

BOROUGH OF KETTERING

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Report Originator	John Conway Head of Housing	<i>Fwd Plan Ref No:</i>	
Wards Affected	All	18th September 2018	
Title	THE SOCIAL HOUSING GREEN PAPER – A NEW DEAL FOR SOCIAL HOUSING		

Portfolio Holder for Housing and Communications: Cllr Mark Rowley

1. PURPOSE OF REPORT

- 1.1 This report provides a briefing on the Government's green paper on social housing and invites the Research and Development Committee to consider and comment on its contents.

2. INFORMATION

- 2.1 The social housing green paper has recently been published by the Government in response to the Grenfell Tower disaster. In the wake of the tragedy, it became apparent that the fire and its aftermath were symptomatic of a wider disconnect between social housing tenants and the state at both national and local levels. The green paper represents an attempt by the Government to remedy this disconnect.
- 2.2 In the months following the tragedy, Ministers met with almost 1,000 residents of social housing at consultation events across England to ascertain their views, needs and ambitions.
- 2.3 **The Government's vision for social housing**
In issuing the Green Paper, the Government has set out its new vision for social housing:

"A vision which values and respects the voices of residents, with landlords treating them with decency and respect, backed up by clear consequences when they do not.

A vision centred on how social housing can support people to get on in life, making it more likely, not less, they will go on to buy their own home, as well as providing an essential, good quality and well run safety net for those who need it most".

2.4 Who lives in social housing?

Around 3.9 million households, approximately 9 million people, live in the social rented sector in England and this amounts to just under a fifth of all households.

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The green paper looked at who lives in social housing and found that many of the common stereotypes are not based on fact. The main characteristics of people who live in social housing are set out below:

- Tenants tend to have a similar age distribution to the wider population but they are more likely to be living on their own or to be lone parents than those living in other tenures.
- Around 18% of social housing tenants are from ethnic minorities compared to 12 % for all households.
- In 2016/17, 91% of lettings were made to UK nationals, 4% to European Economic Area nationals, and 4% to nationals of other countries.
- 43% of social rented households are in full or part-time work whilst only 7% are unemployed.
- 27% of tenants are retired, while 21% are economically inactive which includes those with a long-term illness or disability, and those looking after family members or the home.
- Half of tenant households have at least one member with a long term illness or disability.
- Last year, just over 18,000 households exercised their Right to Buy, but aside from that very few tenants move into owner occupation.

2.5 **A fairer deal for tenants**

The green paper promises a fairer deal for social housing residents, which comprises:

- ensuring homes are safe and decent;
- improving the resolution of complaints;
- empowering residents so that they can hold their landlords to account;
- tackling stigma and challenging the stereotypes that exist about tenants and their communities; and,
- building much-needed social homes and ensuring those homes can act as a springboard to home ownership.

2.6 **Ensuring homes are safe and decent**

Following the Grenfell Tower tragedy, the Government has pledged to help residents to engage with their landlords about safety issues affecting their homes. Among the initiatives discussed in the green paper are:

- establishing a pilot project which would explore innovative ways for social landlords to communicate and engage with residents on safety issues;

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- reviewing the Decent Homes Standard to consider whether it delivers the right standards for social housing and whether the energy performance of homes should be upgraded;
- considering whether recent changes to the private rented sector should also apply to social housing, including a requirement to install smoke alarms on each storey and a duty to inspect electrical installations every five years.

2.7 **Effective resolution of complaints**

The Government believes that residents should be able to influence decisions and challenge their landlord to improve performance, and to have access to effective complaints processes when necessary. Accordingly, the green paper discusses a number of possible measures to give tenants a stronger voice:

- strengthening mediation mechanisms for residents and landlords;
- improving access to the Housing Ombudsman through reduction of the eight week waiting period or removal of the “democratic filter” stage;
- an awareness campaign so that tenants understand complaint mechanisms and know how to use them;
- more active signposting to existing advisory services or establishing a new advice or advocacy service to help residents when making a complaint;
- introducing statutory guidelines for landlords which include timescales for handling complaints.

2.8 **Empowering residents and strengthening the regulator**

Ministers believe that if residents are to be able to hold their landlords to account, they need good information about how they are performing in comparison to others.

The green paper states that performance data needs to be published in a clear, regular and consistent format and should cover issues such as:

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

This data would be provided by landlords to the Regulator of Social Housing who would then publish league tables of landlord performance. Ministers are considering using financial incentives and sanctions to reward good practice and penalise the worst performers.

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As well as taking steps to increase transparency, the Government also wants to offer residents an opportunity to exercise more choice over their day-to-day services. In that regards, it is considering:

- a new stock transfer programme to promote the transfer of local authority housing particularly to community-based housing associations;
- a series of trailblazer projects to test new structures and governance models that allow for stronger community leadership; and
- establishing a national representative body for tenants.

The Government is also considering asking the Regulator of Social Housing to take a more rigorous and proactive approach to enforcement, when there are concerns about the performance of individual social landlords.

2.9 Tackling stigma and celebrating thriving communities

When speaking to Ministers, tenants said that they were often treated as “an underclass” and “benefit scroungers”, rather than hardworking and honest people. In the green paper, the Government states that it is determined to ensure that the positive contribution made by social housing residents to their communities and society as a whole is recognised by:

- introducing awards to celebrate the role of residents in shaping neighbourhoods and investing in successful community initiatives;
- providing funding for events or street parties.

Some residents told Ministers that they felt they were treated with contempt and patronised by their landlords. In response, the Government says that it wants to promote a customer service culture across the housing sector and attract, retain and develop the right people with the right behaviours and build on the work already delivered by the Chartered Institute of Housing in professionalising the sector.

Residents were also concerned that the design and quality standards of new affordable homes were being compromised to reduce costs. Ministers say that they want to make sure that new buildings are safe, high quality, more efficient and flexible enough to cater for changing needs.

2.10 Expanding supply and supporting home ownership

The green paper acknowledges that social housing provides a stable base for people when they need it but Ministers also believe that it must support social mobility and provide a gateway to home ownership.

The Government recognises that local authorities have faced barriers when seeking to build new council houses. These include restrictions on their ability to borrow money to fund house building, uncertainty in the level of rent they can charge from 2020/21 and limitations on the use of Right to Buy capital receipts.

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In an effort to make it easier for councils to build new homes, the Government has recently announced a number of measures:

- raising the housing borrowing cap by up to £1 billion in areas of high affordability pressure;
- allowing councils to increase rents by Consumer Price Index +1% for a five year period from 2020
- publishing a consultation on how local authorities can use the money raised from Right to Buy sales to help them build more homes;
- not proceeding with the Higher Value Assets provisions of the Housing and Planning Act 2016.

Ministers also say there are occasions when it may be appropriate for councils to deliver new homes through housing companies. This could include instances where local authorities have previously transferred their stock, or where the Housing Revenue Account cannot sustain new building. However, Ministers are asking local authorities to consider transferring new affordable homes to housing associations, once they are built, and they also expect councils to offer tenants the opportunity to become homeowners.

When consulting council tenants, Ministers were struck by the importance that tenants attach to a stable home environment in protecting vulnerable people and supporting strong communities. As a result, the Government has decided not to introduce mandatory fixed term tenancies for council tenants under the Housing and Planning Act 2016. A review is also proposed to look at how housing allocations schemes are working across the country and how housing associations collaborate with councils in allocating social housing.

In relation to home ownership, Ministers state that they are looking for ways to make it easier for people in shared ownership to build up more equity in their homes; possibly by allowing them to buy smaller increments than are usually possible at the moment.

3. CONSULTATION AND CUSTOMER IMPACT

- 3.1 The social housing green paper is a consultative document and the Government has invited all interested parties to submit comments by 6th November.
- 3.2 The Tenants' Forum was consulted at its meeting on 13th September and the views of tenant representatives will be reported to the Research and Development Committee.

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4. POLICY IMPLICATIONS

- 4.1 'A new deal for social housing' represents a marked change in Government housing policy. Only a couple of years ago, Ministers were focusing primarily on home ownership and the Housing and Planning Act 2016 actually represented an existential threat to council housing as it included provisions to force councils to sell higher value voids, introduce mandatory fixed term tenancies and implement a pay-to-stay regime for higher income tenants. Together with a five year rent reduction of 1% per annum and a significant decrease in funding for building social housing, the Housing and Planning Act effectively created a hostile environment for social housing.
- 4.2 In contrast, this green paper is much more positive about the role of social housing. It recognises that social housing performs a valuable role in local housing markets in providing a stable home environment and support for people in need. It also acknowledges the significant contribution that tenants make to their communities and wider society.
- 4.3 In relation to the management of social housing, the green paper contains several welcome proposals. Firstly, it rolls back several of the more deleterious aspects of the Housing and Planning Act 2016 such as the forced sale of higher value council housing and the introduction of mandatory fixed term tenancies. Also welcome is the pledge by Ministers to restore the rent settlement of CPI +1% from April 2020 which will provide social landlords with some certainty in managing services and delivering stock investment.
- 4.4 The green paper commits the Government to embedding a more professional housing service through the recruitment and development of people with the right behaviours and skills. This accords with the approach taken by Kettering Borough Council over many years where staff have been recruited on the basis of their outlook, their customer service skills and their potential. Over the long term, the Council has supported many members of staff in gaining professional qualifications through the Chartered Institute of Housing.
- 4.4 Following the tragedy at Grenfell Tower, it was inevitable and desirable that the green paper would seek to strengthen transparency and oversight of the social housing sector. The reintroduction of performance indicators, league tables and a national voice for tenants and a more interventionist role for the Regulator of Social Housing central regulation herald a return to an era when there was greater oversight of social landlords.
- 4.5 There are some areas where a much more ambitious Government agenda would have been welcome. A fundamental issue for social housing over the past forty years has been a lack of investment both in new housing and in maintaining the existing stock. The Government has signalled that it is considering some useful technical changes that will assist local authorities in building new homes but it is clear that much higher levels of investment are

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required to achieve a long-lasting, transformative change for social housing and residents.

5. **FINANCE AND HUMAN RESOURCES IMPLICATIONS**

5.1 None at this time.

6. **LEGAL IMPLICATIONS**

6.1 None at this time.

7. **RECOMMENDATION**

7.1 The Research and Development Committee is asked to consider the contents of this report and to provide comments on the social housing green paper.

Background Papers:

A New Deal for Social Housing
Ministry of Housing, Communities and Local Government

August 2018

Previous Reports/Minutes:

None