

Blog

The Housing Quality Network

August 2018

A new deal for social housing

Introduction

It's taken too long to get here but I have to say I welcome the green paper with open arms. Lots of people in housing are attacking the Tories for making U-turns. I'm just glad they changed their minds. Thanks. Of course Grenfell is the main reason for all of this. When you read the green paper it is clear that ministers were influenced heavily by the tenants that they met. Good, we need more of this direct contact. It gets things done. And it brings people together. Labour and Tory housing policies now start on the same page. Tenants make a big contribution to the UK so it's time to treat them a bit better. It's a platform to build from.

Back in January we sat down with some members and drew up a wish list for a new approach to regulation. I've looked back through it and checked it off against the Green paper. There's progress in most areas. Looking after and listening to tenants is back to being the number one job.

I do agree that we need more clarity on how much money is going into building homes at council rents. Even here I am more optimistic than others. Why is that? Have you spotted that this government has nationalised the high street? It gave cheap loans to councils so they could spend £3.8bn snapping up shops and offices. Maggie Thatcher sold off our shares in BP. She booted them out of the public sector. But now they work out of the Council's offices in Spelthorne. If it's good enough for the high street, it's good enough for housing. Loosen those purse strings now. It's a great time to do it with house prices falling. We should be investing to save.

The sharpest critic of the green paper is the Old Pretender. Boris thinks the one and only answer is to boost home ownership. I'd watch this closely. What if he offered everyone the chance to own their own home? It's about as likely to happen as the NHS getting a Brexit bonus. But folk would vote for it in droves. So don't spend too long arguing the toss about the green paper. If you don't like it a worse one could come along.

	What we wanted to see in the green paper in January	What the green paper says	What the green paper could lead to and what needs more thinking through
1	Keep social housing safe and in a good state of repair (based on objective survey data – safety not limited by restrictive interpretations of current law – proactive approach needed – end of bare compliance culture)	Safety is the first principle of the green paper	Hackitt is calling for an outcomes-based approach – how do we make sure landlords know enough about their homes and how to keep ALL of them safe? She is anti-tick box – which is great in many ways – but does not lend itself to easy-to-read reports Social housing has been subject to endless surveys for stock transfer, decent homes and funding – why did these fail to pick up safety issues – how do we reform the surveying industry
2	Landlords must not behave in monopolistic ways (by abusing the power imbalance or taking undue advantage of housing shortages)	Individual tenant choice over repair contractors on offer Stock transfers from councils to community organisations	Should the transfer option apply also to associations? The real problem on repairs is a crude shortage of competent tradespeople – fix that first
3	Add to the net supply of housing each year in areas of need (in line with targets agreed with councils)	Boosting supply is the fifth principle Great to see focus on high quality design	Will believe it when we see it – some welcome loosening of council borrowing straightjacket – but not the same freedoms they enjoyed when spending £3.8bn on shops and offices
4	Act to boost affordability (don't inflate land or house prices, including 106 prices, and private rents – don't use service charges to circumvent national rent policy)		Housing market in many areas sees falling prices which could help with affordability – any boost to social housing must not be at the expense of making inflated offers for sites – sharper procurement skills are needed
5	Ensure there is a strong tenant voice with the same access to professional advice as landlord bodies	This is the third principle – national tenant body mooted	Tenant voice should have equal funding to NHF, NFA and ARCH
6	No social housing buildings, revenue and balances to be used for any purpose other than social housing and closely related activities (to be defined – it will change over time)	Tenants in the green paper criticise landlords for wasting money on extra-curricular activities	What is the true purpose of a landlord – the green paper talks approvingly of community activities – if landlords do different things how do you get to common performance indicators?
7	Requirement on boards, councillors, executives, staff and contractors to treat tenants with respect – regulator to promote the interests of tenants, not landlords	Green paper aims to curb stigma: "It's sad – and utterly unacceptable – to hear about people being treated with less courtesy and respect because of where they live. This has to come to an end." – James Brokenshire	Calling housing a 'social service' will jar with some Can we make sense of the twin role of social housing as a 'safety net' and 'springboard'?

		In the same way as Labour's <i>Housing for the Many</i> there is a section showing the positive merits of tenants, eg, lots of them work hard and contribute to the community	
8	Regulator to have sufficient resources to spot and deal with problem cases directly (avoid conflict of interest of consultants)	Talks of recruitment to the RSH and Ombudsman	Regulation is outsourced to supervision consultants – this is mainstream work that ought to be done by RSH staff – should it continue to be funded by, in effect, a tax on failing associations – this is good as it applies moral hazard but the real victims of the staggering bills can be tenants
9	Regulator to publish online, in an easy-to-use format, key comparative data on landlord performance	League tables are mooted	Needs fleshing out We can learn from the NHS data and the Scottish Housing Regulator comparison tool which already includes their elements of Riverside, Places for People and Sanctuary
10	Regulator to assess the housing management performance of landlords on an objective basis (self-assessments from landlords can be part of the evidence base)	PIs will come in for: <ul style="list-style-type: none"> • Repairs • Safety • Complaints handling • Respectful and helpful engagement with residents • Curbing ASB Serious detriment hurdle could be removed – so that RSH can intervene to improve services	Ditto
11	Regulator to ensure management costs and service charges are appropriate – not just rents		This is bound to be a factor – high cost/low satisfaction landlords can expect tough questions

12	Ditch the distracting vagueness of co-regulation: the board is in charge, it must regulate itself – if it fails to do so the social housing Regulator should step in and act as a police force not a partner	<p>Total change of tack – now it is about accountability to the residents</p> <p>Co-regulation is barely mentioned (save for an historic explanation of what the RSH does now and Soha good practice case study)</p> <p>RSH intervention could be fast tracked with dropping of serious detriment test</p>	<p>The new FRC code that the NHF must adapt ditches check lists – like Hackitt it strives for better outcomes</p> <p>Recent governance failures show that housing boards need to improve and external auditors are devoid of credibility after numerous savage reports on their lack of perspicacity – but what is the alternative?</p>
13	Mergers and trading ventures should make the returns specified in advance or face consequences (where losses/shortfalls are incurred these must be recovered in full from the sponsoring executives, councillors and board members – bonuses cannot be a one-way street)	At various points both Labour and Tory have seen a rationalisation of associations as key to efficiency – this is not a big deal in the green paper	<p>The scale debate will never go away completely</p> <p>Will we see a boom in mutuals and if so will they do better than the big players on cost, development and satisfaction?</p> <p>The focus on measurement and league tables could make it easier to test the impact of mergers</p>
14	Applies to councils as well as associations (the aim is to prevent another Grenfell – tenants in Kensington and Chelsea say they had no influence over the Council due to their low numbers – so the electoral safeguard did not apply – the ballot box is not a failsafe – we need regulation)	Strong theme in the green paper	<p>Councils will need funding to recover from austerity</p> <p>They are paying a fraction of what associations can pay for top staff – does this affect quality or not?</p>

About the author

Alistair McIntosh is one of the social housing sector's most respected and best known personalities.

As founder and chief executive of HQN, he is regarded as one of the foremost advisers on governance and regulation, specialising in VfM and stress-testing. His hands-on approach sees Alistair leading on all HQN's in-depth assessment mock exercises and support work, designing and running the popular Iron Grip sessions, and chairing/speaking at conferences and events.

Career highlights include: Setting up and running the National Federation of ALMOs, leading the popular consultation on the regulatory standards for housing, and developing an approach to VfM that won praise from the housing minister.

A regular contributor to the housing press, Alistair's columns are known for their humorous, pointed and painfully accurate assessment of the state of social housing. Since its inception, HQN has built up a membership of more than 1,000 housing associations, local authorities and ALMOs across its networks.