

Written evidence submitted by Yorkshire Housing [RSH 067]

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

The annual investment by housing associations and councils in existing homes is a clear indicator that social housing offers amongst the highest standards of quality – both in terms of the condition of the home as well as the service tenants receive.

The quality of homes offered by social landlords is usually far better than those offered by private landlords.

Recent media coverage has placed the spotlight (rightly) on several cases where the standard of homes has fallen well short of what anyone would reasonably expect.

The recent Housing Ombudsman report into damp and mould has also highlighted how in some cases tenants' concerns have been dismissed as lifestyle rather than a problem which could be resolved with additional insulation and suitable passive or mechanical ventilation, alongside appropriate advice. The reason this is important is because it is wholly unrealistic to expect someone who may have made the choice between eat and heat to then open their windows to improve ventilation.

In some cases, the quality will vary depending upon the age, location, property type and future investment plans for the area. Quality can also be a legacy of under-investment in homes and lack of focus on fabric first improvements. However most social landlords have a clear baseline standard they apply, that usually exceeds the existing Decent Homes Standard.

One other consideration is that the housing service is usually reactive. It waits for the customer to tell us that something needs addressing and then we respond to this.

Yorkshire Housing has started on a journey to change this approach.

One of the first things we have done is to review all the homes in our portfolio where there have been no repair requests in the last three years. We are now actively contacting those tenants to understand why this is and, in some cases, arranging to access the home to ensure the property is in a good state of repair.

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?

Due to the profile of our stock, there are no major risks for Yorkshire Housing arising from the building safety risks. However, we know from our peers that depending upon their stock this is impacting on their ability to deliver investment in other areas.

The key focus is how we achieve EPC C rating for all our homes. It needs to be recognised that for some homes this just isn't realistic. Yorkshire Housing has a varied stock profile. There are some homes in rural areas of North Yorkshire where the building construction and local restrictions would not enable additional insulation of enveloping works to be undertaken. These properties are otherwise in very good condition and highly sought after in areas where the acute shortage of affordable housing is a major problem.

The retrofit challenge is the most significant challenge and financial risk faced by all social housing providers. Across Yorkshire Housing's existing 18,000 home portfolio the gross retrofit costs of between £150m and £300m would need additional subsidy if these are to be delivered.

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

The existing regulatory system is narrowly focused on governance and financial matters. Until recently it has not always started from the premise of seeing things through a customer lens.

It is for these reasons that Yorkshire Housing welcomes the addition of consumer regulation to the regulator's remit.

Yorkshire Housing had a positive experience when we were downgraded in 2020. Throughout this period there was much closer working with the regulatory team. This shift from an episodic approach to one, which understands our organisation helped us to move back to the top regulatory rating within a very short time period.

We believe there is wider learning here on how regulation could work through more of a regular dialogue and relationship management, whilst still maintaining an objective perspective.

The independence of the regulator is a major strength and whilst not the easy thing to do, the fact that it maintained the focus on the regulatory standards in at least one recent high profile case is to be applauded.

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

This strengthened focus on customer experience for the regulator requires greater clarity on the boundaries between the work of the regulator and the Housing Ombudsman.

The remit of the regulator is clearly laid out in legislation. It would be helpful if a similar approach could be adopted to clarify the specific role and remit of the Ombudsman. Some of the Ombudsman's activity and reporting has strayed into what would in any other sector be classified as regulatory activity. Without this clarity there is a danger of overlap or conflicting priorities.

Does the current regime allow tenants to effectively resolve issues?

It is difficult for tenants to have any kind of meaningful contact with the regulator. The Housing Ombudsman tends to focus on individual maladministration.

The ease by which tenants can resolve issues is too dependent on the individual willingness of landlords to engage in meaningful co-regulation. Whilst the vast majority adopt this approach there are a small number of cases where tenants will feel understandably frustrated.

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

The regulator has considerable and wide-ranging powers to intervene with Social Housing providers that are not complying with the Regulatory Standards.

The range of judgements demonstrates these are now increasingly used and a more muscular approach is being adopted by the Regulator and the Ombudsman.

It should be noted that in some cases there is retrospective punishment for issues which have been self-identified from several years previous. In these cases, the approach can feel heavy handed and at odds with the co-regulatory approach.

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

It is still too early to provide a definitive response to this question. This is dependent upon the approach taken around strengthened consumer regulation.

There is a balance between holding landlords to account and not stifling or recognising innovation and local needs by applying a one size fits all approach.

The sector is very diverse and as such it's important that any reforms recognise this. It is also clear that progress on implementing the reforms has been slower than expected due to pressures on parliamentary time.

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

The Decent Homes Standard was developed over 20 years ago. It predominately deals with components, most of which will be due once again for replacement in the timescales since the Standard was first introduced.

If you were buying a house on the open market that only just met the Decent Homes Standard, then you'd be looking for a substantial discount on the offer price. It has arguably served its original purpose which was to set a baseline standard for all social rented homes across the country.

Any new standard should go much wider. This needs to deal with individual component replacement and lifecycles but also need to consider the fabric of the building, energy efficiency and quality of place (outside the front gate). Any new standard also needs to consider regeneration activity in an area including the replacement of unpopular or obsolete homes.

Any standards should be applied to all homes, irrespective of whether rented from housing associations, councils or private landlords. There should also be an ambitious standard for new homes in both the public and private sector.

As was the case when the Decent Homes Standard was first introduced, meeting any new standards will need additional grant funding. As was the case in the early 2000s this funding could be linked to the quality of services offered by each individual housing association and council as determined by the Regulator.

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

If the UK is to meet its COP26 and other carbon reduction targets, then any new Standard must include energy efficiency measures. These should also apply to homes provided by private landlords.

For real and meaningful carbon reduction targets to be met these changes need to be addressed on a place / locality basis and not by individual landlord.

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

If standards are to be maintained and, in some cases, enhanced then a critical factor is that all providers of social housing should be required to meet the Regulatory Standards. This ensures tenants receive a consistently good quality of service, but also that the significant investment of grant funding and other public funds are safeguarded.

Consideration should also be given to how standards in the private rented sector can be increased. This may be through requiring them to register with the existing regulatory system or for the bolstering of the existing registration scheme offered by some local authorities.

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

Diversification can increase the risk for providers, but it can also help mitigate risks. The regulator tends to automatically assume that diversification increases risk and existing providers may not always have expertise in the areas they diversify into. Whilst there are some examples of where diversification has been unsuccessful, there are also numerous other examples of where this has successfully delivered positive outcomes.

The recent entrance into the sector of for-profit providers has highlighted the importance of understanding the difference between social purpose and profit. These different drivers are evidenced by the range of action taken by the Regulator against most notably lease based providers.

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