

Written evidence submitted by the Local Government Association [RSH 060]

About the LGA

1.1. The Local Government Association (LGA) is the national voice of local government. We are a politically led, cross party membership organisation, representing councils from England and Wales.

1.2. Our role is to support, promote and improve local government, and raise national awareness of the work of councils. Our ultimate ambition is to support councils to deliver local solutions to national problems.

Summary:

2.1. Councils play a [vital role in housing supply](#) as planning and housing authorities, as partners with house builders and registered providers, as direct builders, as providers of homes for the most vulnerable and as local place leaders.

2.2. The vast majority of social housing landlords are responsible and provide high quality homes for people to live in. However, there are a small number of exceptions where the quality of accommodation could be improved. The LGA and councils are committed to working with regulatory bodies and continuing to consider any feedback to ensure that housing is of the highest possible standard.

2.3. Where improvement is required, the LGA is committed to working through its sector-led improvement offer to support the delivery of high-quality social housing for all those that need it.

2.4. A contributing factor to challenges faced by councils is the reduced number of homes that are available. This is partly due to reduced stock arising from Right to Buy, which has meant that homes have not been replaced at the rate in which they have been sold.

2.5. Councils also need to be empowered to build new affordable homes. LGA research shows [one in 10 households in need of housing are on council waiting lists for over five years](#), highlighting [our case for councils to be given powers to build 100,000 social homes for rent each year](#).

2.6. The LGA supports the introduction of the Building Safety Bill and the Fire Safety Act. It is however vital that funding to cover remediation costs does not fall to leaseholders and should also protect social landlords and tenants. The costs imposed on councils as landlords by new fire safety legislation must be covered by new burdens funding.

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

3.1. Councils are proud of their housing and the individuals and families that call it home. It is paramount that the voice of all social housing residents is heard, and councils are committed to improving standards and empowering and supporting tenants.

3.2. Nobody should have to live in poor or inadequate housing conditions, and it is right that where landlords are falling short of providing an effective housing management service that they are properly held to account.

3.3. However, the vast majority of social housing landlords are responsible and provide decent housing for their tenants. Local authorities provide homes for 1,583,141 households and deal with tens of thousands repairs every year, with 94.3 per cent of homes meeting the [Decent Homes Standard](#) (compared to only 76.7 per cent in the private rented sector). In 2020/21, of 756 enquiries (representing approximately 0.0005% of households) received by the Housing Ombudsman regarding local authority landlords, 20% (153) were determined to be maladministration or partial maladministration.

3.4. However, recent reports, including the [Housing Ombudsman report on damp and mould](#) have shone a light on the need for continuous learning and improvement to be made to the way in which social housing management services are delivered by all providers.

3.5. The LGA is committed to working with councils through its sector-led improvement offer to support the delivery of high-quality social housing for all those that need it. Further, the provision of local authority homes has dropped dramatically from over 3,000,000 in 2001, mainly owing to successive government policies, particularly around Right to Buy, which has meant that homes have not been able to be replaced at the rate in which they have been sold. [Over a million households also await local authority housing](#). There is also a huge need to ensure that households in temporary accommodation can be moved into settled housing. The latest statutory homelessness statistics show that there are currently [more than 95,000 households](#) in temporary accommodation. Social housing is a crucial tool for councils in relieving homelessness [with 19 per cent of accommodation type secured for households at the end of the relief duty being in the social housing sector](#) as shown by the Government's latest data.

3.6. However, new LGA research shows [one in 10 households in need of housing are on council waiting lists for over five years](#), highlighting [our case for councils to be given powers to build 100,000 social homes for rent each year](#). This includes further flexibilities on right to buy including the ability to set discounts locally, retain all receipts from sales and the ability to combine right to buy receipts with other grants, for example Affordable Homes Programme funding.

3.7. Those unable to access owner occupation or social housing alternatively seek out private rented accommodation. A [report commissioned by the LGA](#) found that the Private Rented Sector (PRS) has grown considerably over the last two decades. In 2020 PRS housed 19 per cent of households compared to 11 per cent in 2001. However, poor housing conditions exist, and are generally concentrated at the lower end of the market that provides accommodation to vulnerable groups such as households containing a person(s) with a disability or long-term illness. Approximately 40 per cent of the sector comprises households in the bottom third of incomes.

3.8. The [PRS is growing](#), with the number of households in the PRS increasing from 2.7 million in 2007 to 4.4 million in 2019-20, an increase of 1.7 million (63 per cent) households. It is being increasingly relied upon to deliver solutions to housing and homelessness issues. Anecdotally, a severe lack of supply in the private rented sector has been reported from a range of areas across the country over the last 18 months, which has knock-on impacts on demand for, and subsequent provision of statutory council services.

3.9. It is therefore vital that as the sector's role grows that systems are in place to ensure its sustainability and the successful delivery of sufficient levels of high-quality accommodation, to ensure a level playing field for all renters, regardless of tenure. A critical part of this is the satisfaction, safety, and wellbeing of tenants in the PRS, as erosion of any of these will result in increased strain on councils. Action must therefore be taken by the Government to protect tenants living in the PRS. Firstly, there is a need to [upgrade the Housing, Health and Safety Rating System \(HHSRS\)](#) which is currently being reviewed due to criticism received for being overly complex. Secondly, the forthcoming Renters Reform Bill must contain tangible strengthened protections for private rented sector tenants and must be aligned with the Social Housing White Paper.

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?

4.1. The LGA has welcomed the introduction of the Building Safety Bill and the Fire Safety Act. We believe these important pieces of legislation will strengthen the building safety system in the UK, especially in relation to new buildings. It is therefore an important step in the right direction. The Government has made large sums available to remediate dangerous cladding on buildings over 18 metres. However, this money is only available to social housing providers in the limited case of ACM cladding or to alleviate costs that would otherwise be passed on to leaseholders.

4.2. This places an unsustainable burden on councils Housing Revenue Accounts (HRA), albeit the impact will be felt in differential ways across the country depending on the stock type and volume in individual local authorities. The Grenfell fire tragedy revealed that cladding is not the sole cause of fire safety issues, and the government must take further steps to address non-cladding related fire safety issues.

4.3. In the social sector this will impede the ability of councils (and housing associations) to make a greater contribution to providing the housing the nation requires, improve the existing housing stock to meet modern standards, decarbonise homes to meet net zero ambition and maintain safe buildings.

4.4. The costs to landlords covered within the Building Safety Bill (other than remediation) will be covered by the Building Safety Charge, which is in itself problematic given its impact on leaseholders; but where the residents are [tenants of social housing providers](#) these costs will fall on landlords, as they cannot be levied on social tenants.

4.5. Furthermore, the Building Safety Charge will not cover the costs imposed on landlords by the regulations laid under the Fire Safety Act that deliver the recommendations of the Grenfell Tower Inquiry. We understand that one London council alone expects to spend £1 million to achieve compliance with these regulations, even before the possible costs arising from [Personal Emergency Evacuation Plans \(PEEPs\)](#) are considered.

4.6. LGA-commissioned research by Savills estimated (available on request) that the total costs to deliver compliance with the highest safety standards (including the installation of sprinklers and compartmentation) across the entire HRA council housing stock would be £8.1 billion over a 10-year period, with the majority of the investment taking place in the first five years.

4.7. To achieve full compliance with current standards alone is estimated to be a total of £2 billion over the same period. These costs include the remediation of dangerous cladding.

4.8. The Bill – together with the reform of fire safety regulation arising from the Grenfell Tower Inquiry recommendations – imposes significant ongoing costs on landlords, which in councils' case will also fall on the housing revenue account (and leaseholders) adding to the difficulties referred to above.

4.9. The LGA has been asking for over a year whether the Department for Levelling Up, Housing and Communities (DLUHC) will cover these costs as new burdens on the grounds that, while the private sector can increase rents to cover increased costs, local authorities do not enjoy the same freedom. To date we are yet to receive a substantial answer.

4.10. Any funding to cover remediation costs that would otherwise fall on leaseholders above should also protect social landlords and tenants. The costs imposed on councils as landlords by the Bill and by fire safety reform need to be covered by new burdens funding.

4.11. Decarbonising existing council housing will also require significant investment. Further analysis also undertaken by Savills for the LGA before the pandemic (available on request) estimated that the additional investment costs to achieve net zero carbon in existing housing stock held within councils' Housing Revenue Accounts (HRA) is almost £1 billion per year over a 30-year pattern of investment. This will have an impact on other council housing programmes and the ability to deliver statutory functions.

4.12. The Government should work with councils to urgently bring forward its commitment for the £3.8 billion capital Social Housing Decarbonisation Fund. This would provide a national stimulus to kick start the deep energy retrofit of all homes by investing in an energy revolution in social housing and provide jobs. The fund has been broadly welcomed by the sector, however the drip-feed of small competitive pots of funding and inflexible tight timescales for delivery, are impeding the ability for long-term strategic planning including the ability to deliver much larger decarbonisation projects, for example, district heating networks, which can offer more effective solutions in densely populated areas. Guaranteed multi-year spending pots for councils would allow them to plan a holistic pipeline of improvements to support the delivery of ambitious climate change targets, of which social housing decarbonisation plays an important part.

4.13. More broadly, there needs to be an urgent system-wide review of the total resourcing requirements for the social housing sector to ensure that a high-quality service can be provided to meet the needs of all tenants. This needs to include consideration of the impact that the government's current rent policy and right to buy policy has on the ability of local authority landlords to meet their statutory functions, as well as deliver on other priorities – including decarbonisation of homes; building safety; new build programmes and a potential revised Decent Homes Standard. Without a sufficient resourcing package that will likely need to be delivered through a combination of rents policy and grant subsidy, there will need to be trade-off decisions made in terms of balancing priorities at a local level.

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

How clearly defined are the role of the Regulator of Social Housing and the Housing Ombudsman?

Does the current regime allow tenants to effectively resolve issues?

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

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

5.1. We broadly support measures proposed in the Social Housing White Paper that will make the existing redress process clearer, equitable and accessible for all tenants, regardless of the tenure that they are living in.

5.2. Councils are determined that their tenants should have the security of a safe and well-maintained home with any issues quickly and satisfactorily addressed. Tenants of all housing tenures should expect that their landlords will consistently work towards improving living conditions.

5.3. The primary responsibility should be on the landlord to provide information to tenants about the complaints process, and this should always be the first point of contact. Speed of response to and resolution of complaints is crucial to providing effective services for tenants and particularly important when dealing with safety concerns. Whilst the timeframe for dealing with complaints is a measurable activity, it is not a measure of quality and attention should also be focused on activity that will result in better outcomes for residents and landlords. With considerable changes to the building safety and fire safety regulatory environment, it is also vital that any changes to the redress framework take account of wider changes in how safety concerns are raised and addressed.

5.4. We recognise that there will always be opportunity for improvement. It is important that any reform to the role of the Regulator focuses on offering genuine added-value to tenants locally. In our view this means allowing and supporting local authority landlords to manage their own journey on continuous improvement, with the Regulator's activity prioritising intervention with landlords that are experiencing the most severe challenges. Risk-based regulation would make best use of limited resources for both council landlords and the Regulator.

5.5. The LGA has a long track-record in developing and delivering a [sector-led improvement support](#) offer to councils. We are currently working with councils to identify ways in which we can support them to ensure they are able to comply with any new consumer standards. This has included supporting the Regulator with its wider programme of engagement with local authority housing landlords. We are also working with the Ombudsman to disseminate publications on the outcomes of investigations to local authorities in order to promote learning and lessons for service improvement in the sector. It is positive to see the [strengthened relationship and memorandum of understanding](#) between the Regulator and the Ombudsman and the proactive way in which both organisations are promoting positive change in the housing sector, through increased access to decisions and data which bring wider benefits to tenants and landlords and through its increasing engagement with local authority housing landlords. We are keen to work with the Regulator and the Ombudsman to see this work sustained and developed further.

5.6. Ensuring that councils have robust mechanisms for understanding performance is of course critical in their strategies for improving services for tenants. But these measures must be the right ones and should be developed and owned locally – particularly by local tenants.

5.7. There is some concern that the proposed regular four-year inspection of all social landlords with over 1,000 homes will be very costly for both landlords and government and potentially impractical to deliver. We are engaging with government and the Regulator to understand how this will be delivered and funded, and seek to influence a proportionate, risk-based approach to inspection. A sector-led improvement approach through use of peer reviews and performance benchmarking, could provide a complementary, or even an alternative approach to inspection.

5.8. Working with the local government sector, the LGA has developed a social housing management peer challenge which it is piloting in 2021/22. A team of experienced housing officers, elected members and tenant representatives will provide challenge, share learning and highlight good practice across the sector. Participating councils receive a comprehensive report and recommendations and identify an action plan to take forward in response. Our ambition to roll out a larger programme of social housing management peer challenges from 2022/23 will depend on continued support from DLUHC for sector-led improvement.

5.9. It is also important that local and central government work together with other key stakeholders to ensure a sustained local and national awareness-raising campaign so that existing and new tenants are aware of the complaints process. The [campaign launched by the government earlier this year](#) was welcome but needs to be backed with both long-term funding and non-financial resources.

5.10. The LGA is also working with councils to identify ways in which we can further help to support and promote best practice on effective tenant engagement and customer service, building on the [good practice guide](#) we commissioned tenant engagement experts, [TPAS to produce in 2019](#). The LGA has also been working in collaboration with the Association of Retained Council Housing (ARCH) and the National Federation of ALMOs (NFA) to showcase some of the work being done by local authorities across the country through the '[Future Foundations](#)' campaign. A number of local authorities and ALMOs have also been recognised in the recent [TPAS awards](#).

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

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

6.1. Whilst there is recognition that the Decent Homes Standard hasn't been reviewed since 2006 and the current review is broadly welcomed, any additions to the existing standard will require additional investment. However, updates to the Decent Homes Standard were not anticipated in the 2012 Housing Revenue Account self-financing settlement and will have to be paid for. Unless additional funding is provided by the Government to meet any new standard, this will ultimately need to be funded through the rents paid by tenants. However, councils are restricted in their ability to increase rents because of [government rules](#) that state landlords may not increase annual rent for social housing beyond the Consumer Price Index, which is set in September each year. This is in addition to other government decisions which have significantly reduce the rental income expected to be available to councils. This includes the requirement for councils to reduce rents by [1 per cent a year for four years from April 2016](#) and the limit on [raising rents by CPI + 1 per cent](#) for at least 5 years from April 2020. Currently there has been no additional money pledged by the government to support

social housing providers to implement any new standard. Unless they are paid for by specific grants, or there is a change on national rent policy, then any updated Decent Homes Standard will inevitably have a knock-on effect on councils' ability to deliver their responsibilities as local housing authorities as well as their housing delivery plans and ambitions to decarbonise their housing stock as described earlier.

6.2. Any changes to the standard will need to recognise the long lead-in times for investment programmes and provide sufficient notice to landlords to ensure effective implementation.

December 2021