

BOROUGH OF KETTERING

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Report Originator	John Conway Head of Housing	<i>Fwd Plan Ref No:</i> A18/023	
Wards Affected	All	17 th October 2018	
Title	THE SOCIAL HOUSING GREEN PAPER: A NEW DEAL FOR SOCIAL HOUSING		

Portfolio Holder: Councillor Mark Rowley

1. PURPOSE OF REPORT

This report provides a briefing on the Government's green paper on social housing and invites the Executive Committee to consider its contents and submit a response to the Secretary of State for Housing, Communities and Local Government.

2. BACKGROUND

- 2.1 The social housing green paper was published by the Government in August in response to the Grenfell Tower disaster. In the wake of the tragedy, it became apparent that the fire and its aftermath were symptomatic of a wider disconnect between social housing tenants and the state at both national and local levels. The green paper represents an attempt by the Government to remedy this disconnect.
- 2.2 In the months following the tragedy, Ministers met with almost 1,000 residents of social housing at consultation events across England to ascertain their views, needs and ambitions.
- 2.3 The green paper set's out the Government's new vision for social housing:

"A vision which values and respects the voices of residents, with landlords treating them with decency and respect, backed up by clear consequences when they do not.

A vision centred on how social housing can support people to get on in life, making it more likely, not less, they will go on to buy their own home, as well as providing an essential, good quality and well run safety net for those who need it most".

- 2.4 The green paper promises a fairer deal for social housing residents, which comprises proposals in five areas:

2.4.1 **Ensuring homes are safe and decent**

Following the Grenfell Tower tragedy, the Government has pledged to help residents to engage with their landlords about safety issues affecting their

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homes. Among the initiatives discussed in the green paper are a pilot project which would explore innovative ways for social landlords to communicate and engage with residents on safety issues and a review of the Decent Homes Standard to consider whether it delivers the right standards for social housing.

2.4.2 Improving the resolution of complaints

The Government believes that residents should be able to influence decisions and challenge their landlord to improve performance, and to have access to effective complaints processes when necessary. Accordingly, the green paper discusses a number of possible measures to give tenants a stronger voice. These include strengthening mediation mechanisms for residents and landlords, improving access to the Housing Ombudsman and introducing statutory guidelines and timescales for landlords handling complaints.

2.4.3 Empowering residents so that they can hold their landlords to account

Ministers say that if residents are to be able to hold their landlords to account, they need good information about how their landlords are performing in comparison to others. Accordingly, the green paper proposes that the Regulator of Social Housing should publish league tables of landlord performance and take a rigorous and proactive approach to enforcement, when there are concerns about the performance of individual social landlords. As well as taking steps to increase transparency, the Government also wants to offer residents an opportunity to exercise more choice over their day-to-day services. In that regards, it is considering a new stock transfer programme to promote the transfer of local authority housing particularly to community-based housing associations.

2.4.4 Tackling stigma and challenging stereotypes about tenants

When speaking to Ministers, tenants said that they were often treated as “an underclass” and “benefit scroungers”, rather than hardworking and honest people. In the green paper, the Government states that it is determined to ensure that the positive contribution made by social housing residents to their communities and society as a whole is recognised. Some residents told Ministers that they felt they were treated with contempt and patronised by their landlords. In response, the Government says that it wants to promote a customer service culture across the housing sector and attract, retain and develop the right people with the right behaviours and build on the work already delivered by the Chartered Institute of Housing in professionalising the sector.

2.4.5 Building new social homes and promoting home ownership.

The green paper acknowledges that social housing provides a stable base for people when they need it but Ministers also believe that it must support social mobility and provide a gateway to home ownership.

The Government recognises that local authorities have faced barriers when seeking to build new council houses. These include restrictions on their ability to

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borrow money to fund house building, uncertainty in the level of rent they can charge from 2020/21 and limitations on the use of Right to Buy capital receipts. In an effort to make it easier for councils to build new homes, the Government has recently announced a number of measures:

- raising the housing borrowing cap by up to £1 billion in areas of high affordability pressure;
- allowing councils to increase rents by Consumer Price Index +1% for a five year period from 2020
- publishing a consultation on how local authorities can use the money raised from Right to Buy sales to help them build more homes;
- not proceeding with the Higher Value Assets provisions of the Housing and Planning Act 2016.

The Government has also decided not to introduce mandatory fixed term tenancies for council tenants under the Housing and Planning Act 2016. A review is also proposed to look at how housing allocations schemes are working across the country and how housing associations collaborate with councils in allocating social housing.

3. CONSULTATION AND CUSTOMER IMPACT

- 3.1 The social housing green paper is a consultative document and the Government has invited all interested parties to submit comments by 6th November.
- 3.2 The Tenants' Forum was consulted at its meeting on 13th September and the Research and Development Committee considered the green paper at its meeting on 18 September. The draft response reflects the comments made at both meetings.

4. POLICY IMPLICATIONS

- 4.1 'A new deal for social housing' represents a marked change in Government housing policy. Only a couple of years ago, Ministers were focusing exclusively on home ownership as the way to fix Britain's broken housing market. The Housing and Planning Act 2016 represented an existential threat to council housing as it included provisions to force councils to sell higher value voids, introduce mandatory fixed term tenancies and implement a pay-to-stay regime for higher income tenants. Together with a five year rent reduction of 1% per annum and a significant decrease in funding for building social housing, the Housing and Planning Act effectively created a hostile environment for social housing.
- 4.2 In contrast, this green paper is much more positive about the role of social housing. It recognises that social housing performs a valuable role in local housing markets in providing a stable home environment and support for people

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in need. It also acknowledges the significant contribution that tenants make to their communities and wider society.

- 4.3 In relation to the management of social housing, the green paper contains several welcome proposals. Firstly, it rolls back several of the more deleterious aspects of the Housing and Planning Act 2016 such as the forced sale of higher value council housing and the introduction of mandatory fixed term tenancies. Also welcome is the pledge by Ministers to restore the rent settlement of CPI +1% from April 2020 which will provide social landlords with some certainty in managing services and delivering stock investment.
- 4.4 The green paper commits the Government to embedding a more professional housing service through the recruitment and development of people with the right behaviours and skills. This accords with the approach taken by Kettering Borough Council over many years where staff have been recruited on the basis of their outlook, customer service skills and potential. Over the long term, the Council has supported many members of staff in gaining professional qualifications through the Chartered Institute of Housing.
- 4.5 Following the tragedy at Grenfell Tower, it was inevitable and desirable that the green paper would seek to strengthen transparency and oversight of the social housing sector. The reintroduction of performance indicators, league tables and a national voice for tenants and a more interventionist role for the Regulator of Social Housing central regulation herald a return to an era when there was greater oversight of social landlords.
- 4.6 As well as taking steps to increase transparency, the Government also says it wants to offer residents an opportunity to exercise more choice over their day-to-day services by promoting the transfer of local authority housing to community-based housing associations. However, it is not clear how stock transfer would in itself increase resident and community choice over day-to-day services and it certainly would not lead to any increase in housing supply.
- 4.7 There are some areas where a much more ambitious Government agenda would have been welcome. A fundamental issue for social housing over the past forty years has been a lack of investment both in new housing and in maintaining the existing stock. The Prime Minister has recently announced a £2 billion increase in funding for new affordable and social rented homes from 2022 that will assist local authorities looking to build new homes but it is clear that much higher levels of investment are required to achieve a long-lasting, transformative change for social housing and residents.
- 4.8 **Appendix A** set out a draft response on behalf of the Council to the green paper. The paper seeks to address the issues which have been identified above and to incorporate the views that were expressed by the Research and Development Committee and the Tenants Forum.

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5. FINANCIAL RESOURCE IMPLICATIONS

5.1 None at this time

6. HUMAN RESOURCE IMPLICATIONS

6.1 None at this time

7. LEGAL IMPLICATIONS

7.1 None at this time

8. RECOMMENDATION

8.1 The Executive Committee is asked to consider the contents of this report and to approve the draft comments set out in Appendix A as the Council's response to the social housing green paper.

Background Papers:

A New Deal for Social Housing
Ministry of Housing, Communities and Local Government August 2018

A New Deal for Social Housing
Presentation to Tenants Forum 13 September 2018

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Previous Minutes/Reports:

Report A1 Research and Development Committee 18 September 2018
A New Deal for Social Housing