

Written evidence submitted by Great Places Housing Group [RSH 025]

Q1 – How widespread and serious are the concerns about the quality of social housing?

The mainstream media has identified some very specific concerns about the quality of social housing – particularly within high rise blocks, and in relation to damp and mould – but this is by no means reflective of the sector as a whole, or of stock condition across the board. The sector has been responsible for building a large proportion of new, high quality accommodation across the country, and are more robustly monitoring in terms of health and safety compliance within that accommodation – and all existing stock - than can be seen across other sectors, which leads to an overall high quality stock profile. The highly regulated nature of the sector helps to enforce this position, and ensure providers prioritise quality – which may not be seen across other sectors.

Having said that, there is a recognition that a proportion of stock within the sector is ageing – for example, the proportion of pre-1919 terraced housing which does not easily lend itself to energy efficiency, and some of the 1960's and 70's ex-Council stock which has its challenges including non-traditional construction and poor design / layout of estates..

One of the most significant concerns about the quality of housing stock stems from a failure in some cases to operate an effective strategy to resolve complex repairs problems – and the potentially serious and significant issues arising from a lack of effective escalation – leading to a failure to prioritise issues until they have escalated to “media worthy” conditions.

Q2 – What is the impact on social housing providers' resources, and therefore their ability to maintain and improve their housing stock, of the need to remediate building safety risks and retrofit their homes to make them more energy efficient?

If we were to take building safety remediation works as a stand-alone task, the vast majority of providers (with the exception of some RP's with high proportions of high rise stock) would state that the task at hand is manageable from a financial perspective – although the availability of suitably experienced and qualified contractors and consultants adds a layer of complexity to the scale of works required across the country, and a potential inflation in costs given the supply / demand issues.

However, when this remediation programme is taken alongside the emerging energy efficiency and net zero agenda, the future cost constraints are likely to be much more impactful. Retrofitting energy efficiency measures will not be practically possible or financially viable in some cases due to the nature of some stock profiles, and this leaves the sector with a dilemma about possible disposals of unfit-for-purpose stock. Without a fundamental change in the expected costs of achieving net zero, or a shift towards an appropriately grant funded programme, it is unlikely to be feasible to achieve targets within stated timeframes.

And all of this whilst continuing to try to deliver the scale of new affordable homes expected from the sector and which many RPs are geared up to deliver, with significant grant funding from Homes England secured to support this delivery.

Q3 – Is the current regime for regulating social housing fit for purpose?

The current regime – and its purpose of ensuring the good governance and financial viability of the sector – works well and is delivered efficiently through the combination of co-regulation, routine stability checks, and in-depth assessments. However, it was not designed for the purpose of consumer regulation, and is not set up to deliver that in its current form.

With the planned introduction of the building safety regulator, and the new “teeth” that the Independent Housing Ombudsman is planning to show, there could be a degree of confusion in the sector about the roles of these different regulators – and a lack of communication between them to deliver a best practice model.

Q4 – How clearly defined are the roles of the Regulator of Social Housing and the Housing Ombudsman?

There is clarity within the sector about the distinct and different roles of the Regulator of Social Housing and the Housing Ombudsman, but there is still a lack of clarity around how cases pass between the RSH and the HO – although the recent regulatory publications have aimed to address that and give more clarity. It is likely that this situation is highly confusing to tenants and residents.

Q5 – Does the current regime allow tenants to effectively resolve issues?

It seems clear from the voice of the customer that this is not the case. The number of individual and collective issues that the media has highlighted recently – and the background to the Grenfell tragedy – still suggest that customers are unable to get effective resolution in many cases.

Although customers can directly approach the Ombudsman, there isn't a clear route to the Regulator – and a lack of clarity about how bad a situation would have to be before the Regulator would step in, particularly given the “serious detriment” test.

Q6 – Do the regulator and ombudsman have sufficient powers to take action against providers?

The powers that the Regulator and Ombudsman have available to them should be sufficient to take action against providers in the event of a failure, but some of the fines and compensation awards issued appear relatively low, do not provide sufficient redress from the perspective of tenants and do not provide, in the eye of many observers, adequate punishment to providers to prevent issues re-occurring.

There needs to be a more clearly defined response to organisational v individual failures – and a distinction in the powers that would apply to each.

Q7 – Will the reforms proposed in the social housing White Paper improve the regime and what progress has been made on implementing those reforms?

The White Paper certainly gives the framework for a regulatory regime which will improve the experience of the customer, and the quality of the housing stock, but we are yet to see how some of these proposals will be delivered – in some ways progress on getting to this level of detail feels slow, but we recognise the importance of thorough consultation through this process. We note the very recent publication of more details on Tenant Satisfaction Measures which looks like it will provide some of the required detail.

The concern of many is that the proposed measures will focus providers more on their performance in league tables than on their performance in the eyes of their customers.

Q8 – What changes, if any, should the Government make to the Decent Homes Standard?

We feel that changes to the Decent Homes Standard should bring greater attention to energy efficiency, safety issues and communal area / estate condition in order to give a fully rounded picture of the stock across the sector. We also feel that there should be sufficient “intelligence” within component replacement timetables to recognise the impact on different customer groups, and a focus on affordability and value for money for both the RP and the customer.

We also feel that the Decent Homes Standard should be rolled out to the Private Rented Sector in order to address some of the poor conditions across that sector, and the impact on health associated with the conditions that some PRS tenants are forced to live in.

Q9 – Should the Decent Homes Standard be amended to include energy efficiency and other means of mitigating climate change, and if so how?

Yes, we agree that the Decent Homes Standard should be amended to include energy efficiency and other means of mitigating climate change. However, EPC standards, as currently designed, are not an adequate measure of carbon reduction, so simply applying an EPC level requirement to existing homes may address energy efficiency, but it will not address carbon reduction. There should also be a measure associated with the affordability of heating a home which may be used to track over time based on the true benefits of retrofit work over time.

Q10 – Should all providers of social housing, not just councils, be required to register with the regulator?

Yes, we feel that all providers should be required to register with the regulator to ensure there is a level playing field across different sectors, and to provide the same protections for customers living in all rented stock. We agree that this should continue to apply to for-profit providers.

Q11 – What challenges does the diversification of social housing providers pose for the regulatory system?

There are a number of issues linked to diversification which provide challenges to the regulatory system. Firstly, the number of small RP's which fall below the threshold for any meaningful regulation, and secondly, the number of for-profit providers who are not operating under the same historical financial restrictions as the rest of the sector – and therefore not as concerned with the possible sanctions that the Regulator could apply.

This diversity results in a degree of complexity for regulators who need to have the expertise to analyse, understand, and (in some cases) unpick complex business models – making “standardised” regulatory frameworks more difficult to apply.

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