Submission to DLUHC committee inquiry on the finances and sustainability of the social housing sector

The Housing Quality Network (HQN) was set up over 25 years ago to improve the quality of social housing. Over 300 social landlords are members of HQN and around 10,000 delegates attended our events during the last year. We welcome this inquiry as in our day-to-day work we see the urgent need for investment in existing homes and new homes too. HQN has read many of the submissions your committee will be receiving from landlords. The scale of investment required is daunting.

The secretary of state is asking the regulator to run "Ofsted-style" inspections of housing management and maintenance. We are helping our members to prepare for this regime. To do this we have:

- Interviewed numerous tenants and leaseholders
- Spoken with, or shadowed, front line staff
- Interviewed cabinet or board members and senior executives
- Examined data on investment needs, and crucially
- Visited a broad cross section of estates and street properties.

A snapshot of our findings is that:

- Landlords do know what good looks like
- Landlords are open and honest about their failings, and
- There is a willingness to improve.

But as anyone can see too many of our estates are tired to say the least. Of course more empathetic and efficient management and maintenance will always help. The problem is that this alone will not restore our social housing.

The CIH/NHF Better Housing Review is calling for a "national audit of social housing." Meanwhile the regulator wants landlords to survey the condition of their homes more frequently. The driver for this is that far too many cases of severe disrepair are coming to light on social media. This begs the question of why the landlord was unaware of the case or unwilling to fix it.

It is entirely possible that within a year or two we will have the finest technical understanding of the homes in social housing we have ever had. And that is undoubtedly a good thing. But what happens next? To recycle an old phrase – The surveyors have only interpreted the world in various ways. The point, however, is to change it.

We would call on landlords to co-produce plans for estates with tenants and leaseholders. As inquiry members will know this is painstaking work. Not everyone will agree at the start, or at all. Some residents may only want repairs and modest improvements while others may favour full-scale regeneration. Councils often want to build more homes (or intensify) the estates to get people out of temporary accommodation. This is not always popular with

existing residents as the new homes can result in the loss of parks and gardens, which there is little enough of already. None of this is easy but we work with some landlords who have staff with excellent track records at brokering compromises.

It would speed things up if regeneration did not depend on sales of homes. One London Borough memorably likened their estates to North Sea Oil Fields. It hoped that by selling off parcels of these they could find the money to boost council house building. Ironically, the housing market has turned out to be as volatile as the oil market. The output of council homes from such schemes has been disappointing. Some of the submissions to this inquiry do caution against relying on sales to pay for fixing or building council homes.

While we welcome the return of inspection to check on the quality of social housing, we do have a few concerns. The fleeting visits and one-word judgments of Ofsted will not help here. Due to a pattern of mergers, that cut the number of housing associations by half, some landlords are now very large indeed. Yes there are some great new analytical tools that will enable inspectors to pinpoint areas for examination but any meaningful inspection will take weeks not days of onsite work to complete.

On occasion we are finding that landlords simply do not have the money to meet the standards set by any reasonable regulator. Improvements to management and efficiency drives get nowhere near plugging the gap. If the regulator's teams arrive at the same conclusions as us there needs to be a way of getting past the impasse. We urge the Inquiry to make the case for grants to take the strain.

Under the previous regime government funding was only available to councils that passed an inspection. The advantage was that this gave a form of warranty that the council would spend the money wisely. The flip side was that this turned into a classic case of a post-code lottery. Even today we are dealing with serious stock condition problems at councils that did not get the extra funding for decent homes.

It is certain that the regulator's inspections will find poor standards at some landlords. What do we do next if the landlord does not have the funds to put matters right? At some time in the not-too-distant future we will run out of viable merger partners for associations or councils for amalgamations. So the traditional rescue option is evaporating. In egregious cases should the state then become the provider of last resort as it does on the railways? The alternative is to work up credible plans for improvement with failing landlords and give them the money they need. This might entail the landlord signing up to a programme of inspection and support. But this should be time-limited – the goal must be to get back to co-producing services with tenants locally as quickly as humanly possible.