

Discussion paper:

Social Housing Green Paper – our sector response

18 September 2018

Summary of key points:

The Government's Social Housing Green Paper – [A New Deal for Social Housing](#) – was published on 14 August 2018. Responses are required by 6 November.

This discussion paper outlines the key issues, risks and areas of opportunity for housing associations in the Green Paper. It intends to be our starting point for a conversation with our members, setting out the Federation's early views on some of the questions in the paper, and seeking input from our members to guide our final sector response.

This paper also briefly covers the [Review of Social Housing Regulation: Call for Evidence](#) that was published alongside the Green Paper, and which has a response deadline of 6 November too.

Throughout this discussion paper we have written 17 questions, highlighted in pink, that we would like you to answer in order to help inform our sector response. These questions do not replicate those set out in the Green Paper itself, but instead explore a number of important issues that we would like specific feedback on from our members.

Please send your responses to the questions in this paper to greenpaper@housing.org.uk by Friday 26 October.

If you would like us to consider any other points in our response to the Green Paper, please email greenpaper@housing.org.uk.

We will also gather views from our members through a series of events taking place in October across the country. [Details of these events, including how you can register, are on our website.](#)

Introduction

The Green Paper draws extensively on a government listening exercise in which ministers heard the views of social housing tenants in different parts of the country. It touches on the issues exposed following the Grenfell Tower fire, but also brings in intelligence from other research.

Overall, it strikes a positive tone about social housing, repeatedly stressing its importance to the country as a whole, which is very welcome. However, in some places we think the Green Paper does not go far enough, for example on supply and stigma. [Our initial press response is available on our website.](#)

In parts of the Green Paper there are possible long-term consequences for members and tenants that we need to consider before responding to - for example, on the introduction of league tables and choice for tenants.

The Green Paper is in five parts, and the sections in this discussion paper follow the same structure:

- ensuring homes are safe and decent
- effective resolution of complaints
- empowering residents and strengthening the regulator
- tackling stigma and celebrating thriving communities
- expanding supply and supporting home ownership.

While there is a section on supply, at its heart the Green Paper as a whole sets out to rebalance the relationship between landlords and tenants. It seeks to do this by strengthening the role of oversight, and introducing a standard set of indicators (KPIs) and league tables, with associated incentives and interventions. This leads to questions for the sector on where we draw the line between sector leadership and the role of the regulator.

We have already said that as a sector we are committed to being more accountable to our tenants. In responding to the Green Paper, we need to consider how the ideas the Government are exploring, and indeed the sector's own ideas, will help us achieve this ambition.

The work we have already done with members through [our Offer for Tenants project](#), on strengthening accountability to tenants and being more transparent, is positively referenced in the Green Paper. This puts us in a strong position to respond and make a constructive contribution to answering the Government's questions. Further details are on page four.

Principles that will guide our final response

In responding to the Green Paper, we want to be clear about the ambition and commitment of the housing association sector. The following statement of intent will be at the heart of our response:

[Our long-term ambition is to among the most trusted and accountable organisations in the country and we aim to get it right for every tenant.](#)

Before considering the detail and the ideas set out in the Green Paper, we have developed a set of principles that will guide our final response. These are a starting point for discussion:

- Long-term culture change should come from within the sector, and be owned by boards and leaders, but it should be supported by good, proportionate regulation.
- Any changes to the way social housing and housing associations operate should reflect tenant experience, be based on evidence of what works, and support housing associations as successful social businesses.
- It is right that tenants understand the performance of the services they receive from their landlord. There is a role for transparent performance and satisfaction data in providing assurance and informing and empowering tenants.
- There is a role for the regulator in identifying and taking action where we are failing tenants.
- Tenants and residents in social housing often speak of feeling stigmatised, highlighting challenges that demand meaningful change at many levels of society. Housing associations are committed to contributing to that change, but it will also require strong leadership from the Government.
- Increasing the supply of social housing will be critical if we are to ensure everyone can access a quality home they can afford.

1. What is your view on these principles? Are there any other principles you suggest we take into account when developing our response?

Key issues that require a topline response

Following on from the principles above, there are a number of key issues explored in the Green Paper that we think it is important to establish a clear topline response to. We need to do this before responding to specific questions and ideas.

Our proposed topline responses to these issues are:

- We are clear that boards are responsible for putting tenants at the heart of what they do, and for the performance of the organisation, but accept there may need to be explicit regulatory oversight of this.
 - This could be through changes to the governance standard and assessment, removing the serious detriment test on the consumer standards, or the introduction of a new tenant standard and assessment.
- We should take ownership of developing and providing data and information for tenants that makes it clear how we are performing, so they can better hold us to account, but we agree it might be helpful if they form part of the regulatory framework (following the [Sector Scorecard approach](#)).
 - Developing sector-wide measures (KPIs) that are meaningful and don't drive perverse incentives will be challenging. We will explore with the sector and tenants what would be helpful and possible.
 - As a minimum, we agree individual landlords should make information available to their tenants that reflects how we are performing against locally agreed priorities, and clear about how we will go about this.
- We must ensure any league tables take account of local priorities and circumstances, and take a broader view on how we work with our tenants. We would be concerned if any league tables are based solely on performance or satisfaction data that doesn't reflect tenant experience.
- We agree that incentives/interventions/sanctions have a role to play, but we need to ensure these are proportionate and drive improvement.

- We must ensure the different elements of regulation, or indeed co-regulation, and oversight need to be simple and work together to deliver improved outcomes for tenants.

2. What is your view on our suggested top-line responses to the key issues we have identified in the Green Paper?

Our Offer for Tenants work

Through [our Offer for Tenants work](#), we have already demonstrated our commitment to tackling many of the issues set out in the Green Paper. The links between the ideas in the Green Paper and our Offer for Tenants work are explored throughout this discussion paper.

[We published a discussion paper](#) on our Offer for Tenants work before the Green Paper came out which set out our ideas, developed with input from members, on how we could achieve our ambition to be among the most trusted and accountable organisations in the country. This included the development of a charter, setting out a series of commitments for tenants against which we could be held to account, and introducing a transparency principle to our [Code of Governance](#).

We received a significant number of responses to the paper from our members of all sizes across the country. In general, members were very supportive of the aim to be more accountable to tenants. However, many raised questions about how a charter and changes to the Code of Governance would complement rather than duplicate the existing regulatory framework and any other changes that result from the Green Paper.

Many of the specific questions in the Green Paper – for example on complaints, redress and empowering residents – create the expectation that social housing landlords need to change. While there is evidence to show housing association tenants are broadly satisfied with their home and the service they receive, our members have told us there is always more we can do.

We do not want any change to be just driven by the Government or the regulator, and we have already been exploring with our members what more we can do as a sector to ensure our offer to our tenants is consistently good. Having a consistently good offer for tenants, and being able to demonstrate we've delivered this offer, is at the heart of our Offer for Tenants work. This is something that the Green Paper shows the Government, and more importantly tenants themselves, are looking for.

Removing the serious detriment test on the consumer standards so there is more active oversight could help with this, but we believe a charter, owned by landlords and developed with tenants, could go further.

For example, landlords could make specific commitments on rights, access, involvement and engagement, which would enable tenants to hold us to account. We envisage that oversight of how we are doing against these commitments would be a key element of any regulation – such as a revised governance assessment that includes an explicit transparency principle, or any new 'tenant assessment' that may result from the Green Paper.

Clearly any charter would need to balance the desire for a consistent housing association offer with the priorities, and any targets, agreed by individual landlords with their tenants. We also need to make sure that any charter complements, rather than duplicates, any changes to the consumer standards.

We will be working with members and tenants to get this right as our response to the Green Paper develops. Once the Green Paper consultation closes, we'll do some further work with members and with tenant groups to develop our specific Offer for Tenants ideas on transparency and accountability.

Ensuring homes are safe and decent

This section covers housing safety issues, largely arising from the Grenfell Tower fire and the Hackitt Review, and a proposed review of the Decent Homes Standard (DHS). We need to be clear safety issues cut across all sectors, not just social housing, whereas the DHS currently applies specifically to social housing.

We are committed to providing housing that is safe from fire and other hazards and we support the pilots on engaging and communicating with residents on safety issues. Any lessons drawn from these pilots, like any other new requirements and expectations concerning the safety of residential buildings, should apply across all housing sectors. Any monitoring and enforcement should also apply all sectors, and therefore should not fall to the regulator.

The sector's core offer is the provision of good quality, affordable homes with security of tenure. We know that housing association properties are in a better state of repair than other rented sectors and comparable to owner occupied properties. In 2017, 99.5% of the sector's stock met the DHS (according to the Government's Statistical Data Return). Since 2009, the number of non-decent homes has fallen from over 180,000 to under 12,000. Housing association properties are also less likely to contain serious hazards and are more energy efficient than other tenures.

Our homes are also maintained by professional and responsive repairs and maintenance teams. The vast majority of associations offer a 24/7 service, meaning tenants can contact their landlord to report a repair at any time. In addition, customers are often actively involved in the scrutiny of services and are consulted on proposals to change policies or service levels. The sector provides additional support to customers to help them sustain their tenancies and achieve their ambitions.

Housing associations are alive to changing technologies and expectations from customers, and know we cannot be complacent about the quality of our homes or services. Many organisations are engaging with tenants to review existing standards and understand future needs and requirements, and it is important that this work is more widely recognised and understood.

Our members have told us that they are exploring a range of ways in which they can improve future provision, including:

- higher void standards and the provision of quality furnishings when homes are let
- improved digital connectivity on estates and in homes
- more tailored customer offers to respond to individual circumstances and preferences
- a commitment to leading the way in providing resilient, energy efficient homes to reduce energy costs for customers and rise to the challenge of climate change adaptation and mitigation.

We support a modernised DHS to reflect increased standards and expectations, but it should be tenant-based rather than reflecting government priorities, as suggested. We also need to be mindful of the other mechanisms for dealing with standards on rented properties and ensure that we don't create a confusing landscape of standards and safety.

- 3. What is your view on the specific proposals in this section and could they affect your ability to provide high quality, safe housing?**
- 4. Do you support a review of the DHS and, if so, what factors should be taken into account?**
- 5. Are there any particular factors you think should be considered that might have an impact on your ability to provide high quality, safe housing? For example, issues of flooding, overheating, affordability, funding, and regeneration strategies.**
- 6. Are there any other measures you are considering, or have put in place, to ensure the homes you provide are safe and decent, that you think we should highlight in our response?**

Effective resolution of complaints

We acknowledge that, despite progress, many complaints procedures are still complicated. We support the idea of removing the ‘democratic filter’ explored in the Green Paper, making it easier for residents to seek redress.

We also support a single housing ombudsman for all sectors, including in the private rented sector, as proposed previously, though it is not clear if this is still a priority for the Government. We need a permanent Social Housing Ombudsman with a brief to focus on complaints’ handling and cut present excessive waiting times.

In general, we agree that residents should be supported to raise complaints, that the complaints process should be speeded up, and barriers to redress should be removed. The Green Paper asks some specific questions on these issues – for example on how we can ensure residents understand how best to escalate a complaint and seek redress, and how we can best ensure that landlords’ processes for dealing with complaints are fast and effective.

In our Offer for Tenants work we have already been exploring how a charter may help ensure tenants have a consistently good experience when they complain to their landlord. We envisage a charter would include specific commitments on tenants regarding this issue, setting out clearly how tenants can complain and seek redress, and what they can expect when they do.

Some of our members have also suggested we should go further and develop a sector-wide standard on complaints, or at least set a clear expectation that every housing association should have their own standard.

There are lots of complaints about newly built homes in all sectors. This is concerned with developer-occupier disputes, as opposed to landlord-tenant disputes. We may want to consider whether there should be a new mechanism to address this.

- 7. What is your view on how the sector can best address the challenges in the Green Paper on speeding up the complaints procedure and making it easier for tenants to seek redress when things go wrong?**
- 8. Do you agree it could be helpful to develop a mechanism, or at least a sector-wide approach, for dealing with complaints on defects in new build?**

Empowering residents and strengthening the regulator

This section of the Green Paper is the most significant, and contains lots of questions and challenges for our sector. It is the section that has the closest links with our Offer for Tenants work and could also be seen to represent a significant reversal of the general deregulatory trend of recent years.

Performance reporting and league tables

The Green Paper cites residents' concerns from the ministerial engagement events about both the performance and the transparency of social landlords. It proposes that landlords should be obliged to publish key performance indicators (KPIs), covering five suggested areas: repairs, safety, complaints handling, resident engagement, and neighbourhood management (including dealing with anti-social behaviour).

There are some challenges in this approach. We need to avoid perverse incentives and unnecessary burdens, while accepting that transparently reporting performance to tenants, potentially allowing for comparisons with other landlords, will help tenants hold us to account.

We also believe there is a case to be made that such a regime could be a powerful driver for improvement, promoting transparency and allowing the sector to demonstrate its strengths. Many housing association board members have told us they would find having simple comparative information on key issues, such as repairs, very useful in their role.

As we have said in the key issues section of this paper, we think the sector should work with tenants to take ownership of how we provide data and information for tenants, in much the same way as we have had of Value for Money metrics in the [Sector Scorecard](#). We know some members are concerned that it is not the Government's role to impose measures on the sector, but this could be avoided if we take ownership of this agenda.

In our Offer for Tenants work, we have already begun to explore how we can be more transparent and open with tenants about how we are doing compared to expectations. For example, a charter could include a series of specific commitments to tenants on the information they will have access to, what they can do with this information, and how their landlord will act on this information. We now want to extend that conversation and explore whether there are performance and satisfaction measures that it would be helpful and meaningful to collect and report at a sector-wide level.

We are concerned about crude league tables based on performance or satisfaction data that don't reflect tenant experience, take account of local priorities and circumstances, or take a broader view on how we work with our tenants. We know both performance and satisfaction data can be influenced by a range of factors, often outside the control of the landlord, for example the age of tenants and location. Our early conversations with a small number of tenants also indicate that they may not find a league table approach helpful.

However, and as we've said elsewhere in this paper, we do think some form of oversight of how we are performing and how we are working with tenants could help tenants better hold their landlord to account. An explicit rounded assessment of this, taking into account but not wholly relying on performance and satisfaction data, may help empower tenants.

This could be done by the Social Housing Regulator, through changes to the Governance standard. We have already begun discussing making changes to our [Code of Governance](#) through our Offer for Tenants work, or through a new tenant standard or the existing consumer standards.

We expect that whether we are meeting the commitments to tenants set out in any charter would also provide helpful context in any oversight or assessment regime.

Performance-related rewards and penalties

The Green Paper includes the idea that KPIs should inform funding decisions, acknowledging that not all landlords develop but ‘most of the larger landlords do’. We understand the principles behind performance-related penalties, but have concerns about linking KPIs and funding decisions so directly – not least because of the broader issues with taking KPIs out of context, as we have said above.

However, it would be hard to argue that a housing association should receive public subsidy if it is clearly failing in its basic duty to tenants. There are already minimum standards on governance and viability attached to grant funding, which could be extended to any oversight or assessment of performance and how we are working with tenants.

Beyond this, trying to link performance with grant could introduce an additional barrier to development at a time when housing associations are trying to maximise their contribution to supply, while continuing to provide a great service for their existing tenants. It could also be argued that very recent performance on consumer standards is a poor basis upon which to judge 30+ year investment in new stock.

Ensuring residents’ voices are heard

The Green Paper says “too many residents we met told us that their landlord did not take their views into account”. The background to the Grenfell Tower fire is also a major factor in the Government’s thinking on this issue.

The current regulatory framework requires landlords to provide opportunities for residents to engage and to influence policy, but it is under no obligation to engage in other ways. The Green Paper asks whether resident engagement and scrutiny measures are effective, and what more could be done to make residents aware of existing ways to engage and influence services.

In our Offer for Tenants work we have been discussing how a charter could go beyond being clear and explicit about how tenants can engage with their landlord and actually seek to strengthen the relationship between tenants and landlords. For example, individual landlords could bring forward specific commitments on involving tenants in scrutiny, which in many cases may already exist but may not be visible to tenants.

Strengthening choice over services

The Green Paper refers to residents having choice over services, for example cleaning services. It asks questions about Tenant Management Organisations and other ways of giving residents greater choice and control over the services they receive from landlords.

While there are some great examples of housing associations co-creating services with tenants, we think it would be very difficult for housing associations to concede ultimate control over the way services are provided, or the choice of contractors. It is the landlord that is legally responsible for the provision of services, not to the tenants/leaseholders collectively but to each of them individually.

Similar comments apply to housing management more generally. As the Green Paper states, “landlords need to retain clear oversight in standards, quality and safety, as well as keeping control of the value for money of contracts”, so there is a limit to how much control we can concede.

However, we know social housing tenants often have little choice over where they live or the services they receive. This has been central to our Offer for Tenants work, and the drive to strengthen transparency and accountability in the sector.

The Green Paper looks with implied favour on other initiatives, such as Tenant Management Organisations, community housing associations, co-op or ‘mutual’ models and Local Management Agreements. The housing association sector is varied and such initiatives are welcome, but we are an independent sector and it is important that the Government does not seek to impose its preferred model.

We do, however, think ‘trailblazers’ to pilot models for community leadership – Tenant Management Organisations, Local Management Agreements, and models allowing residents greater choice over the services provided and the contractors employed – could be very helpful in establishing which model works effectively in different circumstances.

The Government is considering a new push for transfers of local authority stock ‘particularly to community-based housing associations’ but does not say whether the ballot requirements will still apply. We think it is important to see further details on this before responding

The role of the regulator and consumer regulation

The role of the regulator in providing assurance and improving tenant experience and service is explored in some detail in the Green Paper. While we don’t want to return to the regulator micro-managing the relationship between landlords and tenants, we agree there is a role for the regulator to play in identifying and intervening where we are failing our tenants.

Regulations and expectations laid down by the regulator also tend to be prescriptive. As we have said elsewhere in this paper, we do think regulatory oversight of performance and how we are working with tenants could have a helpful role to play. We think this should be focused on the strategic role of the board, culture and leadership.

If the regulator’s role is enhanced in this area, it needs to be properly resourced so it can maintain its current oversight of governance and financial viability.

The Green Paper argues that a shift to a consumer focus is justified on post-Grenfell safety grounds, which we strongly support, but we believe it is important it applies equally to relevant buildings in all housing sectors, including the private for-profit sector.

9. What is your view on how residents can be empowered, while still respecting the independence and diversity of the housing association sector?

10. Do you agree that good proportionate regulation could help strengthen our accountability to our tenants?

11. How do you think residents can be armed with information on landlord performance in a meaningful way that does not drive perverse incentives, and recognises local priorities and circumstances?

Tackling stigma and celebrating thriving communities

We believe the Green Paper doesn't go far enough in addressing issues of stigma raised by tenants and residents in social housing. We have committed to playing our role in this, but we also think the Government can and should take a stronger approach.

The 'See the person' campaign provides a valuable practical resource to help address the stereotypes that exist in social housing, and it has the potential to make a real difference. We are fully behind this campaign and will do what we can to promote it and ensure it is supported, including with the Government.

We are considering whether we can pitch a bold idea to the Government in our response, perhaps one that can be delivered in partnership with the sector. For example, we could consider launching a campaign about social housing and the people who live in these homes, like an extended version of [our Starts at Home campaign](#).

This section in the Green Paper also covers broader community issues, such as aspects of anti-social behaviour and good design. We are supportive of the aspirations in this section but will ensure the role of housing associations as place-makers and anchor organisations is acknowledged in our response.

The findings from [our Great Places project](#) will provide the opportunity for us to evidence the impact of the wider role housing associations play beyond their key responsibilities.

If residents feel engaged and listened to they are more likely to be proud of where they live, look after their homes, and encourage others to do the same. This can be helped through good quality, inclusive design, and we would like to draw attention to good practice from our members in this area in our Green Paper response.

We are particularly interested in techniques that are supported by the value of design quality, and use technology and innovative methods to broaden the number of residents who engage with their landlord.

12. What is your view on the specific proposals in this section, and what more do you think could be done to tackle stigma in social housing?

13. Do you have any examples of work you are doing to tackle stigma or create thriving communities that you think we should include in our response?

Expanding supply and supporting home ownership

While the issue of social housing supply was repeatedly raised at the ministerial engagement events with tenants, instead the Green Paper focuses on shared ownership and Right to Buy. We are disappointed that the Government did not properly explore how to increase the supply of social housing for rent in the Green Paper.

The Green Paper does, however, acknowledge the need for new social housing, stressing both its importance and its contribution to the overall supply of new housing. It reaffirms the target in the recent Housing White Paper of 300,000 houses annually by the mid-2020s, and it proposes to ease borrowing rules for local authorities. However, it is disappointing that the Government appears to see further social housing development continuing as we have seen it over the last few years, and doesn't indicate any intention to restore substantial levels of investment in social rent.

In our Green Paper response, we will make the case, as we have elsewhere, that government action on land and investment is needed to deliver the affordable homes the country needs.

The Green Paper acknowledges the benefits of longer-term certainty in increasing housing supply and positively references [the first wave of strategic partnerships with Homes England](#). It asks for evidence on the additional homes that could be delivered with long-term funding, which is something we have been pressing for in our conversations with the Government.

The Green Paper asks whether current arrangements strike the right balance between providing grant funding for housing associations and Housing Revenue Account borrowing for local authorities. Both are essential if we are to meet the Government's target for new homes.

The focus on new shared ownership models give us an opportunity to put forward new proposals, and the Green Paper features the example of Thames Valley Housing's Shared Ownership Resi Plus Programme. We will also draw on the work of [our innovation programme](#), which is looking at this issue in detail.

The Green Paper offers strong support for community-led housing. We know housing associations have an important role to play in delivering and supporting community-led housing, which we would like to highlight in our response.

- 14. Could you give us an indication of the additional supply you could deliver with longer-term certainty over grant funding (for example 10-year funding)?**
- 15. Are you developing your own iterations of shared ownership schemes that we could showcase in our response, and what further support from Government would help with these?**
- 16. What are your views on what more the Government could do to support community-led housing?**

Other regulatory issues

Alongside the Green Paper, there is a separate [call for evidence on regulation](#). As it reflects the priorities of the Green Paper, we have effectively covered it through the above discussions in this paper. However, it is broad in its scope, so is an opportunity to raise any other regulatory issues.

More fundamentally, the Housing and Regeneration Act 2008 adopted new language regarding regulation, for instance referring to it as creating 'rules' and 'requirements'. This was a marked shift from the previous legislation that, like charity law from which it was derived, referred to regulation as 'guidance' to which registered providers should 'have regard' (and it still remains the case that charity law operates in this way).

It is true that, in practice, regulation of housing association does not operate in the manner that some of the statutory language suggests. Nevertheless, the 2008 Act represents a step away from the quasi-charitable approach to regulating the sector. We welcome views from our members on whether we should seek a return to the former approach.

17. Are there any issues with the current regulatory approach that you would like us to cover in our response? If so, what changes would you suggest and how would they help you operate more effectively, build more homes, or strengthen your relationship with tenants?