.
- Work in partnership with other agencies to prevent and tackle anti-social behaviour.

This standard should be more prescriptive, including via a Code of Practice, for example by:

- Setting out the number of homes ('patch' size) that should be managed by one housing officer
- Setting out requirements for accessibility of face-to-face housing management services.

The Government should also review the evidence of the positive effect of caretakers on social housing developments with a view to requiring this approach as part of the Neighbourhood and Community Standard, or at least highlighting this as good practice. Previous research¹⁰⁶ concluded a Scandinavian model of 'caretaking plus' could be beneficial by providing:

- direct and local lines of communication
- motivation, with staff taking responsibility and being able to see a job through
- savings from local knowledge, less travel time and less bureaucracy
- a local presence which can encourage the involvement of residents in the care and improvement of the neighbourhood.

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?

The priority of social housing providers should be to ensure they are providing a good quality landlord service, ensuring that homes and neighbourhoods are in a decent condition, maintenance and management of the homes is responsive and satisfactory to residents, and ensuring residents have a strong voice in how this is delivered.

Until decent standards in these areas are set and delivered, or adequately enforced, it seems premature to encourage landlords to provide additional services, such as employment support, financial guidance and language classes. While these are valuable and necessary services, they go beyond the responsibilities of a landlord and may equally be needed by residents of other tenures. So, it may be

¹⁰⁵ Britain Thinks, *Social housing in England after Grenfell*, 2019 (unpublished)

¹⁰⁶ [The value of an enhanced role for caretakers](#), JRF, 1997

more appropriate for these kinds of services to be delivered by other agencies to everyone in need in a local area.

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

The specific requirements of the Neighbourhood and Community Standard on anti-social behaviour (ASB) are fairly comprehensive but if some residents report their concerns aren't taken seriously or resolved too slowly, then this is likely to be because the standard isn't proactively enforced.

The Government could commission good practice guidance, which reviews the evidence of what works in practice.

As ASB is a matter of perception, then it would be appropriate for any KPI to measure types of ASB reported and resident satisfaction on how it is tackled.

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

We support the NPPF requirements on accessibility and provision of local and green infrastructure and amenities. It's important that the forthcoming guidance on this tackles the ongoing stewardship of housing and neighbourhood quality.

Well built, well designed homes are a necessary part of building neighbourhoods that people want to live in, but they are clearly not sufficient. During our research, we heard from people how important the overall design of neighbourhoods and provision of community amenities and green space will be as part of delivering a new social housebuilding programme.¹⁰⁷ Access to a good school can be decisive in whether families with children want to move to or remain in an area, to community and integration and the strength of community mix. Good transport links and access to employment are essential for a neighbourhood's residents to stay and succeed. Access to high quality green spaces, and adequate provision of play and leisure space for children and young people contribute to an active community. The public want more social housing, but they want them built as part of great places.

The role that neighbourhood design and community amenities play in tackling crime was cited by participants as being particularly important. In addition to policing, a strong link was made between the provision of sufficient community amenities and tackling anti-social behaviour, crime and the fear of crime. Having enough green space, dedicated play space for children and facilities for young people, such as Multi Use Games Areas, helps to ensure that outdoor spaces do not become contested or the source of conflict. Furthermore, community hubs can provide spaces where people can come together to discuss and tackle problems together. Schools are recognised to play a particularly important part in performing this function and helping community integration.

44. How can we encourage social housing residents to be involved in the planning and design of new developments?

TCPA and other planning experts have undertaken a great deal of work in this area.

¹⁰⁷ Britain Thinks, *Social housing in England after Grenfell*, 2019

Chapter 5: Expanding supply and supporting home ownership

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.

The lack of a sustainable and adequate source of capital funding is at the heart of the country's current inability to deliver social homes to meet need. In the absence of grant funding, social housing providers struggle to combine finance in ways that meet government and investor conditions whilst also delivering genuinely affordable homes.

As grant has shifted increasingly towards shared ownership and Affordable Rent, social housing has been displaced and the delivery of *genuinely* affordable homes has been compromised in favour of a thin spread of grant across more expensive homes. The 2011-15 Affordable Homes Programme gave no grant at all to social housing, and the current Shared Ownership and Affordable Homes Programme for 2016 to 2021 was only expanded to provide some funding for social housing in June 2018.

As a result, while at the beginning of the 1990s grant covered around three quarters of total sub-market development costs, this fell to 39% after the financial crash, and fell even lower during the Affordable Homes Programme 2011-15.¹⁰⁸

It is no coincidence that annual spending on housing benefit has more than doubled across the same period from £9 billion in 1991-91 to £24 billion now.¹⁰⁹ Declining investment in grant for social housing has pushed up housing benefit expenditure, not just because more households have been pushed into the private rented sector, but also because social rents themselves have become more expensive in response to lower grant rates.

We strongly recommend that long-term expenditure on Housing Benefit, Local Housing Allowance and Universal Credit to be considered when assessing the right policy settlement and financial commitments for government to make on both capital grant and borrowing for social housing.

Grant funding for social rent housing is crucial because it performs a unique function which requires a higher level of up-front investment to achieve. In social housing, rents are set with an eye on local incomes, not pegged to an arbitrary percentage of market prices. As a result, it is the only tenure which can be made affordable to those who are currently homeless or at risk of homelessness, the only tenure affordable to lower-quartile wage earners in many areas of the country,¹¹⁰ and the only tenure where rents are low enough to give many households on modest incomes the breathing room to save some money each month.¹¹¹

Shelter welcomes the recent steps taken by the current government to increase social housing providers' access to both capital grant and borrowing to build new social rent homes. These decisions will make the delivery of at least some new social rent homes realistic for more providers, many of whom have not built any homes at social rent at all in recent years given the absence of workable funding mechanisms.

¹⁰⁸ J. Chaloner, A. Dreisin and M. Pragnell, *Building New Social Rent Homes: An Economic Appraisal*, report by Capital Economics for SHOUT and the National Federation of ALMOs, 2015, p.11

¹⁰⁹ Upcoming release from Capital Economics

¹¹⁰ Baxter, D. and Murphy, L., *Priced out?: affordable housing in England*, Institute for Public Policy Research, 2017 <https://www.ippr.org/files/2017-11/priced-out-england-november-2017.pdf>; S. Corfe, *The Peabody Index: Tracking the financial experiences of London's social housing tenants*, Social market Foundation, 2018, p. 17 <http://www.smf.co.uk/wp-content/uploads/2018/06/The-Peabody-Index.pdf>

¹¹¹ Webb, K., *Fair Rent Homes: An affordable alternative for hard-pressed renters*, Shelter, 2017, p.18 https://england.shelter.org.uk/_data/assets/pdf_file/0008/1426715/Fair_Rent_Homes_final_report.pdf

However, while welcome, it is obvious that the combined impact of these measures will be nowhere near enough to confront a housing crisis decades in the making. The supply of social rent housing remains low, slow and fundamentally market-led because of its dependence on cross-subsidy from market housing.

While the decision to lift the cap on councils' borrowing under their Housing Revenue Accounts has removed an important barrier to social housebuilding, it has yet to be backed up by a sustainable source of grant funding.

We recommend that the Government uses the upcoming Spending Review as an opportunity to remedy the shortage of investment in social housing by making sufficient grant available overall to enable an ambitious programme of social housebuilding.

The sustainability of social housing also relies on grant funding per unit being provided at the right level to build homes that are genuinely affordable to those who will live in them. Current grant rates cover a low share of development costs by historical standards, leaving many providers over-dependent on rental income to service borrowing costs for new build.

In recent years, social housing providers have struggled to service the competing priorities of maintaining and improving existing homes, building new ones and providing the service residents deserve off the back of a pot of rental income that is, by design, supposed to be restrained to a low level.

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

We are not in a position to answer this question.

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?

A lack of certainty around funding has undoubtedly increased the risks of engaging in ambitious development programmes for social housing providers. This applies to uncertainty around the levels of capital grant that will be available to build new homes, as well as to uncertainty around future rent levels in social housing, and uncertainty around the support that will be available in future to enable social housing residents to pay their rent through the welfare system.

We recommend certainty on capital grant, rent levels and support to cover rent through the welfare system as they are all crucial for delivering the resources needed for social housing providers to build additional affordable housing.

Shelter supports in principle the use of new strategic partnerships to give housing associations longer-term funding certainty. However, it is vital that the homes built with this funding are genuinely affordable to those in the greatest housing need.

On current plans housing associations will have flexibility to determine the tenures of the additional homes they will build, depending on future market conditions. The risk is that housing associations may use this flexibility to assume they will provide sub-market homes with lower development costs, rather than the social rent homes we really need, in order to bid more for land.

As social housing providers reach the limits of affordable housing supply through the Section 106 system, they are increasingly competing in extremely expensive private markets for land. A recent

Savills survey of housing associations found that 'availability of land' was by far the biggest constraint on them building more homes.¹¹²

This creates pressure for housing associations to target less affordable tenures when putting together land bids. This would be a tragic missed opportunity, with public money for social homes diverted into an already bloated land market.

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

Flexibility on Right to Buy receipts is welcome, but we do not want to see social housing being replaced with shared ownership.

For more information, please contact:

Deborah Garvie, Policy Manager, deborahg@shelter.org.uk, 0344 515 1215

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¹¹² Savills Research, *The Savills Housing Sector Survey 2018*, 2018, p.9 <https://pdf.euro.savills.co.uk/uk/residential--other/the-savills-housing-sector-survey-2018.pdf>