

The social housing green paper – Local Government Association briefing

15 August 2018



The social housing green paper titled "[A new deal for social housing](#)" and published on 14 August 2018 is the Government's vision for social housing. It sets out proposals to rebalance the relationship between tenants and landlords, drawing on the Government's engagement with social tenants following the tragic events at Grenfell Tower. Consultation on the proposals in the Green Paper closes on 6 November 2018.

The paper is designed around five principles:

- a safe and decent home for residents
- improving and speeding up how complaints are resolved
- empowering residents and ensuring that their voices are heard so that landlords are held to account
- building the social homes we need and ensuring that those homes are a springboard to home ownership

The Government has also issued a [consultation on changing the rules governing the use of right to buy receipts](#) (deadline 9 October) and a [call for evidence on the regulation of social housing](#) (deadline 6 November) alongside the green paper.

Our [press response](#) on the day was widely covered in national and local media.

KEY MESSAGES

- The green paper is a step towards delivering more social homes but it is only a small step, compared with the huge and immediate need for more genuinely affordable homes.
- The Government must go beyond the limited measures announced so far, scrap the housing borrowing cap, and enable all councils, across the country, to borrow to build once more. This would trigger the renaissance in council house-building which will help people to access genuinely affordable housing.
- We have long called for reforms to Right to Buy in order to allow councils to build more homes, and there are some positive signs in the consultation. But we must go much further so that councils can deliver the affordable homes that our residents need and deserve, including allowing councils to set discounts locally and to keep 100 per cent of receipts from homes sold.
- It is good that the Government has listened to our concerns and dropped plans to force the sale of council homes. We have worked hard to demonstrate the need to scrap this policy which would have forced councils to sell off large numbers of the homes desperately needed by low-income families in our communities
- We look forward to engaging with the Government, councils and partners in responding to the green paper, building on the local good practice in tenant engagement and empowerment.

Briefing

CHAPTER 1: ENSURING HOMES ARE SAFE AND DECENT

- Ensuring resident safety: Government are seeking to bring forward implementation of the recommendations on tenant involvement from Dame Judith Hackitt's Review of Building Regulations and Fire Safety. This will include a programme of support for tenants to engage landlords in issues of building safety
- Decent Homes standard: Government will consider whether the Decent Homes standard provides adequate safety and standards for social tenants
- Government is asking for views on whether minimum standards recently introduced for privately rented housing should also apply to social homes

LGA view:

The LGA is working closely with Government on the implementation of the recommendations of the Hackitt Review. We also agree on the importance of taking swift and meaningful action to help social tenants feel safe in their homes. Building new relationships between landlords and tenants will take time. In the shorter term there are immediate steps Government could take to protect all occupants of high rise buildings.

The LGA is calling for combustible materials to be banned from external cladding systems and for the use of desktop studies to be prohibited in relation to external cladding systems. We are also calling for any new burdens on local authorities to be fully funded, including the need to facilitate whistleblowing

Significant progress has been made in bringing council owned housing up to the Decent Homes standard. Government can help support further improvement by providing the freedoms and flexibilities that will allow councils to invest in their housing stock over the longer term.

The LGA supports the ambition of greater safety of tenants in social housing, but any further regulatory approach should be proportionate and the Government must not lose sight of the fact that private rented property, where many vulnerable homeless families are housed due to a lack of social housing, will often be older and more likely to contain a health and safety hazard.

CHAPTER 2: EFFECTIVE REGULATION OF COMPLAINTS

- Removing barriers to redress: Government is seeking views on strengthening local mediation for disputes, and on the value of the requirement for a designated person (either a tenant panel, MP or councillor) to consider a case before it can be escalated to the Ombudsman
- Supporting resident to raise complaints: the paper seeks views on raising awareness of complaint processes and improving tenants' access to advice and support
- Speeding up the complaints process: the paper seeks views on speeding up landlords' complaints process, and how existing systems can be developed to give tenants an effective route for raising safety concerns

LGA view

The LGA will be working with Government, council landlords and the Tenant Participation Advisory Service to share good practice.

While in certain instances there are advantages to looking at the redress process with a view to making it clearer and accessible, it is important not to undermine existing good practice. In the majority of cases tenants will understand and have confidence in the existing redress process, and will not necessarily benefit from imposed reform.

Local politicians are well placed to support tenants through the complaints process and they should retain a formal role in resolving disputes, and integrate into wider local processes of governance and redress.

CHAPTER 3: EMPOWERING RESIDENTS AND STRENGTHENING THE REGULATOR

- Arming residents with information on landlord performance: the paper is seeking views on new performance indicators to help inform tenants, and proposals to make handling of complaints part of the overall reporting framework. There could also be a role for the Regulator in publishing comparative ratings for landlords
- Rewarding good performance: government funding for building programmes could be conditional on a new measure of tenant satisfaction
- Ensuring residents voices are heard: the paper seeks views on making tenant engagement more consistent, and providing a national platform for tenants
- Strengthening choice over services: the paper seeks views on a new stock transfer programme to promote the transfer of local authority owned housing to community based housing associations; setting up trailblazers for new models of resident led governance; the ability of TMOs to deliver good outcomes for tenants, and examples of other forms of innovative tenant involvement
- Value for money for leaseholders: the paper highlights tenants concerns over a lack of transparency on service charges and difficulties in buying properties in a shared block. Government will seek opportunities to reflect the needs of social tenants in existing work on leasehold reform
- A stronger regulator: the paper seeks views on the ability of the regulator to scrutinise the performance of social landlords and take action against them

LGA View

The regulatory frameworks for social housing covers both councils and housing association landlords. Council landlords are accountable to local politicians and are therefore not accountable to the regulator on the full regulatory framework. This is the right approach and it strikes a balance between national standards and local democracy. Treating all social landlords as the same would be bureaucratic and the costs would ultimately be paid by tenants through their rents.

Councils understand their tenants and local housing circumstances best, and how to improve performance through positive productive relationships locally. National performance regimes inevitably generate perverse incentives leading to unforeseen consequences, and so we would caution against over prescription

through national Key Performance Indicators and in linking them to Affordable Homes Programme grant.

The Green Paper proposes significant changes to the way council owned housing stock is run and expresses interest in further stock transfer. We believe that these decisions are best made at local level by councils and residents. There is no one size fits all model for council housing governance and there are many excellent examples of tenant led activity in council owned housing.

The LGA is already looking at good practice in tenant involvement working with the Tenant Participation Advisory Service, as noted in the Green Paper.

CHAPTER 4: TACKLING STIGMA AND CELEBRATING THRIVING COMMUNITIES

- Celebrating thriving communities - the paper seeks views on investing in community initiatives and events, like street parties, and on how to share positive stories of social housing residents and their neighbourhoods.
- Embedding good customer service and neighbourhood management – the paper seeks views on supporting the professionalisation of housing teams and to develop a performance indicator to understand service improvement and social value
- Promoting good design – the paper seeks views on how planning guidance can support good design in the social sector, and how to involve residents in design.

LGA view

Councils are proud of their housing stock, the tenure, and their tenants, and have had to rebut negative stories about what it means to be involved in council housing for many years. It is therefore positive to see some emphasis on this issue, which ultimately is complex and will take a long time to resolve.

However the green paper does not go nearly far enough in allowing councils to invest in existing and new housing and places, and in continuing to treat and refer to social housing as an option of last resort or ‘springboard’ into other tenures.

Ultimately there is a need for a huge expansion in the social housing stock for people from all walks of life, creating thriving mixed communities. And this must be a positive vision focused on quality units, new council housing is already offers among the most innovative and best designed estates around, councils just need to be allowed to develop more of it.

CHAPTER 5: EXPANDING SUPPLY AND SUPPORTING HOME OWNERSHIP

- Supporting councils to build more – the paper seeks views on the balance between investing in grant or borrowing, the proposals for [reforming Right to Buy](#), enabling housing companies, and confirms the repealing the Higher Value Assets policy.
- Community-led housing – the paper seeks views on how to boost the community-led housing, developing new community owned homes, and enabling resident-led estate regeneration.

- Helping housing associations and others develop more affordable homes – the paper seeks views on what additional certainties are needed by housing associations to deliver more homes
- Ensure we are using existing social housing efficiently for those who need it most – the paper seeks views on a review to understand social housing allocations, and confirms council flexibility on fixed-term tenancies.
- Ensuring social housing is a springboard to homeownership – the paper seeks views on how to further support shared ownership products, confirms continuing of voluntary Right to Buy pilots

LGA view

A significant expansion in social housing is the single most important step the Government could take in solving the housing crisis. It would add new supply quickly, support home ownership, reduce homelessness, and generate huge public service savings. Given the scale of benefits, the green paper's ambition is disappointing, although some positive steps have been taken.

There are a number of valuable proposals set out in the RtB consultation, which we have argued for, such as:

- being able to reinvest great proportions of receipt into new homes
- matching receipts with Affordable Housing Programme grant
- having a longer period within which to deliver
- repealing the forced sale of higher value assets policy

Retained local flexibilities on fixed term tenancies, and support for delivery by local housing companies are also welcome.

The UK is suffering from a housing crisis and immediate action is required. Right now councils are housing 77,000 families and 125,000 homeless children in temporary accommodation, with a further million on waiting lists, and many more families struggling in expensive, less secure private rented housing. The last time the country built enough homes councils built 40 per cent of them. We need a renaissance in council building led by a removal of borrowing restrictions, local retention of all sales receipts and a flexibility to set RtB discounts.

Conclusion

The proposals in the green paper are not sufficient on their own to bring about a renaissance in social housing, which will only be achieved by enabling councils to build the homes their communities need. It should also be noted that the proposals set out in the green paper will need to be funded either by councils (i.e. by tenants themselves through rents) or the Government separately.

We look forward to discussing this further, and hope that it is a start of a more ambitious plan delivering change.