

The Social Housing Green Paper

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Introduction

If it's not quite 'the most substantial report of its kind for a generation' that Sajid Javid promised us last September, the former housing secretary turned out to be quite right when he added that 'it's not something we're going to rush'. The real question though, when the social housing green paper was finally published on a quiet Tuesday in August, was always going to be whether it would live up to the third claim he made at the National Housing Federation conference last year, that 'what matters most is getting it right – there's simply too much at stake to do otherwise'.

Your view will inevitably be influenced by your starting perspective. See it in the context of most government policy announcements of the last eight years and you might welcome the fact that it includes few proposals that will actively make things worse and scraps some of the most damaging ones that were still on the table. Look for the promised 'new vision for social housing' and you might well struggle to find it. Judge it against the Labour green paper published in April and the rising clamour for massive investment in genuinely affordable homes and you will dismiss it out of hand.

The need to respond – and be seen to respond – to the Grenfell Tower fire and its aftermath meant that the government had to rethink its approach to social housing, or at least its presentation of it. What seems undeniable is that the green paper and accompanying consultations on the regulation of social housing and use of capital receipts mark a break with what we have become used to under the Conservatives since 2010. The politics had begun to shift under Theresa May but the terrible events of June 2017 meant that Tory assumptions about social housing creating worklessness, poverty and Labour voters that drove attempts to marketise it were no longer tenable.

Two of the most controversial elements of the Housing and Planning Act 2016 – the higher-value council housing sales levy and mandatory fixed-term tenancies for new council tenants – will not now be implemented in the wake of concerns raised by local authorities and residents. No levy in turn means no money to fund the 2015 manifesto pledge to extend Right to Buy discounts to housing association tenants, though pilot projects will continue.

The green paper also implies strongly that some of the key changes made to regulatory and governance systems made when the coalition took power in 2010 will be rolled back. Proposals for a stronger, more consumer-focused regulator and 'stronger representation for residents at a national level' sound very like the Tenant Services Authority and National Tenant Voice that were unceremoniously scrapped by Grant Shapps. Proposed league tables for social landlords potentially linking their performance to their grant look like they will require the sort of independent inspection regime that was lost when Eric Pickles abolished the Audit Commission.

These are not the only signs of going back to the future. One key proposal to improve the quality of the existing stock is a new version of New Labour's Decent Homes standard. And even the title of the green paper – *A new deal for social housing* – sounds like one left over from 1997.

However, if that implies a return to a more familiar world, the government's overall vision for the tenure and the sector remains unclear and contradictory. On the one hand, there are welcome acknowledgements of social housing's role as 'a safety net for those who need it most' and of a return to the days when the Conservatives saw housing as 'the first social service'. On the other, the government is determined that it should also be a 'springboard' to home ownership and its faith in market solutions for housing is downplayed rather than abandoned.

The green paper is divided into five chapters setting out the principles that it says will underpin the promised 'new deal'. Brief highlights are as follows:

Ensuring homes are safe and decent

This is the obvious priority in the wake of Grenfell and the green paper summarises action taken on fire safety so far, including funding for cladding removal and the Hackitt Review of the building regulations, but it also asks how residents can best be supported to work with their landlords to ensure their homes are safe.

The big news here is a proposed review of the Decent Homes standard to consider 'whether it is demanding enough and delivers the right standards for social housing alongside other tenures'. The green paper highlights recent changes in the private rented sector that have not been applied to the social sector, including smoke alarms on every storey and mandatory electrical inspections every five years. In line with the government's Clean Growth Strategy, the review would also consider whether the energy performance of social homes should be upgraded to EPC Band C by 2030.

Effective resolution of complaints

The green paper says 'residents should have a stronger voice to influence decisions and challenge their landlord to improve performance' plus access to good complaints processes and swift and effective redress. The government is already consulting on strengthening consumer redress in the housing market, including the creation of a single housing ombudsman service.

Under the current system, residents not satisfied with their landlord's in-house complaints process can approach the Housing Ombudsman and the Regulator of Social Housing. However, the green paper says there is a perception that complaining to the Ombudsman takes too long and it invites opinions on ways to improve the 'democratic filter' introduced in 2011 (before residents can submit an unresolved complaint for formal investigation they must refer it first to a 'designated person' such as a local councillor, MP or tenant panel).

Empowering residents and strengthening the Regulator

'Empowerment' in this context means giving residents access to good information on how their landlord is performing compared to others. This would be done via key performance indicators, including a new one on dealing with complaints, or possibly an NHS-style 'friends and family test', where users say whether they would recommend their service provider.

The green paper invites views on the Regulator bringing the information together in league tables and publishing 'consumer' ratings to go with the existing governance and viability ratings. However, the government also wants to consider linking the league tables to financial incentives and penalties, including access to grants and strategic partnerships.

There is also lengthy consideration of ways to ensure residents' voices are heard, including whether there is a need for stronger representation for tenants at national level, strengthening choice over services and ensuring value for money for leaseholders. Confusingly, the government appears to argue for more community-based landlords (including a possible new stock transfer programme) at the same time as wanting action to tackle problems with tenant management organisations (TMOs).

The green paper questions whether the Regulator has the right objective on consumer regulation and whether consumer standards should be changed. In particular, the government wants to consider enforcing consumer standards in a similar way to economic standards:

"This would enable the Regulator to take a more rigorous and proactive approach to enforcement, like other regulators such as Ofsted. We want to ensure the 'serious detriment' bar does not prevent the Regulator from taking a more proactive approach, and if it does, then we will consider removing it."

It also asks whether the Regulator's remit should be extended to other organisations that manage social housing, including ALMOs and TMOs.

Tackling stigma and celebrating thriving communities

Stigma was 'the most consistent theme raised by residents' at the engagement events in the run-up to the green paper as they reported being treated like 'an underclass' and as 'scroungers'. The green paper says that 'this government is determined to tackle such prejudice to ensure that the positive contribution that social housing residents make to their communities, and to society as a whole, is recognised'.

Needless to say it does not really examine its own role in generating that stigma via all that rhetoric about 'hardworking families' and subsidised social housing. If suggested solutions such as best neighbourhood competitions and street parties do not inspire much confidence, there is welcome government support for the 'See the Person' (formerly Benefit to Society) campaign. Woolly sections on 'embedding good customer service' and 'promoting good design' follow.

Expanding supply and supporting home ownership

The contradictions here are clear from the start. "Social housing provides a stable base that supports people when they need it," says the green paper. "But our social housing offer must also be one that support social mobility – not one that provides a barrier to aspirations."

While the green paper talks the talk about allowing local authorities more flexibility in how they use Right to Buy receipts and giving them more confidence to invest in new homes via local housing companies, the proposals are made in the context of 'the need for more

fiscal responsibility'. That means no commitment to extra investment or further increases in borrowing caps.

However, there is also that welcome U-turn on the higher-value sales levy. The government says it recognises this would be a barrier to council home building, will not bring it forward and will repeal the legislation when Parliamentary time allows.

A separate consultation on the use of Right to Buy receipts has more details on flexibilities including giving councils five years rather than three to reinvest the money and allowing them to fund a greater proportion of a social rent home in some areas. However, it also acknowledges that the pledge made to replace all additional homes sold after Right to Buy discounts were increased in 2012 cannot be met. One option is to allow replacements to be for shared ownership as well as affordable and social rent. Another is to sidestep the pledge completely and count all homes sold and all affordable homes built.

A short section on welfare reform acknowledges concerns raised by residents and landlords about Universal Credit and lists previous concessions such as the removal of the waiting days. However, residents are told that the benefit is all about 'empowering them as consumers'.

The section on 'using existing social housing efficiently' includes the other big U-turn on mandatory fixed-term tenancies for new council tenants. The government says it has listened to residents' concerns about stable communities but it clearly still believes in the policy in principle and says it will not go ahead 'at this time'. Decisions on fixed-term tenancies would instead be made by social landlords at a local level.

The U-turn on the higher-value sales levy means there is no source of funding to extend the Right to Buy to housing association tenants but the government remains wedded to the idea of social housing as 'a springboard to home ownership'. The green paper says the pilot of the Voluntary Right to Buy will continue, including tests of a portable discount, and invites opinions on ways to improve routes to affordable home ownership. Thames Valley's model that allows shared owners to staircase in 1% increments is highlighted.

However you view all that, this is a green paper, which means there is still time to influence the outcomes. Responses are invited by 6 November.

About the author

Jules Birch is a freelance journalist specialising in housing and social policy. Among other things, he writes a regular blog for *Inside Housing* and edits *Welsh Housing Quarterly*. He is currently investigating the relationship between housing and the welfare state as a doctoral student at the University of Bristol.

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