



Levelling Up, Housing and Communities Committee

Oral evidence: The regulation of social housing, HC 874

Wednesday 9 March 2022

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Members present: Mr Clive Betts (Chair); Bob Blackman; Florence Eshalomi; Ben Everitt; Andrew Lewer; and Mohammad Yasin.

Questions 161 to 217

Witnesses

I: Jenny Osbourne, Chief Executive, TPAS; Dr Amanze Ejiogu, Senior Lecturer in Accounting and Finance, Newcastle University Business School.

II: James Prestwich, Director of Policy and External Affairs, Chartered Institute of Housing; Helen Garrett, National Housing Data and Insights Lead, BRE Group; Tarun Bhakta, Policy Officer, Shelter.

Examination of Witnesses

Witnesses: Jenny Osbourne and Dr Amanze Ejiogu.

Q161 **Chair:** Welcome, everyone, to this morning's session of the Levelling Up, Housing and Communities Select Committee. This morning, we have two further panels with our inquiry into the regulation of social housing. This follows on from many concerns that we have seen in the media about the state of some social housing properties. Concerns have been raised about it and about how the whole sector is regulated.

Before I come over to our first panel this morning, I will ask Committee members to put on record any particular interests they may have that are relevant to this inquiry. I am a vice-president of the Local Government Association.

Mohammad Yasin: I am a member of Bedford town deal board.

Andrew Lewer: I am a vice-president of the LGA.

Q162 **Chair:** We may have more members joining us who are currently delayed, but they will be joining us as we go along. Over to our



HOUSE OF COMMONS

witnesses. First of all, Jenny Osbourne, could I ask you to introduce yourself, please?

Jenny Osbourne: I am Jenny Osbourne, chief executive at TPAS. We are the tenant engagement experts, working across England. We are a membership organisation made up of social housing landlords, tenant groups and some commercial organisations that work with tenants. We have about 285 member landlords in our membership family. Just to be clear, that is our membership structure. We are landlords and tenants. We work to make sure that those conversations are happening about things that matter to tenants, and it is that insight that we are hoping to bring and share with you today.

Chair: Joining us virtually is Dr Amanze Ejiogu.

Dr Ejiogu: I am Amanze Ejiogu, a senior lecturer in accounting at Newcastle University. I have been researching social housing for a number of years. Together with my colleague Dr Mercy Denedo, who is in the public gallery today, I co-authored a report on stigma in social housing, which you might have seen.

Q163 **Chair:** Thank you both very much for joining the Committee this morning. We are going to look briefly at the issues of tenants' engagement and tenants' voice.

First, as I said at the beginning of the introduction to the session, we have had disturbing reports in the media about the really poor state of some social housing. I am careful about using the word "homes" that people are being asked to live in. They are their homes but, in some cases, they are not fit to live in. It has been pointed out to us that that is a minority. What is your experience of the really serious problems in social housing and the condition of properties? Is it widespread or have we highlighted in the media some bad examples that are only limited and few and far between?

Jenny Osbourne: Like everybody, we were completely shocked by what we were seeing. It was a real lightbulb moment for social housing to see those conditions played out in the way that they were. Nobody should have to live like that. That point has been made many times to this Committee. I do not think it is widespread across the country. We have some particular problems around some of our housing stock but, that said, nobody should be living like that.

I welcome what the reports have shown. It has shown two things of real importance—the state of some of the housing that we have in this country in social housing, as well as something about the relationships and behaviours that we have in social housing. It has opened up the debate about both of those things. Those things need putting right, and putting right quickly. As a sector, we have to look at how we ended up here in terms of our stock condition, and the behaviours of some of the staff who have dealt with those tenants and the complaints that they have.



Dr Ejiogu: I agree with Jenny in that I do not think the problem is widespread. At the same time, it is a significant problem. It is one too many. More recently, we have seen the ITN news reports. In the past couple of days, we have seen reports about tenants dying in their flats and not being discovered for years, even with neighbours' complaints.

Underlying this is an issue with the relationship between landlords and tenants in terms of paying attention to tenants' needs and concerns. The deeper problem there is the way we regulate social housing. As it is, the power imbalance between the landlord and the tenant is significantly driven by the way we regulate. Until that changes, we will continue to see these problems.

Q164 **Chair:** You are absolutely right that, however widespread it is, for the individual or individuals living in those sorts of properties it is one property too many, because it is their property that is in a poor condition.

Can we move on to look at how tenants are engaged and listened to? We can think back to Grenfell, where what was said over and over again was, "We made all these complaints and nobody listened to us over many years".

Do you think that this lack of engagement with and listening to tenants is a fundamental problem across the housing stock? It may not always lead to serious issues that are as bad as Grenfell, but is it a fundamental problem that needs addressing? Jenny, this is something that you are very much versed in.

Jenny Osbourne: It has been a widespread problem. I can track back to the rent cut, when we saw a lot of engagement and engagement teams cut back in this country.

If I could just indulge myself for one minute, I have always said that engagement needs three things if you are going to do it well in this country. You need to understand that there is a real business case for doing engagement. It helps organisations to deliver better services. It helps bottom lines, which is a good thing. There is a real community and social reason why you should do engagement, and a lot of organisations get that. Why would you do it? You help communities and you help them thrive. What has been missing over the last few years is that policy reason, that drive and that push to do engagement, which has had a really serious effect on people doing it well.

There are many in the sector who continue to do it well and are doing it well, and we accredit landlords who are doing it well, but we need this regulatory change to bring many more to the table, so that they really embed this in their organisations and, crucially, believe in it. Because it has not been proactively regulated, boards have not taken it as seriously as they should and it has not had the priority that it should compared to other parts of the business.



HOUSE OF COMMONS

Things are improving at pace. Since the Green Paper and the White Paper, we are seeing many landlords talking to us in particular about how they improve their engagement in their organisations, but we still have plenty to do.

Q165 Chair: Why are we still talking about this? I am showing my age now but, in the 1980s, I was chair of housing in Sheffield. That is 40 years ago.

At that time, we involved tenants in the management decisions in our housing committees, as they were then, right from the beginning. We had a levy where a separate rent contribution, rather than coming to the council, went to fund tenants' organisations. You had a double stream of engaging tenants and embedding them into the management and decision-making processes, while also funding a separate tenants' organisation and tenants' voice. Why is that not commonplace 40 years later?

Jenny Osbourne: It is a combination of lots and lots of reasons. We have seen the decline of tenants' and residents' associations across this country. We have seen the decline of federations.

I have to go back to the point about regulation. A lack of regulation is part of it. Boards focus on the big risk areas and on what they will be measured on. That is part of it. We have not kept pace with how people's lives change. People want to be engaged in different ways. Their lifestyles have changed. Some of our structures in housing associations and local authorities have kept pace with that but we have expected people to be involved in the same old ways, and we need to take some recognition of that as we look forward to what the new regulation may look like.

I wonder whether we have lost some sight of what social housing is there for and whom it is there to provide for. In terms of losing some of that sight of what is about, do we have people in the sector who do not understand that, who do not have the right values and empathy, and who do not truly believe that tenants have a right and a voice that should be listened to and acted upon? All of those things play in. In addition, we have a decline in social housing in this country, and that is having an effect.

Q166 Chair: Amanze, do you have views about what good should look like in terms of tenant engagement and why it is not happening?

Dr Ejioogu: In our study, we saw several examples of tenants not being listened to. Sometimes, we hear tenants tell us the housing association had a consultation. They aired their opinions and nothing was done, so they are not listening or doing anything about what they have heard.

Underlying all of this is the more fundamental problem of accountability to tenants. Housing associations and housing providers have lost that sense of accountability to tenants, and that stems from the regulatory framework. Regulations are geared towards ensuring value for money



and ensuring that housing associations are financially viable. We have lost that sense of the tenant in all of that.

Until we start to regulate with the tenants' interests, and with tenants starting to play a more significant role in the regulatory space, we will continue to have this problem of a lack of engagement with tenants. The question is: "Why do we engage with tenants?" If there is no real reason to take their views on board, they will not.

Q167 **Chair:** You said that there is a lack of regulation. I suppose that there are two aspects to that. First, should it be necessary to have regulation to persuade social housing providers to properly engage with their tenants? It should not be necessary, should it? It should be built into what they do as organisations.

Secondly, are you saying that the regulator is not interested in tenants and their views, and that it is all about whether the sums add up and the right governance is in place for the organisation?

Dr Ejioгу: In our study, we saw a big disconnect between boards and what was happening. We would go into a discussion with senior management and the board, and they would tell us how they are engaging with tenants. We would walk into the next room to speak with tenants, and they would say there is absolutely no engagement. There is that disconnect and, in a sense, also a drift away from the social mission of a lot of these organisations. In that pursuit of a more commercial focus, they have lost the tenant.

In terms of regulation, while we would like to think that the regulator is interested in tenants and their issues, the fact is that the proactive regulation of financial standards and the reactive regulation to consumer standards have led us in this direction.

Jenny Osbourne: It would be lovely to think we could live in a world where regulation was not necessary for social housing, but it is, because it does mean that it provides a framework that tenants can understand and work to in terms of holding people accountable. We really welcome the proactive consumer regulation that we hope is coming. It is a great step forward to bring that.

The current regulator works within the powers that it currently has. You might want to ask about that a bit later. There is a growing sense in the sector of putting tenants firmly back in the driving seat and being heard, and of being accountable to them. It would be nice to think that we got back to what our values are in social housing and what we are there to do, and that that would be the driver. It is about good-quality housing at prices that people can afford, in good neighbourhoods. These are the reasons why we want to have social housing.

Engagement takes many forms as well. It is not just about the regulation and what is reported at boards. It is all the things that an organisation does in its contact with tenants. We talk about engagement at TPAS. The



HOUSE OF COMMONS

majority of tenants will not want to get involved in formal structures. They will not want to get involved in things that perhaps the regulator might be talking about or that we recognise as scrutiny panels or performance review panels—those very formal structures.

Tenants will get involved with those, but the majority will not. What is much more important to the majority of tenants in this country is, “Have I got repairs being done on time and when I ask for it? Is my home safe? When I contact my landlord, are they dealing with me in a courteous manner and with respect, and doing what they say they will?” Those interactions are as much about engagement as the more formal structures, needed as they are.

That is the culture. I will mention culture plenty of times today. It is a culture that we need to sort out in social housing for some landlords, which says, “I think tenants have a voice that should be listened to and acted upon. That is how I do business here”, and that is what we have to keep engendering, which regulation can help with.

Q168 Chair: One of the proposals in the White Paper is a set of tenant satisfaction measures and a new access to information power for tenants. Do you think these are helpful suggestions in terms of what you are saying is the most important thing, which is ensuring that tenants are getting the standard of service and the standard of homes that they want?

Jenny Osbourne: Tenant satisfaction measures are really important. They are a really important piece of what is coming. We have contributed to those. Our tenants and landlords have contributed to them through TPAS. They are not perfect—nobody is expecting anything to be—but we like the perception measures that are in there, which give tenants a real chance to say how they perceive a service and how they have received a service.

The majority of them are things that tenants find most important to them—repairs, antisocial behaviour and the neighbourhood. We are very pleased to see the stuff about the wider neighbourhood in there, for example, because we know that that is what tenants care about.

The tenant satisfaction measures are a piece of the jigsaw. We know that tenants have raised concerns to us to make sure that they cannot be gamed or that they do not become the only show in town, in that that is all that landlords focus on. In that context, they are going to be very helpful.

You raised the point about freedom of information in terms of housing associations. Absolutely, I do not think that there is lots of information that landlords hold that is not already in or cannot be in the public domain. We are not subject to hostile takeovers or any commerciality like that. If I am honest, there is a bit of rebalancing that I would like to see. Landlords hold a lot of information on tenants, and it would be nice to see



HOUSE OF COMMONS

that equalised a little bit and made more in the public domain. I have no problem with it whatsoever.

Q169 **Chair:** I have a follow-up. One of the concerns is that, as currently drafted, the proposals are not quite for full freedom of information and may exclude questions about commercial contractors that work for housing associations. Indeed, we did a report as a Committee some years ago, when we looked at these issues in councils. Very often, it was said, "That is commercially confidential. A contractor has carried out that work. We cannot tell you about it". Are you hitting that sort of barrier now, and would you like to see that barrier removed so that anything that a contractor does on behalf of a landlord has to be available in terms of an information request?

Jenny Osbourne: We would like things to be as open and transparent as possible, and that, if they cannot, for reasons of commercial interest, then that is at least explained. We have come up against this in the past particularly on regeneration projects and independent tenant advice projects, where we have not been able to give all the information to tenants, because it is deemed commercially sensitive.

When you have those conversations with tenants and explain what it is, the detail of what is being kept confidential is often not the issue; it is the perception that something is being kept from people. We should explain, but be as transparent as we can, with as much as we can. That would be our position.

Q170 **Chair:** Amanze, do you have any views about what is in the White Paper to empower tenants? Is it relevant or sufficient?

Dr Ejiogu: It is a first step in the right direction. The White Paper recognises that the issue is accountability to tenants, so the increased transparency and disclosure are meant to aid that accountability. We need to be clear that transparency is not the same as accountability.

When all this information is given to tenants, the question is, "So what? What happens then? How do they enable tenants to hold landlords accountable?" Until we empower tenants and give them increased powers, accountability is around transparency and having information but also about having the ability to reward or sanction, based on performance, which that information shows.

Q171 **Chair:** That is a great set of words—"accountability" and "sanction"—but what do you mean that tenants should be able to do when the landlord is not delivering?

Dr Ejiogu: As it is, tenants cannot switch landlords easily. That would have been the easiest thing to do. The question then is how we can empower them and whether there could be a more direct relationship with the regulator to enable them to sanction housing associations. As it is, the regulator has a direct relationship only with landlords. If we see a more direct relationship with tenants, that might be helpful.



HOUSE OF COMMONS

In addition to our report, we carried out a consultation, and some of the things that came back were around tying the ability of landlords to increase rents with performance measures. There needs to be a way to incentivise landlords to do something about what the measures have shown as opposed to just putting the measures out in the public.

Q172 **Chair:** In terms of changing landlords, are you suggesting something like the votes that happen on a stock transfer, where tenants have had to, in the past, decide whether they wanted to move from a local authority to a housing association and there was a vote? Are you suggesting something similar in the future, and that tenants should be allowed to vote to go to another housing association?

Dr Ejioogu: This is more at the individual rather than the collective level. The fact is that there is a shortage of supply. As a private tenant, if you are not happy with your landlord, you have the option to move house somewhere else. That option is not open to people in social housing, and that creates a power imbalance with landlords.

Q173 **Chair:** I am not sure that I got an answer to that question. If you cannot move as individuals, are you allowed to move en bloc with a vote? Is that what you are suggesting?

Dr Ejioogu: What I am saying is that there needs to be a recognition that the option to move is not there for tenants, so we need to create other accountability measures that balance that fact out.

Q174 **Chair:** Let us move on to one final question from me, very briefly. There has been a suggestion that there should be a national body representing tenants' interests. Jenny, is that something that you support or is that back to the sorts of structures that most tenants are just not going to be interested in?

Jenny Osbourne: We absolutely support a national voice for tenants. We supported it before Grenfell and before the Green Paper, and we supported it in the White Paper. We absolutely think that there should be a body in this country.

I am not as convinced or as sure of what the structure of that body should look like. I am not convinced that formal structures, with regional or national representation, are the way to do that. It has to be something that is very reactive to ideas. If there is a topic or an issue that needs debating in this country and which affects tenants, how do we mobilise groups of people to come and discuss that issue in hand? Taking some of the ideas around citizens' juries, for example, and using some of that methodology might be the way forward.

What we would want to see in a national voice for tenants is them being involved far earlier in the process. This is the same principle for engagement with landlords—not just coming in when a policy needs to be rubberstamped but being far more in the earlier stages of policy creation



HOUSE OF COMMONS

and development around the issues that matter most to tenants in this country.

We need to look at multiple ways to feed into that national voice for tenants, so we are really pleased to see things like the Housing Ombudsman resident panel, the HSE panel that it is developing, and the ways in which the regulator is working with tenants. That is all important information that needs to feed in.

I do not think it is necessarily a formal, structured organisation. Things are fluid and change at pace in this country. We have to take advantage of the digital opportunities that we have now to do things. For me, it has to be a completely issue-led body that takes in multiple streams of evidence to give us the answers that we are looking for.

The other crucial point around a voice for tenants that we wholly support is that it is going to take some time. If we do get on board with this, it is going to be two or three years' time before we can build some levels of trust in and get people to see, "If I give my time to this, it will have an impact". We know that policy takes a while to come forward, so we have to be very clear in the communication about what the national tenant voice can effect and in what timescales, but I 100% support the idea of one.

Dr Ejiogu: I would agree with Jenny and go a step further to say that we need those kinds of bodies not just at the national level but at the regional level. We are starting to see more powerful regional authorities and I would think that we would want a tenants' voice at that level, as well as at the local level.

Q175 **Andrew Lewer:** I just want to probe this in terms of genuine added value, so that it does not seem like yet another body and a bureaucracy. Is this what tenants on the ground, in their day-to-day lives, would really benefit from, rather than having their own housing associations and social housing providers being more responsive and more able to respond to their day-to-day concerns?

You have already referenced two other tenants' bodies within regulators that already overlap with one another, which we are coming on to later. All of these things carry cost, and every body that costs money—either taxpayers' money or tenants' rental money—is less money for them to pay their energy bills or to have improvements to their properties. Are you convinced that this body would genuinely add value in addition to all the other regulatory bodies that we are discussing in this session today?

Jenny Osbourne: I am genuinely convinced it would add value. If we took advantage, as I mentioned, of the digital opportunities of a voice and created a structure that was not just feeding a machine, but was much more flexible and took multiple strands of evidence that was already happening, it would add huge value to creating policy in this country that works for the tenants who are going to be at the receiving end of that policy, for Government in terms of developing policy that



HOUSE OF COMMONS

people will sign up to and be part of, and for the social housing sector in developing policies that can be delivered and that people will work with.

I absolutely remain convinced that it is needed, but you are right that the challenge is how we make it value for money. For me, the way we make it value for money is being flexible and issue-focused.

Q176 **Andrew Lewer:** Is there anything that you would get rid of and have this instead, or is this just extra?

Jenny Osbourne: It is absolutely needed and it needs to be extra. It is the final piece, in some ways, of where we are heading to in terms of more regulation, with landlords stepping up and doing far more of this themselves, being more open and accountable, and involving tenants in decision-making far more than they have. It would be lovely to think that, in time, we did not need a national voice for tenants, but we are not there yet.

Chair: Thanks very much for answering those questions. We will move on now to my colleague Florence Eshalomi, who is going to deal initially with the important issue of stigma, which is certainly covered in the Green Paper.

Q177 **Florence Eshalomi:** Good morning to the guests. One of the issues that we have seen come up time and time again is the stigmatisation of people living in social housing. As someone who grew up in social housing in Brixton, I remember people assuming and making stereotypes about people who lived in council housing. Dr Amanze, you co-authored the report on stigma in social housing. Could you tell us what that report concluded? Is there stigma attached to being a social housing tenant?

Dr Ejioogu: In terms of stigma, Dr Denedo and I conducted that study. We found that there is significant stigma attached to social housing. In terms of where that stigma comes from, we can think about it in two strands.

One strand is the more general societal stigma, which comes mostly from politicians and policies. In the past 20 or 30 years, we have seen the use of stigma to drive policy around welfare cuts. We have seen the media picking up stigma and creating things like "Benefits Street", and so there is that societal stigma, which creates a stereotype of the social housing tenant as someone who is antisocial and cannot make decisions for themselves, so needs to be managed, control and governed in a particular way. In a sense, that feeds into the way a lot the provision of social housing is carried out, so you start to see stigma also from the housing providers.

The stigma that we saw was quite complex, intersecting with drugs, crime, race, mental health and poverty. You have all those stigmas intertwined in social housing stigma. What we then see is that not enough is being done to challenge stigma. It has been approached through planning and mixed-tenure estates, but that has not worked.



HOUSE OF COMMONS

What we need to see going forward is a more concerted drive to challenge stigma, with all stakeholders working together on this. There needs to be a recognition that, beyond home ownership—and the housing crisis will not be solved just through the promotion of home ownership—there has to be a tenure mix, which social housing is an important part of.

Q178 Florence Eshalomi: You raise a valid point there of programmes like the ones you have referenced creating a typical social housing tenant—someone who is on benefits and has mental health problems. How do you think the Government and policymakers can challenge that? If we look at the social housing White Paper, it contained fewer references to stigma than the Green Paper. Is this something that the Government have put in the “too difficult” box?

Dr Ejiogu: Just looking at the references in the Green Paper, there were 31 references to stigma. In the White Paper, there were just six, so you see a reduction in focus. I am going to reference Imogen Tyler’s work here on stigma. She looks at stigma as a tool for governance. In that sense, it is used to drive some of these policies around welfare cuts and home ownership, so it is a useful tool. A significant part of challenging stigma is getting politicians and policymakers to change the rhetoric around social housing.

Q179 Florence Eshalomi: Is that something that you think the Government should do in the upcoming Social Housing Regulation Bill in terms of changing that narrative? What other specific things would you want them to do?

Dr Ejiogu: There are two things here. One is the broader societal stigma, which has to do with policy, narrative and supply of housing. The more people live in social housing, the less it is likely to be stigmatised. The broader issue around poverty needs to be dealt with. Unless they are dealt with, you will continue to have this intermingling of stigma. We have the most vulnerable in society in social housing, and they come with their own stigmas. Unless something is done to address those, you will continue to have this more general societal stigma.

When you look at the housing sector and the providers, and the stigma from them, that is where regulation can play a part. That goes back to the things around tenant engagement and accountability to tenants, which we have talked about. In terms of the regulatory framework, it is a co-regulatory framework, but the co-regulation is between the regulator and housing associations. There is no tenant in that co-regulatory framework. The tenant has to be one of those co-regulators.

Q180 Florence Eshalomi: Just lastly, in terms of stigma, do you think there is an overlap between stigma and other types of discrimination such as race or disability discrimination, which, you will find, social housing tenants have raised?



Dr Ejiogu: Yes. That is why we talk about the intersectionality of stigma in our report. We see a lot of intersection with mental health, stability and race. We had several examples of people telling us that they had racial abuse from their neighbours and had complained to the housing association, but nothing was being done and it was not being taken seriously enough.

We had issues around people with mental health being nominated to housing associations and falling between the cracks, not getting the support that they needed, which creates antisocial behaviour and stigmatises the neighbourhood. There are those intersections that need to be dealt with.

Jenny Osbourne: Stigma exists in the media, politicians and housing providers. The biggest thing that we can do to tackle social housing stigma is to build more social housing. That is the fundamental issue and what we definitely have to do. The language we use is so important in this country in terms of how we talk about social housing. If we talk about it as if tenants or social housing do not matter, it makes it much harder for people in social housing to do good jobs. It filters down into organisations in a way that is quite difficult to stop and contain.

The other issue about the lack of social housing is—and let us be honest—that you do not get social housing these days in the current structure by showing how strong and capable you are. You have to have a story. You have to be in some kind of need to get social housing. That means that the first tone of the relationship is often, “You need me, and I am going to provide a service to you”. This does not help set the tone of the relationship.

At TPAS, we are lucky because we deal mainly with very involved tenants who have a voice and are listened to in their organisations, so we see people at their best. That is when the best relationships come out and where things can progress. It is a balance between calling out when things are not right in social housing and when we are not delivering the services, and we have seen that happening, but we also all have an obligation, when social housing gets it right and does more in communities than just providing homes, to show that off. I see time and time again in place-shaper organisations and particularly ALMOs. We do more than just provide housing, and we have to talk that up at the same time as saying that we need more social housing in this country.

Chair: Thank you both very much indeed for coming to give evidence to the Committee today. It was really helpful and there were some very important insights, particularly into how tenants can be engaged and empowered to deliver the sorts of housing and homes that we all want to see. Thank you very much.

Examination of Witnesses

Witnesses: James Prestwich, Helen Garrett and Tarun Bhakta.



HOUSE OF COMMONS

Q181 **Chair:** Welcome to our second panel. We have one witness with us in the room and two virtually. I will come round and ask you all to introduce yourselves and then we will move on to questions from members.

James Prestwich: I am James Prestwich, director of policy and external affairs at the Chartered Institute of Housing. We are the professional body for the housing sector.

Helen Garrett: Good morning. My name is Helen Garrett. I am the national housing data and insights lead at BRE, leading our work programme on domestic housing quality.

Tarun Bhakta: My name is Tarun Bhakta. I am a policy officer at Shelter and I work on our campaigns for greater supply of social housing and improved regulation of the social housing sector.

Chair: Thank you all very much for joining us today. Looking initially at the important issue of the condition of social housing, which we have read a bit about in the media recently, is Mohammad Yasin.

Q182 **Mohammad Yasin:** James, the condition of some social housing has been very much criticised recently. What is your assessment of the overall condition of the social housing stock?

James Prestwich: You have probably heard, throughout most of the hearings, people saying very similar things on this. I do not think that some of the conditions that we have seen on the television and on social media are indicative of the wider quality of the stock. They are a small percentage of what is, fundamentally, good-quality stock, but that does not get away from the fact that what we have seen and witnessed are examples of really quite shocking living conditions.

As a housing professional and as a member of the professional body, it has made me ashamed to see the condition of some of those homes. The fundamental point here should always be, as a housing professional, to do the right thing, and I would question whether there have been occasions when housing professionals have been into some of those homes and, for whatever reason, felt that it is either not their job or there is no problem to solve. That is troubling and is clearly going to be a big focus of our work. On the fundamental point about the quality of the stock, I believe that, on the whole, it is good-quality stock.

Q183 **Mohammad Yasin:** From Shelter's point of view, Tarun, what is your view on this?

Tarun Bhakta: The conditions that we are seeing are unacceptable. These tenants are being forced to live with mould, damp and shocking disrepair, often at a risk to their health and their safety, for unacceptably long periods of time.

I would agree that social housing is, overall in the statistics, of better quality than other tenures, but half a million social homes are not meeting the decent homes standard. It is not a small number by any



HOUSE OF COMMONS

stretch of the imagination. The impact of poor conditions is something we see in our advice services all the time. One in four we supported in 2020 had a problem with poor conditions. The impact on people's wellbeing and their ability to get on in life is so profound.

It is also important to consider who lives in social housing. Social housing residents are much more likely to have a disability or a long-term illness than private renters or owner-occupiers, and they cannot just move out like other consumers, so bad conditions in social housing should be especially concerning to us.

In terms of the causes, there are lots of causes of poor conditions, and there is no silver bullet to addressing them. As James said, the stories we are seeing on ITV, and the conditions being exposed by the excellent work of people like Kwajo Tweneboa and, previously, Grenfell United, are not inevitable. Government, councils and social landlords have to accept responsibility for the part they play in some of what we are seeing.

We are not building social housing at a fast enough rate to replace the old stock or to lift people out of poor conditions like overcrowding. Grant rates across the board for social housing are really low, which often means not only fewer new social homes but, in some cases, councils and housing associations having to borrow against future rental income to build new homes, which, in some cases, will divert money away from repairs and maintenance.

Lastly, the regulation of the management of social housing and of the consumer standards in social housing is virtually non-existent. In these cases, the standard of management is just not good enough. These social tenants are being ignored when they make complaints. The regulator does not have the remit to pick these things up before they reach the levels that they have, so we do need to see more investment in social housing and better grant rates.

We also need to see the really long-overdue reforms to the regulation of social housing, which the Government have promised for a number of years now, so that the regulator can proactively investigate and take action against those poorly performing landlords.

Q184 **Chair:** We are going to come on to the issue of regulation in due course on a specific question.

Helen Garrett: I would echo that the images we have seen on national media do not represent a typical quality of social housing. BRE deals with a lot of data, and work we have done for the Department in the past would suggest that, for example, on damp, there are only roughly 16,000 homes with category 1 damp in the social housing sector. I would not be able to quantify the range of the poor-quality damp within those homes, but we can see that it is, thankfully, a very small percentage of the stock with those worst damp conditions that would present the most serious health risk to the occupants.



HOUSE OF COMMONS

Overall, as has been said, the social housing stock is of good quality, particularly when compared with other tenures, but we can tell from rates of non-decency and the number of hazards still in those properties that there is still great scope for improvement in the area of mitigating those hazards and dealing with disrepair.

Q185 **Mohammad Yasin:** According to the English housing survey, which BRE compiles, 13% of the social housing sector does not meet the decent homes standard. For the purpose of EHS, how do you assess the condition of the stock? It is not a small number; 13% is a big number.

Helen Garrett: That is right. The EHS was designed to monitor housing quality over time, and particularly the decent homes standard. It is important to point out that, when surveyors undertake their inspection of a property in the EHS, they are not directly assessing the decent homes standard. They do their HHSRS assessments. They collect a wealth of data on heating, and on building elements and their condition. That data all comes back to BRE and we put it through our complex models, and we evaluate the prevalence of decent homes there. There is a standard and consistent methodology using the EHS to measure the decent homes standard.

This method and methodology will, no doubt, differ to how data at local level is collected on the decent homes standard. Local landlords may have different criteria when they assess decent homes. For example, while social landlords are best to answer this, it could be that, when you have a vacant home and you see a category 1 hazard, you know that you are going to mitigate that hazard through dealing with your repairs. Similarly, you may be thinking, "I am going to modernise this row of houses or this estate. I know that, through those works, we are going to mitigate non-decency". Therefore, the local landlord may have good reasons for not marking those homes as non-decent.

Essentially, the EHS applies the same methodology and method to provide a snapshot in time for non-decency.

Q186 **Mohammad Yasin:** As the MP for Bedford, I regularly receive casework from my constituents with complaints about the state of their homes. Damp and mould seems to be the biggest issue, which is, of course, a serious health hazard. How do you explain the condition of the very worst-quality housing?

Tarun Bhakta: Like I said, there are many factors at play in the causes of the poor conditions of housing. The age and the quality of the building stock are really important to consider, but the worst conditions that we are seeing are not inevitable. It is a combination of the disinvestment and the de-prioritisation of social housing. People living in overcrowded accommodation can be a cause of damp and mould.

In the worst conditions, it is poor management of housing. As you said, tenants often complain about repairs and maintenance in their homes,



HOUSE OF COMMONS

and not being listened to by their landlords, which really comes from a lack of oversight and regulation in the sector at that worst end. The regulation of consumer standards, which I know we will come on to, is virtually non-existent. Collectively, the regulator and the ombudsman are struggling to pick these issues up before they become a real issue for tenants.

Q187 Mohammad Yasin: In your view, what is the main problem? Is it the age and design of the buildings, service failure by housing providers, or too weak a regulatory regime?

Tarun Bhakta: It is difficult to disentangle the two things. It is the age of the stock and where it is not updated or maintained to a good standard. Investment plays a massive role in that. Social housing has not seen the investment needed over recent decades.

Also, management plays a role there. The whole system has been designed to minimise interference, as the regulatory regime says. That steers the regulator. The combination of those things leads you to a situation where you are seeing the poorest conditions. As I said, the disinvestment and the de-prioritisation of social housing stock are really a significant factor.

James Prestwich: Damp and mould is clearly a particularly significant issue. Just by its nature, particularly when you see it, it looks, in some cases, probably about as bad a condition that a property can get. There are a number of factors at play here, and it can sometimes be difficult to disentangle them. It may very well be the condition of the property, and there may be a systemic problem with the property. It may relate to the living conditions of the person living in the home, which is when it becomes challenging and where there is call for a really professional tenant-centred approach to try to diagnose the problem.

If, for example, there are no outside drying areas, and the tenant is drying their washing on their radiators, that is going to create issues with condensation and, potentially, with damp. If there is no external drying area, what else is that person going to do when they need to dry their clothes? That is a very specific issue at play here.

I have seen some good examples across the sector where landlords are tackling damp and mould in their properties really effectively. When they are doing that, they are working together with residents. They are not just going into the properties and assuming that the damp or the mould is a direct consequence of the way that that person is living in that home. That is when it works really well.

When it does not work well, there is an assumption that damp and mould are being caused solely by the way that person is living, without a wider understanding of the conditions that might be at play. That person might not have enough money to be able to heat their home. That is going to have a significant impact on your ability to combat damp and mould.



HOUSE OF COMMONS

Good landlords get this. They have access to data on their homes and they use that to try to identify the properties where there are systemic issues at play. Then they have a very tenant-centred approach, where there might be some lifestyle issues that are contributing to the problem.

Q188 Mohammad Yasin: Do you think that some social housing stock is in really bad condition and needs to be demolished and rebuilt? If you do, what proportion?

James Prestwich: There is the non-decency point, so 12% or 13% of social housing stock is classed as non-decent. That does not necessarily mean that it needs to be demolished. There are some specific issues around the approach that some landlords have taken to homes that are nearing the end of their life. We have seen some failures there, moving from a planned repairs and maintenance programme to more of a responsive one, because you do not want to invest in homes that you are looking to replace at some point in the future.

From a spreadsheet perspective, there is some sense in that, but of course, if there are people living in those homes, that creates some problems. It does not matter to that person if that estate is going to be redeveloped in four years' time. What about now, when they are living in their home?

It is important to highlight that there are examples of really good practice, where social landlords have worked very closely with communities in those kinds of developments in which there are long-term plans to regenerate, to demolish and to rebuild. Again, it always comes down to the relationships that landlords have with their tenants. If they have good relationships and they respect and understand their tenants, they will work with them on that kind of thing.

Q189 Mohammad Yasin: Do you know if any assessment has been made of the cost of demolishing and rebuilding social homes? Is there any comparison with the constant cost of repairing them?

James Prestwich: I do not have the costs on what I would say is a per-unit basis. What I would say is that demolition and rebuilding is incredibly expensive, and we have not had in this country, for some time, grant funding for specific regeneration schemes.

Q190 Mohammad Yasin: Surely, if they are in really poor condition and you have to constantly repair them again and again, the costs would be even bigger.

James Prestwich: I guess so, but, in fairness to social landlords on this point, we are also in the midst of a housing crisis. If you demolish a unit, it has gone. No one can live in that home for that time, so that unit needs to be replaced. That has to be balanced.

We have housing waiting lists that are overflowing across the country. If we are going to make decisions to knock down 30 homes in an area, for



example, we need to have the funding in place to then be able to rebuild them and to make them better, but we also have that issue about acute housing need and acute shortage of social housing, so those kinds of decisions cannot be taken lightly.

Helen Garrett: We have no data on the cost-benefit of demolition. We know that the costs to make a home meet the decent homes standard can vary, from inexpensive to between £50,000 and £100,000. Things have to be assessed on a case-by-case and estate-by-estate basis. That is a very complex cost-benefit judgment. As has been alluded to, you also have to think about the impact to the community. We would also have to include the sustainability of that demolition and how we deal with the waste and the carbon impact of that in that calculation. That is a strategic decision for landlords rather than the Building Research Establishment, but it is complex.

Tarun Bhakta: I agree with a lot of what has been said already. As James mentioned, we have intersecting crises of housing quality, sustainability and the housing emergency, so it is absolutely right to say that landlords and councils are in a tricky situation when it comes to deciding what to do to meet the decent homes standard through the quality of their stock and to engage in regeneration.

In particular, there is a real concern that regeneration efforts aimed at improving the quality of homes do not correlate with or are not attached to efforts to retain the affordability of housing or to deliver social rent housing for people on low incomes, and that those improvements to the homes and those efforts to improve the quality of local areas will not benefit the communities that are currently suffering in the poorest-quality homes.

As James said, the lack of grant funding, specifically for regeneration but also for social rent housing and the joining up of those things, is a real problem for the sector, and that really lies at the feet of Government in terms of their investment in social housing.

Q191 **Florence Eshalomi:** On the amount of homes in a really bad condition, Helen, you estimated it at about 16,000. Part of the problem that we are seeing is that a number of tenants living in properties where we are seeing damp and mould have contacted their housing association or their landlord. Some of them have given up because they never get a response. We are seeing people having to, essentially, go to the media to get any response. Do you feel that that figure is a true reflection? Are there probably more properties that are in a bad condition that we do not know about?

To the point that you mentioned, James, I recall, when I did a walkabout in one of my estates, the tenants having been told not to put their clothes outside on a washing line. I fully appreciate the fire hazard, but equally they will be blamed if they have damp issues. It goes back to how we listen to and treat tenants as human beings. These are people who



are paying rent but not getting the service that they deserve.

Helen Garrett: For the EHS, when a surveyor measures damp, they have their health and safety hats on, so they are recording not minor issues of damp but the most severe forms that present a significant risk to the health and safety of the occupants. If you look at self-reported damp by tenants, it will be a lot higher, because they are not just thinking of the worst kind from a health and safety aspect. They are having to live with more minor patches of damp and mould, which are still very unpleasant to live with.

I do not think that I am in a position to comment on landlords' responses to that, since that is not my field of expertise. All I would say is that those images on the TV are not typical of the social housing stock. In fairness, it would be very rare for the English housing survey to pick up such cases, because we sample only about 8,000 homes a year, so the chances of coming across one of those homes is quite small. To be honest, I would question whether it would be safe for a surveyor to go into those homes, were they asked to do so.

Mohammad Yasin: People come to their MPs when nobody else is listening to them. I had cases very recently where constituents have given up on making complaints about conditions. The housing association is not listening to them. I am dealing with this case but I do not want to mention the name of any organisation. They only come to you when they have nowhere else to go, and they are people who are living in very poor conditions.

Chair: That is a fair point, Mohammad. We are all getting nods around the table from other MPs about exactly our experience as well on that very point. Can we move on now to look at thermal comfort in homes? We are going to come back in a minute to the general issue of the decent homes standard, but we are looking at the thermal aspects of it now.

Q192 **Bob Blackman:** The current decent homes standard requires homes to provide a reasonable degree of thermal comfort. A lot, of course, rides on the "reasonable degree". Is that a precise enough definition or do we need something that has a clear requirement for a certain level of energy efficiency?

Helen Garrett: Yes, it is time for that measure to be revisited. BRE is of the opinion that a SAP-based assessment would present a clearer and less crude measure of being able to attain thermal comfort.

Q193 **Bob Blackman:** Should that be prescriptive? If so, what should the required standard be?

Helen Garrett: We would advocate a minimum of energy efficiency rating band C, which would appear to combine other areas of Government policy to attain that as the minimum standard. Of course, we would not advocate social landlords stopping there, because of net zero. A wealth of energy improvements can still be added to that.



HOUSE OF COMMONS

Q194 **Bob Blackman:** That would be the minimum.

Helen Garrett: We believe so, yes.

Q195 **Bob Blackman:** Tarun, do you have any comments on this?

Tarun Bhakta: Not on the details of the contents of the decent homes standard. I will defer to others on the panel who have greater expertise in exactly what needs to change. We do always advocate, however, for clear and specific standards, so that tenants know what they can expect, and regulators and the like can enforce against those standards.

Social housing tenants have an interest in energy efficiency, not only in thermal comfort but also in bringing down the bills and the cost of heating their homes, and in being able to keep their homes cool in the summer. I would just add that tenant-focused element. Any drive towards energy efficiency should bear in mind the costs incurred by tenants. It is definitely positive to beef up the standards on energy efficiency within the decent homes standard.

Q196 **Bob Blackman:** James, do you agree with what has been said?

James Prestwich: Yes, I do, and band C seems like a good staging post, but it has to be a staging post. CIH has called for more stretching targets on this. My understanding is that the Scottish Government have an energy efficiency standard in social housing that is staged to get towards that 2050 ambition of being a net zero sector. Something more akin to that would be beneficial.

Q197 **Bob Blackman:** What happens if it is not possible to achieve that energy efficiency level? Do we demolish the homes and replace them? What should happen?

James Prestwich: I guess it is net zero across the board and there will always be occasions when it is not viable to get a property up to the highest standard that you require. There are then some quite big decisions for organisations to have to make about what they do with that home. One possible option would be to dispose of that home and to sell it on the open market. My sense is that it would likely fall into the private rented sector, with possibly less chance of the work being done that needs to be done.

Social landlords with a social responsibility will think that there may be occasions when they know a property cannot get beyond, say, a level C, but it still makes sense for them, with their sense of social purpose, to do the best they can with that property and to continue to own and manage it.

Q198 **Bob Blackman:** Do we have a feel for what level of social housing reaches the current energy efficiency standards that you are suggesting might be the right way forward? That then quantifies the amount of work that needs to be done. I see Helen nodding, so maybe she can give us a figure.



HOUSE OF COMMONS

Helen Garrett: Perhaps I could turn that on its head and say that the latest EHS estimates say that about 1.3 million homes do not achieve band C. In terms of the feasibility of modernising those and bringing them up to band C, we estimate that for about 70,000 that is not possible, because of the various building designs of those properties. We also estimate that the average cost would be just under £6,000 to do that, so we are talking about a bill of around £9 billion.

Q199 **Bob Blackman:** So £9 billion to achieve energy efficiency by 2030 is a reasonable figure.

Helen Garrett: Yes.

Q200 **Bob Blackman:** Does everyone agree with that? James, do you accept that?

James Prestwich: I will defer to Helen's knowledge.

Q201 **Bob Blackman:** I just want to be clear. In order to achieve a minimum level—we are not talking about the ideal level—we are talking about £9 billion to be invested in social housing over the next eight years. Helen, you gave us the figures. Is that a fair reflection of what is required?

Helen Garrett: That is what the EHS is calculating, based on what we know about the current energy efficiency of those homes and the feasibility of the energy performance certificate measures that could be applied to those homes.

Q202 **Bob Blackman:** Is money the only obstacle to achieving this or are there other things that we need to be thinking about in terms of bringing homes up to a reasonable energy efficiency standard?

James Prestwich: I do not have the figures at hand but my understanding is that there are some properties where the type of manufacture and the kinds of materials used make it impossible to do that. I guess the piece of work—and Helen might know more about this—is to quantify those properties and then make those decisions around demolition and rebuild. The key there will be about grant funding.

Q203 **Bob Blackman:** It would be very helpful to us to get a guidance note on how much is required, and equally the number of properties that, frankly, just cannot be brought up to standard and, therefore, what Government have to do about that particular issue.

Helen Garrett: If it helps, that information that I gave the Committee is published in the 2019 energy efficiency report for the EHS.

Chair: Thanks very much indeed. Moving on to the other issues connected to decent homes and how the standard might be improved is Ben Everitt.

Q204 **Ben Everitt:** I hesitate to start, really, because we have already spent £6 billion hypothetically on the energy efficiency part, and you may have a clue as to what my last question is here, but I will start with Helen.



HOUSE OF COMMONS

Decent homes is much broader than the thermal comfort element. Like the Chartered Institute of Housing, your response to our Committee said that it needs updating. The Government are consulting on it at the moment. It is 20 years old. Which parts, other than the thermal comfort elements, should we be updating? What changes would you like to see?

Helen Garrett: With regard to thermal comfort, we believe that it should be a SAP-based assessment. Even though modernisation has delivered so many benefits to social housing tenants—that feel-good factor and the benefits to mental health of living in a modern home have been great—we feel that, without being prescriptive, future standards should very much focus on tackling the disrepair elements of the stock, which are, arguably, building up, because tackling disrepair helps with energy efficiency and with the health and wellbeing of tenants. It should be very much tackling disrepair-focused for the next standard.

We also advocate retaining the minimum standard as being the HHSRS, because we believe that that is the scientific approach. It is backed by a lot of good evidence on the impact of hazards and how they affect our health and wellbeing in a home. That review is being undertaken at the moment and we recognise the current complexity of HHSRS, but we believe that that could be overcome with some repackaging of information to help landlords explain that to social tenants. The data and the science behind HHSRS needs some updating as well.

Q205 **Ben Everitt:** James, what are the institute's thoughts on the updates to the decent homes standard?

James Prestwich: The key point is that the existing standard is 20 years old, and the way that we all live and what we expect from a home have changed markedly in that 20-year period. Something like connectivity is a really important point here, particularly when you think about the number of services that are accessed online, and something that, 20 years ago, you simply would not have factored into decent homes. This gets to the fundamental point about what it means to have a home. It is around safety and security, and a home that delivers healthy outcomes for the people who live in that home. I would say that affordability is a pretty key part of that as well.

Q206 **Ben Everitt:** I assume that the institute is responding to the consultation. Can you give us a broader flavour of the points that you would be making beyond that?

James Prestwich: As opposed to trying to come up with, "This is what we think that standard looks like", we have talked quite a lot about those broad themes. Then there needs to be a role here, underneath those broad themes, for landlords and their tenants to work together to work out what that means on an individual basis.

Arguably, one of the challenges with the current decent homes standard is that there was a danger that it could lead to box-ticking—"Let us put in a new kitchen". A particular tenant might not have wanted a new kitchen,



but that was by the bye. There was a danger with the previous system that it did lead to chasing targets and box-ticking. Something that is more grounded in that consultation between resident and landlord under those broad themes would work better.

Q207 Ben Everitt: I am assuming that you are talking about the relationship between the landlord and the tenant there. Do you see finance being there as well? Essentially, where is the money going to come from?

James Prestwich: There is currently no new money available for an enhanced decent homes standard. In an ideal world, there would be. This gets to the heart of one of the problems, which is the competing priorities that social landlords find. There are big investment priorities around net zero. For some landlords, there are significant costs around building safety and decent homes. We remain in the midst of a housing supply crisis, so there are supply ambitions too.

It feels as though, for boards of housing associations and local authority housing departments, not all of those competing priorities are going to be able to be serviced as things stand. Therefore, it looks to me as though the area of discretionary spend increasingly becomes the supply of new affordable homes, with all of the problems that that brings about.

Q208 Ben Everitt: A couple of weeks ago, we heard from Kate Henderson, who came in, and we pushed her on where the priorities would be. It was building safety, net zero, and then increasing supply. Does it feel like this is an additional pressure there that is pushing the affordability and supply of new houses down the priority list?

James Prestwich: I would say so. A responsible landlord would always prioritise safety first, and then the quality of the existing stock. That is a safe conclusion to draw.

Q209 Ben Everitt: Helen, what are your thoughts on that situation and have you any further thoughts on where the money is coming from? You gave us a figure earlier. Do you have anything in your back pocket about the wider decent homes cost?

Helen Garrett: The EHS estimates somewhere between £2.4 billion and £3 billion to remedy non-decency at the present time, if we were to retain the current decent homes standard. In terms of all these emerging themes and pressures on landlords, safety is paramount, but safety and sustainability are both core principles of delivering high-quality social housing. In an ideal world, one would be looking at joining these strategies and seeing where the best strategies lie for incorporating both of those principles, as social landlords continue on their journey to make their homes suitable for the future. There may be opportunities in terms of economies of scale in tackling both at once.

Q210 Ben Everitt: Tarun, you will have listened to this with probably two hats on in terms of wanting additional supply but also recognising that the quality of the homes that people already live in is a priority too. Do you



have any general thoughts?

Tarun Bhakta: Yes, that is absolutely right and I would really echo what has been said so far. Considering the competing priorities of the sector and the figures that have been thrown around, there is clearly a lot of work to do and a lot of money involved in doing that. We cannot get away from the fact that grant investment in social housing is a key factor here. The more you invest in new supply of social housing, the more housing associations and councils are able to focus their time, effort and resources on those efforts to ensure good quality and sustainability. If you increase grant rates, you make that easier to do.

We cannot trade these things off. The less social housing we build, the more people we see pushed into the private rented sector or even temporary accommodation and other sectors like the exempt accommodation sector, where we know that the standards and the quality that people are experiencing are much lower level. It is really impossible to make a trade-off between supply and quality. As I said, it comes down to funding and ambition. At the moment, we are really not seeing that from the Government.

Since 1991, there has been an annual average net loss of around 24,000 social rent homes, which has the impact of residualising the sector and pushing more people into unsuitable situations such as in the bottom half of the private rented sector and in temporary accommodation, where they are experiencing poorer quality. There has to be, as Helen said, a holistic effort to improve standards and supply, and those things are inherently linked.

Q211 **Chair:** Just picking up one point with James, I do not think you were disparaging but a bit dismissive of the new kitchens and new bathrooms element. I remember going round to see many tenants when the decent homes programme was working. I cannot think of one who showed me their new cavity wall insulation with pride, but I remember the number who took me into their kitchens and bathrooms and said, "Look at this. Isn't it wonderful? We've had to put up with this rubbish for how many years? We've finally got something new we can be proud of". The problem is that, 20 years later, they probably still have the same new kitchens and bathrooms, as was.

How do we, first of all, monitor and ensure that decent homes is being kept up-to-date, and refreshed and renewed? Secondly, how do we fund that? Otherwise, these same decent homes will not be decent in 20 years' time, if the bathrooms and kitchens are not updated.

James Prestwich: Helen will probably know more around how we know that they have been kept up to date, because I guess that will speak to the data that is recorded in the English housing survey. The wider point around funding—and there has been some analysis of this from across the sector—is that it comes back to those competing priorities.



HOUSE OF COMMONS

A new, enhanced decent homes standard that we would all agree is necessary will come with cost, and there will be trade-offs if you are going to prioritise that. I would suggest that probably all landlords will prioritise that, so it is then what areas are discretionary. I use the term “discretionary” quite grudgingly, because the area of discretionary spend, as I mentioned in my previous answer, will inevitably become the supply of new homes.

Q212 Chair: Helen, when you are doing your assessment, how old does a kitchen or bathroom have to be before you say it is not decent?

Helen Garrett: It is in the guidance. I think it is 20 or 30 years. The EHS is not a longitudinal survey, so we cannot monitor individual homes going in and out of non-decency. You raise a very valid point that you could assess a home today and mark it as decent. In a year or two, it could not meet the standard because of the age of that building element and it developing slight disrepair.

When you are talking about introducing the age of elements within an assessment, you are never going to mitigate non-decency, because of that and the inevitability of homes falling into disrepair. That is why it is so important that landlords know the stock that they have and know the condition of it when they are planning their future asset management and investment further on.

As well as the cost to landlords, we are also dealing with wider societal costs. BRE publishes its cost of poor housing assessments as well. We did some research purely for MHCLG, as it was called then, on the EHS 2017 data. We tried to quantify what effect non-decency was having on the NHS. We estimated that non-decency was costing the NHS around £111 million per annum. That is a cost that goes on year after year, until those non-decent homes are made decent. As Government, local and national, it is not just about social housing but about wider local Government and the wider health picture that perhaps should be brought into consideration as well.

Chair: Thanks for drawing that to our attention. We will have a look at that as well. Moving on now to the issue of regulation of consumer standards is Andrew Lewer.

Q213 Andrew Lewer: We have already touched on this a little, but just to draw this together, the condition of social housing has been regulated by the Regulator of Social Housing under consumer regulation objectives. One of the standards that it uses to meet this objective, as we have already touched on, is the home standard and, within that, the decent homes standard. The English housing survey shows that 13% of homes in the social rented sector failed to meet the decent homes standard, which is 500,000 homes, as Mohammad has already referenced.

The regulator rarely finds providers in breach of the home standard and, when it does, it is almost never because of a breach of the decent homes standard. What reflections do our witnesses have, therefore, about the



current consumer regulatory regime in light of that?

Tarun Bhakta: The current regulatory regime operates on the consumer side of things in a reactive way. The economic standards in social housing are regulated proactively and there are inspections, whereas the consumer side of things is regulated reactively. That means that it is really difficult for the regulator to pick issues up.

There are also huge barriers to the regulator intervening and finding a breach. The serious detriment test, which says that the regulator can intervene and take regulatory action only when there is a risk of serious detriment to the tenants living in the homes, is a really high bar for the regulator to intervene. In 2020-21, the regulator found only one breach of the consumer standards that passed the serious detriment test, so there are real barriers to the regulator intervening.

The Government, in their social housing White Paper, proposed making a raft of reforms to the regulation of social housing, including removing the serious detriment test. It is now nearly five years on from the fire at Grenfell Tower and over a year since these reforms were promised, and we still have not seen them. The priority really is that the Government lay these reforms in a Bill before Parliament as soon as possible. That would be the priority for us.

As I said, the current regulatory regime really does not allow the regulator to proactively monitor and enforce against the standards, and that limits what it picks up and stops the regulatory regime picking up issues before they become serious.

Q214 **Andrew Lewer:** You have touched upon an important area here, which is the serious detriment test. The Government have committed to scrapping it in the future and having this more proactive form of regulation through more regular inspections. Would you say that those measures go far enough and, if not, what else would you like to see in the Bill to tackle that?

Tarun Bhakta: That is a good question. There are many proposals in the social housing White Paper, and we were broadly positive about them when they were announced. However, the devil will be in the detail. In terms of the serious detriment test, it is pretty simple. Legislation is needed to remove the serious detriment test. Only then can the regulator get on and start designing a system of regulation that includes inspections and is proactive.

The White Paper also proposes that those inspections are around every four years for large landlords who hold over 1,000 homes at the most and for high-risk landlords who are housing vulnerable tenants. We would want to see those inspections being unannounced, covering the standards and complaints handling, and engaging directly with tenants rather than relying on landlords self-reporting.



HOUSE OF COMMONS

As I said, the Government need to legislate to remove the serious detriment test, so that the regulator can get on and design that system. It will then be for the regulator to work with the sector and with tenants in developing an inspection regime that really works and sees change on the ground. Like I said, we want those inspections to be tough, to drive a culture change and to deter poor management of social housing.

Q215 Andrew Lewer: How would you envisage a system where a Government regulator could directly engage with tenants in terms of the inspections, without involving the housing association?

Tarun Bhakta: It is definitely a difficult one in terms of developing a system. We know the regulator is working hard on this. It is just really important to say that the experience of some tenants is that working with the landlord is not working for them, and the landlord is able to give the impression that there is a good service. Much like an Ofsted inspection, going straight to the people experiencing the service provided is vital in picking up those worst cases in terms of management. The regulator needs to find a way to make a system of inspection that the landlord cannot mediate.

Q216 Andrew Lewer: That is challenging, but we will see. Just staying with you, Tarun, we are talking about regulatory notices, most of which end up being in consumer standards over things like fire alarms and health and safety issues, rather than damp and mould, which have talked about, quite rightly, quite a lot this morning. Would you say that the regulator has so far failed to take seriously those health impacts rather than the safety impacts, which are probably slightly easier to measure?

Tarun Bhakta: I do not know if I would say that the regulator has failed to take those concerns seriously. As I said, the serious detriment test sets a really high bar for the regulator to intervene and enforce against the standards. It may be that, with issues like damp and mould, and the wellbeing of tenants, it is often difficult for the regulator to prove that there has been a breach of the standards that passes the serious detriment test on those issues. The issue is the way that the regulatory regime is set up, and the barriers that are set up to the regulator intervening and spotting these problems. It really comes down to that legislation being laid and the serious detriment test being removed, so that the regulator can go about developing a system of regulation that is wholly different to the current system of consumer regulation.

Q217 Andrew Lewer: Helen, you have heard the questions I have asked Tarun about views on the current regulatory regime, serious detriment, and damp and mould, versus fire alarms and other more binary-type regulatory issues. Do you have anything to add to that?

Helen Garrett: I may have to politely decline that question, because it is not my or BRE's field of expertise.

Andrew Lewer: That is absolutely fine, and James, similarly.



HOUSE OF COMMONS

James Prestwich: I would echo much, if not all, of what Tarun said in his evidence. The bar has been set too high. It is fair to say that we have a strong regulator that has done a really good job in terms of governance and viability. The sector is seen to be an investible one that is well governed, but the bar has been too high. Again, there is an opportunity to put that right fairly swiftly through legislation, and we look forward to seeing a social housing Bill in the very near future.

Chair: Thank you to our witnesses for coming to give evidence today. That has been really helpful to the Committee. There was a lot of very interesting and useful information there, which I am sure we will reflect on and take account of in the report we are going to publish. Thank you, again.