

Social Housing Green Paper

Members Briefing
14th August 2018

Introduction

The Government has published the long-awaited Social Housing Green Paper, which arose as a result of the fire at Grenfell Tower in June 2017. The Green Paper promises a ‘new deal’ for social housing residents, aiming to ‘rebalance the relationship between tenants and landlords, tackle stigma and ensure that social housing can be both a safety net and a springboard into home ownership.’

The [Social Housing Green Paper](#) has been launched alongside 2 consultations:

- [Review of Social Housing Regulation](#) (deadline 6th November 2018)
- [Use of Receipts from Right to Buy sales](#) (deadline 9th October 2018)

There is much to be welcomed within the Social Housing Green Paper, including several key announcements on areas where the NFA has been lobbying on for the last few years:

- Confirmation that the Government will not introduce the High Value Asset Levy, and a commitment to repeal the legislation;
- Recognition around the problems with Right to Buy, and a consultation to address sector concerns;
- Confirmation that arrangements for Fixed Term Tenancies will be kept at a local level at this time, with the provisions of the Housing and Planning Act not enacted.

The NFA submitted a pre-Green Paper positioning paper, outlining what we would like to see in the Green Paper and we have seen much of what we asked to be looked at included in the document although still from a questioning and consultative perspective. As it is very “green” there is still a lot of scope to influence the Government’s thinking.

We asked for **commitment to and investment in social housing** and although we haven’t seen any further increase in the funding for social housing grants or a general lifting of the borrowing caps the significant change in the language used by Ministers about council housing in the forewords is very encouraging. We have also achieved the ending of the High Value Asset levy which will now stop dis-investment in the stock and, we hope, encourage more new build in some areas. We asked for the green paper to help recognise the need to **build successful communities** and we believe that this paper does recognise the wider value of social housing and the need for good quality, well designed homes in successful neighbourhoods. We called for more proactive **consumer-focused regulation** for Councils, ALMOs and Housing Associations, and are pleased that regulation and key performance indicators are looked at within the Green Paper. We are also pleased to see consultation around the Housing Ombudsman. We asked that the government take the opportunity to review good practice on **tenant engagement**, identify what works, what options should be available to tenants and promote some minimum standards. They are clearly interested in this and have suggested a number of different ways this could be done. We supported the idea of a National Voice for Tenants and although they haven’t yet committed to this they are consulting on the idea.

We stated that our key concern was that the Green Paper is **truly wide ranging**, and the opportunity is not lost to properly debate the importance of social housing in a fully functioning housing market. We are pleased that the Government has recognised within the paper the importance and value of social housing, as well as providing an opportunity to debate key issues. We are also pleased that there is a strong recognition of the Benefit to Society campaign (now called See the Person) and attempts to address the wider issues of the stigma associated to social housing. Photographs from the NFA's Annual Photography Competition have been used within this section of the Green Paper alongside a case study from Poole Housing Partnership and a mention of the Newcastle furniture service.

There is a clear emphasis on redefining the relationship between landlords and tenants, looking at regulation, complaints resolution, tenant engagement and challenging stigma. Although there is a commitment to increase the supply of social housing, the paper is mainly reconfirming announcements which have previously been made. It is unlikely that these announcements will lead to the renaissance in Council housing building which is required to ensure it becomes part of wider mixed tenure market. Although the paper recognises the link between welfare reform and social housing, the paragraphs around this are a nod to the issue rather than anything substantial or different.

The Government reiterates the £1 billion lift in the borrowing cap in areas of high affordability pressures and is also consulting on whether there is 'the right balance between providing grant funding for housing associations and HRA borrowing for local authorities.' Although we would prefer HRA borrowing caps to be completely lifted, the £1 billion lift, combined with the scrapping of the HVA levy and proposals to improve RtB replacements, should support long-term investment in social housing in the areas eligible to bid. For those not included in the eligible list this time the document does offer some hope for the future as it states that the government "**will use the new £1 billion borrowing programme to measure the appetite and ambition of local authorities and their effectiveness at building new homes, with a view to considering whether further reforms are needed..... We hope to see the borrowing programme fully subscribed and to receive evidence of a wide range of proposals from local authorities for new development**".

The NFA will be organising a Chief Executive day soon to discuss the Social Housing Green Paper, and we have confirmed that MHCLG officials are happy to attend. Further information will be provided as soon as possible. We will also be working closely with members and other stakeholders to develop our response to the Green Paper over the next couple of months and respond to the separate consultation documents.

Social Housing Green Paper - summary

Key points/issues from each chapter are outlined below:

Chapter 1 – Ensuring homes are safe and decent

- This chapter summarises the work already undertaken with regards to fire and building safety and the recommendations of the Hackett report. The government want to accelerate a social sector response to lead the way in engaging with tenants and residents in health and safety matters. A new programme will be developed to support residents to engage with their landlords on issues of building safety in social housing, including a pilot with a small group of social landlords.
- They are also proposing a review of the Decent Homes Standard, with a question around whether new safety measures in the private rented sector should apply to social housing but this is also an opportunity to look again at improved energy efficiency measures as well as wider neighbourhood and communal facilities to be included.

Chapter 2 – Effective resolution of complaints

- Chapter focuses on how to give residents a stronger voice to influence decisions and challenge their landlord to improve performance, including:
 - How to strengthen local mediation opportunities available to landlords and residents
 - Reviews of the process for seeking advice, redress for complaints, and the ‘designated persons’ process, including a proposal to get rid of the “democratic filter”.
 - Processes for raising awareness of concerns and complaints – they are asking for ideas and good practice to improve the customer experience and the speed of resolution.

Chapter 3 – Empowering residents and strengthening the Regulator

- The Government is consulting on setting and assessing landlords against a number of ‘agreed and meaningful key performance indicators’. They are proposing that the KPIs are set by the Regulator and published in league tables. They are also consulting on financial incentives and penalties to promote best practice and deter worst performance, linking Affordable Homes Programme Funding to the Regulator’s governance rating as well as the viability rating. This is subject to a separate consultation paper as well. [Review of Social Housing Regulation](#)
- The Green Paper seeks information about whether current resident engagement and scrutiny measures are effective; and whether there is a need for a stronger representation for residents at a national level.

- The paper states that the Government is considering a new stock transfer programme to promote the transfer of local authority housing particularly to community-based housing associations. The NFA will look to see if previous models such as CoCo might now fit with the Government's agenda for some Councils and ALMOs.
- The Government is consulting on the current consumer regulation objectives and standards. They are also looking at regulatory changes to enable consumer standards to be enforced in a similar way to economic standards. They are consulting on whether the Regulator's scope of work should include ALMOs:
 - *“As part of examining the scope of the Regulator's role we want to consider the case for extending its remit to other organisations that manage social housing... The Regulator will hold the local authority landlord to account for the way the services are delivered, so it is vital that the local authority has good oversight arrangements in place to ensure that management organisations provide a good service. There is a further question about whether more is needed to set out the accountability of the landlord for management services that are outsourced, or whether the Regulator should have direct oversight of how these management organisations operate.” (page 43)*

They have asked a specific question about the regulation of ALMOs:

“Is the current framework for local authorities to hold management organisations such as Tenant Management Organisations and Arm's Length Management Organisations to account sufficiently robust? If not, what more is needed to provide effective oversight of these organisations?”

Chapter 4 – Tackling stigma and celebrating thriving communities

- The Government would like to see a change in the way social housing residents are treated, viewed and respected.
- Suggestion of a 'best neighbourhood competition'
- Reference to the Benefit to Society campaign, now known as 'See the Person' campaign, with photographs from our Photography Competition forming a key part of this section.
- Considering introducing a key performance indicator that will capture how well landlords undertaken their neighbourhood management responsibilities
- They are looking for a series of trailblazers to test new models and principles of structure and governance that allow for stronger community leadership (page 38). They are also reviewing Tenant Management Organisations as part of this Green Paper and are interested in 'other innovative ways of giving social housing residents greater choice and control over the services they receive from landlords.'

Note: We would be interested in case studies which demonstrate what ALMOs are doing within this area. The Government has mentioned the Community Cashback scheme (Give it a Go Grants) and we would be interested to know if any ALMOs did this, what their experience was, whether it worked?

- The Government is consulting around value for money for leaseholders, with a number of issues raised in the Green Paper.

Note: We know there is considerable good practice being undertaken with leaseholders in some areas and would like to feed this evidence back to MHCLG.

Chapter 5 – Expanding supply and supporting home ownership

- The Government has published a consultation on how local authorities can use the money raised from Right to Buy sales to help them build more homes. This includes the potential for Local authorities to keep some existing RtB receipts for longer than three years to ensure the receipts can be used alongside the borrowing cap increase; that a greater proportion of the cost of new Social Rent council homes in areas of high affordability pressure could be met through RtB receipts, and to allow greater flexibility over the tenure of replacements. A summary of this consultation will be provided separately.
- The Government has reiterated the fact that they are using the Borrowing Cap £1 billion as a test to measure appetite and ambition of local authorities: ‘we hope to see the borrowing programme fully subscribed and to receive evidence of a wide range of proposals from local authorities for new development.’
- The Green Paper seeks views on whether the Government’s current arrangements strike the right balance between providing grant funding for housing associations and Housing Revenue Account borrowing for local authorities.
- It is confirmed in the Green Paper that the Government will not bring the Higher Value Assets provisions of the Housing and Planning Act 2016 into effect, with the intention to repeal the legislation when Parliamentary time allows.
- They state that they have listened to the concerns of Landlords and the wider housing sector in relation to welfare reform, but they are not announcing anything new to support tenants.
- There is some welcome clarification around the use of local housing companies to build new homes and transfer of stock to these companies (60).
- They are proposing a new evidence collection exercise to understand how the allocations framework is working as they seem to have some concerns about the outcome of the localisation agenda on this area.
- They will not implement the provisions of the Housing and Planning Act around fixed term tenancies at this time – recognising the value of decisions being made at the local level.

They are however committed to bringing forward legislation to protect victims of domestic abuse.

Next steps for the NFA

We will be looking at the specific parts of the Green Paper consultation with a view to preparing an NFA response by the 6th November. During September we plan to hold a Chief Officer day to discuss the Green Paper and help develop some of our existing ideas on these themes. We would also like written responses from ALMOs to the Green Paper questions as soon as you have been able to have discussions locally and by Friday 5th October at the latest so that we can feed all of that into the overall NFA response. The NFA Board will be discussing the paper at its next meeting on the 5th September and the NFA Executive Steering Group will be able to consider the NFA response at its next meeting on the 16th October.

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