

2 October 2018		ITEM: 6
Housing Overview and Scrutiny Committee		
Housing Green Paper on Social Housing and consultation on use of Right to Buy receipts		
Wards and communities affected: All	Key Decision: N/A	
Report of: Richard Birchett, Interim Assistant Director Housing		
Accountable Head of Service: Richard Birchett, Interim Assistant Director Housing		
Accountable Director: Roger Harris, Corporate Director, Adults, Housing & Health		
This report is Public		

Executive Summary

This report sets out the main points of the Government's housing proposals set out in their Green Paper, published on 14 August 2018 and seeks the Committee's views on the proposals therein. The consultation ends on 6 November.

1. Recommendation(s)

- 1.1 That the main points of the Government's Social Housing Green Paper be noted.**

2. Introduction and Background

- 2.1** The Government issued the Social Housing Green Paper on 14 August proposing "fundamental reform to ensure social homes provide an essential, safe, well managed service for all those who need it". The Green Paper puts forward a number of proposals and seeks respondents' views on a range of issues, including new proposals for "league tables" for social landlords, a new inspection regime, proposals to extend the ways in which social tenants can buy their homes and the intention to withdraw measures that would have forced councils to sell high value property when empty and to provide fixed term tenancies.
- 2.2** This report follows the chapter headings set out in the Green Paper, including the questions posed by Government and provides comment where appropriate.

2.3 Chapter 1 – Ensuring homes are safe & decent

2.3.1 The Green Paper references the Grenfell Tower tragedy and Dame Judith Hackitt’s review of Building Regulations and Fire Safety and her final report. The Paper states that residents have a key role in working with their landlord in ensuring that homes are safe and poses the question of whether the Decent Homes standard should be reviewed.

2.3.2 The specific questions are as follows:

1. How can residents best be supported in this important role of working with landlords to ensure homes are safe?
2. Should new safety measures in the private rented sector also apply to social housing?
3. Are there any changes to what constitutes a Decent Home that we should consider?
4. Do we need additional measures to make sure social homes are safe and decent?

2.3.3 Officers’ response to the questions is as follows:

We are committed to providing a broad menu of engagement for all our tenants and leaseholders including ensuring their homes are safe and well maintained. We currently involve the Excellence Panel in the monitoring of our contractors’ performance and are developing engagement further with training in procurement and in assessing and approving the sign off of void properties when they’re handed back by the contractor. We will continue to support and develop resident engagement in all aspects of the housing service.

The council takes the safety of residents extremely seriously but would have no objection to ensuring standards are the same across all tenures. The council is committed to maintaining homes to the Decent Homes standard and has no objection to changes that would improve health and safety, thermal efficiency and the lifetime of the dwelling. There would, however be financial implications for the Housing Revenue Account if any changes were introduced.

The council considers that existing health and safety requirements placed upon the authority as a landlord are sufficient and our actions regarding fire safety demonstrate our commitment to complying with all current statute and regulation.

2.4 Chapter 2 – Effective resolution of complaints

2.4.1 The Green Paper outlines the current procedures for dealing with complaints including the local authority’s in-house procedures, the role of the Housing Ombudsman and the role of the Regulator of Social Housing and changes introduced in the Localism Act regarding the involvement of local members.

The Green Paper asks whether the role of mediation in the complaints process could be strengthened.

2.4.2 The specific questions are as follows:

5. Are there ways of strengthening the mediation opportunities available to landlords and residents to resolve disputes locally?
6. Should we reduce the eight week waiting period to four weeks, or should we remove the requirement for the “democratic filter” stage altogether?
7. What can we do to ensure that the “designated persons” are better able to promote local resolutions?
8. How can we ensure that residents understand how best to escalate a complaint and seek redress?
9. How can we ensure that residents can access the right advice and support when making a complaint?
10. How can we best ensure that landlords’ processes for dealing with complaints are fast and effective?
11. How can we best ensure safety concerns are handled swiftly and effectively within the existing redress framework?

2.4.3 Officers’ response to the questions is as follows:

The Council fully supports the role played by the Housing Ombudsman service and considers that the “democratic filter” should be retained – it gives local representatives a significant role in the process and in itself can help mediate complaints before reaching the Ombudsman service. The council’s current processes and procedures for dealing with complaints are robust, well publicised and managed independently of the service being complained about. The process is well signposted and at each stage advises complainants of the next steps they can take if they are dissatisfied with the outcome of their complaint. It is considered that any major changes to the manner in which complaints and disputes are dealt with is unnecessary.

2.5 Chapter 3 – Empowering residents and strengthening the Regulator

- ##### 2.5.1
- The Green Paper states that landlords need to provide good information on how they are performing compared to other landlords and to do so requires a suite of performance measures that can be easily compared to the performance of other landlords, meets residents’ needs in terms of the actions measures and needs to be clear, regular and consistent. Indicators should include information about keeping properties in good repairs, 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 Green Paper proposes that the Regulator publish the performance of each landlord each year as a means of identifying good and bad performers.

The Green Paper outlines the government’s objective in rewarding better performing landlords and penalising poor performance through the allocation

of resources from the Affordable Housing Programme (although this will only affect landlords who access the fund to build new homes).

This chapter also includes the Government's commitment to resident engagement and asks what more can be done to ensure residents are aware of the ways in which they can work with and influence their landlord. The Paper whilst acknowledging in passing that social housing tenants do not have a great deal of choice over who provides them with management services does consider the role of Tenant Management Organisations (TMOs). The Paper also acknowledges the questions raised about TMOs after the failings of the Kensington & Chelsea TMO but does want feedback on proposals for the transfer of housing stock to other organisations, including community based housing associations.

The chapter includes a brief section on leaseholders and how do they get value for money for the services they receive and pay for from their landlord.

The Paper includes proposals for both extending the powers and strengthening the enforcement role of the Regulator in both setting standards that landlords should meet and powers to ensure compliance with any such standards, Code of Practice or other form of direction and control.

2.5.2 The questions in the chapter are as follows:

12. Do the proposed KPIs cover the right areas? Are there any other areas that should be covered?
13. Should landlords report performance against these KPIs every year?
14. Should landlords report performance against these KPIs to the Regulator?
15. What more can be done to encourage landlords to be more transparent with their residents?
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 as possible for residents?
17. Is the Regulator best placed to prepare KPIs in consultation with residents and landlords?
18. What would be the best approach to publishing key performance indicators that would allow residents to make the most effective comparison of performance?
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?
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?
21. Is there a need for a stronger representation for residents at a national level? If so, how should this best be achieved?

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?
23. Could a programme of trailblazers help to develop and promote options for greater resident-leadership within the sector?
24. Are TMOs delivering positive outcomes for residents and landlords? Are current processes for setting up and disbanding TMOs suitable? Do they achieve the right balance between residents' control and local accountability?
25. Are there any other innovative ways of giving social housing residents greater choice and control over the services they receive from landlords?
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 work?
27. How can landlords ensure residents have more choice over contractor services, while retaining oversight of quality and value for money?
28. What more could we do to help leaseholders of a social housing landlord?
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 KPIs proposed, and if so how?
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?
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?
32. Should the Regulator adopt a more proactive approach to regulation of consumer standards? Should the Regulator use KPIs and phased interventions as a means to identify and tackle poor performance against these consumer standards? How should this be targeted?
33. Should the Regulator have a greater ability to scrutinise the performance and arrangements of local authority landlords? If so, what measures would be appropriate?
34. Are the existing enforcement measures adequate? If not, what additional enforcement powers should be considered?
35. Is the current framework for local authorities to hold management organisations such as TMOs and ALMOs to account sufficiently robust? If not what more is needed to provide effective oversight of these organisations?
36. What further step, if any, should Government take to make the Regulator more accountable to Parliament?

2.5.3 Officers' response to the questions is as follows:

The council uses a suite of KPIs to measure and report on performance and can be readily tailored to match the ones proposed in the Green Paper. The Regulator's approach to date has been one of light touch review and guidance and the proposals in the Paper shift the emphasis away from constructive engagement to more formal inspection. This approach can be counterproductive with the emphasis moving from improving services to "passing the inspection".

The encouragement and development of resident engagement is wholly supported by the council however existing regulation, guidance and best practice are sufficient to put tenants at the heart of the council's housing service. Additional powers or regulation should not be necessary for the development of resident engagement.

The proposals for the transfer of management and/or ownership of stock to other landlords, albeit with a resident led focus is not accompanied by any indication of additional resources to either improve management opportunities or build new stock. The TMO managing Grenfell Tower could have been managed more robustly by the council using existing legislation and as such there may not be the need for additional regulation, just a more robust application of existing powers and exercise of existing responsibilities.

2.6 Chapter 4 – Tackling stigma and celebrating thriving communities

2.6.1 The Green Paper details the government's assessment of residents' feedback about the perception that many social housing residents have of stigmatisation and acknowledges the role that politicians and the media play in reinforcing negative images of the sector. The questions posed in this chapter about encouraging greater involvement by all parties in the promotion of healthy and balanced communities that work well together have been and continue to be asked across the social housing sector. The chapter refers to the requirements placed on local planning authorities in the National Planning Policy Framework to ensure developments comply with the government's objectives around developing place and are a reiteration of existing guidance and recommended best practice.

2.6.2 The questions posed in this chapter are as follows:

37. How could we support or deliver a best neighbourhood competition?
38. In addition to sharing positive stories of social housing residents and their neighbourhoods, what more could be done to tackle stigma?
39. What is needed to further encourage the professionalisation of housing management to ensure all staff deliver a good quality service?
40. What KPIs should be used to measure whether landlords are providing good neighbourhood management?
41. What evidence is there of the impact of the importance role that many landlords are playing beyond their key responsibilities? Should landlords report on the social value they deliver?
42. How are landlords working with local partners to tackle anti-social behaviour? What KPI could be used to measure this work?
43. What other ways can planning guidance support good design in the social sector?
44. How can we encourage social housing residents to be involved in the planning and design of new developments?

2.6.3 Officers' response is as follows:

The council understands the stigma that can be attached to our estates and neighbourhoods and works to address the types of issues raised in this chapter. We have an active Resident Engagement team and work with local residents groups to explore their ideas and promote community cohesion across the borough. The council has an established framework to ensure additional social value is achieved through the procurement of external contracts and this added value is targeted to further support the health and wellbeing of our local communities.

Tackling ASB is a key priority and the council works in partnership with its Community Safety Partners to assess crime including ASB and direct resources to combat borough wide issues within a multi-agency approach of prevention, intervention and enforcement model. However more needs to be done and a more equitable distribution of the costs of tackling ASB made, we will continue to work hard to make our neighbourhoods safe and thriving places to live.

2.7 Chapter 5 – Expanding supply and supporting home ownership;

2.7.1 This chapter sets out the government’s aspirations to deliver 300,000 new homes by the mid-2020s and acknowledges that there must still be social housing to meet the needs of those who cannot afford market rent, affordable rent or to buy or who don’t wish to access any alternative housing option. The chapter states that local authorities can often be best placed to deliver new social housing and sets out a commitment to help councils build new homes through removing the requirement to make a payment in respect of high value voids, exploring new flexibilities over the spending of Right to Buy receipts and looking at allowing greater borrowing to build. The government also seeks to give local authorities assurances that the restrictions on raising rents through the HRA will be lifted from 2020/21. In addition, the government has confirmed that it won’t proceed with compelling local authorities to offer only fixed term tenancies to new tenants.

The chapter also proposes new vehicles for unlocking land and delivering new homes through community land trusts and local housing companies, longer term funding models for housing associations and a range of different schemes to extend the Right to Buy as part of their commitment to increase home ownership along with other models for shared ownership with shares of as little as 1%.

2.7.2 The questions in this chapter are as follows:

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

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

2.7.3 Officers response is as follows

Confirmation that the proposal to force councils to dispose of higher value voids is not to be implemented is welcome.

Members have made it clear that they want the council to deliver new homes of all tenure types across the Borough – through planning with commercial developers, through TRL and through the schemes delivered through extra borrowing on the HRA. The high costs of building new homes with lower market values have made delivering schemes challenging and any financial certainty from the Government would be welcome.

Extending the Right to Buy, unless the homes taken into private ownership are replaced, will continue to put pressure on the council's own stock. The council sells approximately 100 homes through the Right to Buy each year and until the recent borrowing freedoms on the HRA and access to additional capital receipts from these sales, has not been able to replace them. There are approximately 8,500 applicants looking for a home with us on the Housing Register and between 20 and 25 households presenting as threatened with homelessness or actually homeless each week. The council needs to find ways to provide more social housing and although the relaxation in the rules governing the use of receipts being proposed by the government is welcome, unless there are more freedoms and greater certainty over funding we will struggle to find safe, secure and suitable homes for local families.

2.8 Consultation on Use of Receipts from Right to Buy Sales:

2.8.1 Alongside the Green Paper the government also published a consultation seeking views on options for reforming the rules governing the use of Right to Buy receipts from the sale of council housing and whether they should reform the commitment that every additional home sold (as a result of the increase in discounts in 2012) is replaced on a one-for-one basis nationally. The consultation ends on 9th October 2018.

2.8.2 The main points outlined in the consultation are as follows:

- Allowing local authorities to hold receipts they currently retain for five years instead of three, to give them longer to spend the receipts that they already have
- Flexibility around the 30% cap in certain circumstances

- Restricting the use of Right to Buy receipts on the acquisition of property and whether this should be implemented through a price cap per unit based on average build costs
- Allowing local authorities to use Right to Buy receipts for shared ownership units as well as units for affordable and social rent
- Allowing the transfer of land from a local authority's General Fund to their Housing Revenue Account at zero cost
- Whether there are any circumstances where housing companies or Arm's-Length Management Organisations should be allowed to use Right to Buy receipts
- Allowing a short period of time (three months) during which local authorities could return receipts without added interest
- Should the Government focus be on a wider measurement of the net increase in the supply of all social and affordable housing instead of the current measurement of additional homes sold and replaced under the Right to Buy?

2.8.3 The council will formally respond to the consultation supporting the points raised above. To help Thurrock build more homes and maximise the use of its one-for-one receipts, we support the view that there is a case for greater flexibility on the use of the receipts from Right to Buy sales.

3. Issues, Options and Analysis of Options

3.1 The consultation on the Social Housing Green Paper closes on 6 November 2018 and respondents are encouraged to use the web-based portal to submit their comments and evidence to support their position.

3.2 Members are asked to consider the key proposals set out in the Social Housing Green Paper and to advise Officers on the response which they wish to convey to Government.

4. Consultation (including Overview and Scrutiny, if applicable)

4.1 The Social Housing Green Paper will be shared with the Excellence Panel.

5. Impact on corporate policies, priorities, performance and community impact

5.1 There are no specific corporate implications in the Green Paper per se. Future legislation that may arise from the proposals outlined above will be brought to members for further consideration.

6. Implications

6.1 Financial

Implications verified by: **Julie Curtis**
HRA and Development Accountant, Corporate Finance

There are no direct financial implications as a result of this report, however the consultation includes proposals around greater flexibilities for the use of Right to Buy receipts and suggestions of greater borrowing for the purpose of housebuilding.

6.2 Legal

Implications verified by: **Richard Birchett**
Interim Assistant Director of Housing

There are no direct legal implications as a result of this report, however the consultation includes proposals to withdraw measures introduced within the Housing and Planning Act 2016 which would have forced the Council to offer fixed-term tenancies and sell high value void stock.

6.3 Diversity and Equality

Implications verified by: **Natalie Warren**
Strategic Lead – Community Development and Equalities

There are no direct diversity and equality implications as a result of this report, however the proposed topics for consultation as part of this Green Paper include tackling the stigma surrounding those who live in social housing, and work to support strong and thriving communities would be encouraged.

7. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- "A new deal for social housing", the Government's Social Housing Green Paper

8. Appendices to the report

- None

Report Author:

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