

Written evidence submitted by the Mayor of London [RSH 109]

Response to consultation questions

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

The GLA does not have access to indicators which can reliably indicate the scale, scope and nature of concerns about the quality of social housing. However, the Mayor is aware from correspondence and his engagement with Londoners that this is a concern.

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?

The GLA's role includes administering and managing the government's building safety funds in London, over £9 billion in affordable housing investment between 2016 and 2026, and working with the social housing sector to meet the Mayor's aim for London to be a zero carbon city by 2030.

Investment in new housing supply is a key priority for the social housing sector, and itself an important source of quality improvement. This includes where new homes replace homes that are obsolete because of their poor quality (and, often, the prohibitive cost and feasibility of improving quality through retrofit). The Mayor's 2021-26 Affordable Homes Programme sets standards above those required by building regulations and planning policy, and this leads to net quality improvement in London's social housing. Half of the lettings made by social landlords in London are into newly-built homes (['Who moves into social housing', GLA, 2021](#)).

The Mayor is committed to helping social housing providers improve the energy efficiency of homes in London. Through the Mayor's Retrofit Accelerator – Homes programme support has been provided to help organisations deliver high quality retrofits underpinned by mechanisms which guarantee the performance.

The Mayor has also set up and delivered the Department for Business, Energy and Industrial Strategy backed Social Housing Retrofit Accelerator (SHRA), providing support to the sector on their decarbonisation journey, with a particular focus on helping organisations bid in to the Social Housing Decarbonisation Fund. SHRA has helped raise the capacity of organisations to deliver retrofit programmes, however it is clear more support is needed to ensure organisations have the ability to develop and deliver energy efficient improvements to their housing stock.

The GLA holds close working relationships with the vast majority of London's social housing landlords. We work closely with investment partners to deliver new homes and administer multiple funding programmes for building safety remediation. Scrutinising finances is integral to the robust management of our programmes, and with London's largest social sector landlords our investment totals several hundred million pounds. It is evident that the twin pressures of assuring building safety and progressing towards net zero create a very challenging context for the sector to realise collective ambitions to develop the new affordable homes that Londoners need.

While the GLA does not have specific insight into impacts on home maintenance and home improvement programmes in the sector, it should be recognised that fundamental to this challenge is the difficulty housing providers face in being able to plan, over the short- medium- and long-term. The ability of a housing provider to form and resource a durable and effective strategy across different business areas is undermined by frequent changes, in recent years, to government-set standards in building safety and the environmental performance of homes.

Building safety is an urgent crisis affecting many Londoners, and must take priority. The government must set a clear, credible and durable regulatory framework for building safety standards, such that providers and residents have certainty of the remediation work required in existing stock. Until then, the scope and scale of investment is inherently unclear, which in turn impacts investment programmes in other areas.

The UK Government has set in law a target to bring all greenhouse gas emissions to net zero by 2050, with several local and regional authorities (including the GLA) setting more ambitious targets for their local areas – including the Mayor of London, who declared a climate emergency in 2018 and who is committed to bringing London to net-zero by 2030. The Climate Change Committee has said that to meet net zero, the UK's building stock needs to be nearly completely decarbonised by 2050. In 2019, the Conservative Party manifesto pledged £9.2bn to support decarbonisation – including £3.8bn for a new Social Housing Decarbonisation Fund (SHDF). For London specifically, research undertaken by Parity Projects on behalf of London Councils in 2021 showed that £97bn would be required to bring all homes to net-zero. This includes social housing, owner-occupiers and private rented homes.

The Mayor believes that Minimum Energy Efficiency Standards should be extended to all housing tenures, including the social housing sector. Putting in place these requirements would give certainty to the sector about requirements, and help organisations plan and develop business cases and make decisions about their housing stock accordingly. Organisations need to have clearer guidance about the standards they should be reaching.

Housing retrofit interventions, while driven by environmental objectives, can offer the opportunity to make quality improvements, such as improving insulation and remediating causes of damp – which can help with both energy efficiency, comfortable home temperatures and lower energy costs. It is crucial that social sector homes not only reduce environmental impact but also remove the risk of residents being in fuel poverty. The links between poor housing and poor health are well known and ensuring people have comfortable, thermally efficient homes can improve their quality of life and reduce the pressure on other public services.

However, the sector is, largely, not yet able to accurately determine the scale and specifications of optimal retrofit interventions. In London, achieving net zero by 2030 will require significant financing. While the government has recently responded to consultation on the Future Homes Standard and Future Buildings Standard, the social housing sector and government should agree how to share the responsibility for new investment in retrofit – the scale of which is, undoubtedly, orders of magnitude beyond what has been committed thus far. The benefits of acting as soon as practicable are felt by residents themselves, as well as being more valuable, the earlier actions are taken, to the overall effort to mitigate the damaging impacts of climate change.

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

The current regime for regulating social housing is successful in several dimensions. Most notably, the sector is regulated in a regime that has supported, over the long-term, growth in financial investment. Where individual housing providers have experienced financial difficulties, this has generally been swiftly resolved, including through mergers of providers, and this offers a good level of stability to tenants. In turn, social housing providers – especially Registered Providers – generally maintain access to low borrowing costs, and this underpins investment programmes in existing homes and new home construction. The Regulator’s summary of its own role includes ‘maintain[ing] confidence of stakeholders, such as lenders’.

However, the sector faces a systemic challenge in that tenants and residents of social housing have a low level of confidence that things are improving with regards to their home. This is despite objective standards, such as the Decent Homes Standard, being higher in the social sector than in the private rented sector. While the Mayor remains committed to improving conditions and security of tenure in the private rented sector, there is clearly room for improvement in the service provided to social housing tenants in order to address the concerns raised by residents. Regulation and funding are the key tools that government has to influence the sector and improve the performance of social housing, benefitting residents.

Social housing residents are themselves best placed to report on the quality of homes and landlord services. Their voice should be the one that carries the most weight in assessing the performance of social housing. If residents assess performance to be poor, and/or significantly deteriorating, then clearly current regulation is not fit for purpose. In managing four million social homes, standards and services will sometimes falter; occasional mistakes and shortcomings are, in reality, unavoidable. Regulation should focus more coherently to drive the sector towards averting systematic failures, long before they risk becoming regular, routine and institutionalised. That will mean confronting the evidence, recognising the corrosive reputational risk that poor quality and service standards represent for the sector in the long-term, and centring the voice of residents in developing strategies for sustainable improvements to homes and services.

Looking at evidence from the English Housing Survey 2019-20, overall, 70% of social renters said they were satisfied with housing services provided by their landlord, lower than the proportion of private renters who said they were satisfied (78%). Two thirds (66%) of social renters said they were satisfied with the repairs and maintenance carried out on their home, lower than the proportion of private renters who said this (75%).

The majority of social renters who have been resident for more than two years said there has been no change in housing services offered by their landlord over the last two years (72%). However, a larger proportion said they have become worse (17%) than those who said services have improved (10%). The same question asked in 2016 found roughly equal proportions of social housing residents assessing the change in their service (15% said it had got worse and 14% said it had got better). More than 1 in 6 social sector tenants feel their housing service has gotten worse over the last two years; whereas for private rented sectors tenants the figure is less than 1 in 15 (English Housing Survey 2019-20, Table 2.8).

As noted in the Mayor's submission to the Grenfell Tower Inquiry, confidence among social housing residents in the complaints system is as important as the robustness of the system itself. For instance, where a landlord labels a resident complaint as an 'enquiry', this denies the resident recourse to the use of the three-stage procedure for the complaints process and to refer the matter to the Housing Ombudsman. This activity has been evidenced in the Grenfell Tower Inquiry in relation to Kensington and Chelsea Tenant Management Organisation. The scrutiny afforded to KCTMO via the Grenfell Tower Inquiry has uncovered the manipulation of complaints handling and potential institutional discrimination and indifference to the concerns of social housing residents at Grenfell Tower.

There are examples, highlighted regularly by the Housing Ombudsman in their published Decisions, of where landlords are failing to provide individuals with an adequate service in response to a legitimate complaint. 'Complaints handling' is itself the second-most common complaint category on which the ombudsman issues Decisions, after 'Property condition'.

The present inquiry of the LUHC Committee is well-placed to add additional scrutiny to recognise the interdependent nature of landlords, the Ombudsman and the Regulator and explore potential systemic challenges in assuring that all homes in the social housing sector are fit for purpose, and that services to residents improve, and are recognised as improving by residents themselves.

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

In our view, these roles are defined adequately, and there is dialogue between the Ombudsman, which resolves individual complaints, and referrals to the Regulator where potential systemic issues are apparent within landlords.

We endorse the planned expansion of the Regulator's role in relation to consumer regulation, in terms of principles (co-regulatory, proportionate, risk based, assurance based and outcome focused) and outcomes for tenants and residents (including safety, management, and meeting the decent homes standard), as described in the Regulator's recent policy paper (['Reshaping consumer regulation: our principles and approach', RSH, November 2021](#)).

Does the current regime allow tenants to effectively resolve issues?

Landlords are the most important organisations to resolve issues, as acknowledged by both the Ombudsman and Regulator. Tenants ultimately want fewer issues that need resolution, as well as quicker and more effective resolution when issues do occur. Recurrent issues are a particular, understandable frustration. To achieve change will require improvements to the systems which enable landlords to learn from their own mistakes and help landlords learn from each other. The regulatory bodies can aid this, continuing to use their oversight to distil insights; they can go further and build a regulatory regime which upholds accountability, promotes responsiveness and monitors change.

The current regime could be immediately improved through better administration; for example by making it easier for tenants and residents to find out, through a more coherent and searchable

database, whether their landlord has a tenants panel which is registered with the Ombudsman ([link](#)).

The Ombudsman has worked with hundreds of tenants to achieve redress for unresolved issues that they have brought to the Ombudsman's attention. In many cases, the Ombudsman's decisions should have a wider, positive impact on the quality of homes and services to tenants and residents. Areas for process improvements are identified for review, and specific recommendations often made. Hence, the regime should be judged not just on the effective resolution of issues but on the reduced occurrence (considering frequency and severity) of issues that arise for tenants and residents in the first instance.

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

It is unclear, as yet, whether the Ombudsman's publication of some 1,300+ decisions, is having an impact on processes and practices by landlords.

Many Ombudsman decisions contain orders and recommendation for providers, including policy reviews and process changes to incorporate lessons from individual cases into business practices. For example, in the most recent reporting period (July to September 2021), the Ombudsman ordered five policy reviews and made a further 24 recommendations, among housing providers.

One modification for the Ombudsman to consider would be a requirement for housing providers to publish an update, within a period of time after an order or recommendation has been made, on the outcomes and impact of the order(s) and recommendation(s) on the operations of the housing provider.

The Regulatory Judgements and Regulatory Notices published by the regulator are well-established and integrated into the wider social housing regulatory framework. For example, the GLA monitors regulatory judgements and notices for investment partners via our annual compliance audit process.

Where providers are found to fail one or more of the existing (four) consumer standards, and/or the potential for serious detriment to tenants is identified, the regulator can and does take this into account via regulatory judgements on the governance grading for each provider.

The regulator also publishes an annual 'Consumer regulation review' which identifies the key issues and lessons arising from casework. Separately, the Ombudsman publishes a series of reports which put the spotlight on issues identified through the complaints we have investigated and resolved.

There is the potential for landlords, the Ombudsman and the Regulator to collaborate on producing analysis and insights that would be more impactful in rapidly improving practices in the social housing sector, for example highlighting the consequences for tenants and residents of adopting recommended actions and responding positively to regulatory scrutiny. Other channels and formats of communication, beyond written reports, are also likely to be welcome and more accessible to staff and officers close to the management of social housing.

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

The Mayor welcomes the planned interventions to augment the regime of assuring high consumer standards within the regulatory regime. Giving service to tenants and residents parity with the economic standards is appropriate and reflects the status of registered providers as social-purpose businesses.

At present, notices on breaches of the consumer standards, and failures of the serious detriment test, are incorporated into judgments against governance ratings. To give consumer standards an equal footing to economic standards would involve providers being rated or graded on their service to tenants and residents. Just as viability is an essential grading, aiding transparent accountability to financial management and financial markets, tenants and residents would benefit from having transparent assessments of landlord services, helping them hold housing providers to account.

The progress in implementing reforms has been slow. The recent RSH policy paper 'Reshaping consumer regulation' provides a useful direction of travel ('preliminary ideas') for the sector, and we agree that 'boards and councillors responsible for social housing should not wait for new consumer regulation to look at how they can improve their services and engagement with tenants'.

The importance of placing resident voices at the heart of decision-making by councils and housing associations has never been clearer. We are disappointed that the most recent Queen's Speech did not commit to legislate for the reforms promised in the Social Housing White Paper. We continue to ask that government brings the policies from the White Paper into law as soon as possible.

The Mayor has made repeated calls to create a Commissioner for Social Housing Residents who would also give strength to those under-represented voices. The Commissioner should be a person who resides in social housing and their role would be to champion the views and interests of social housing residents and make recommendations to inform future Government policy.

The present inquiry of the LUHC Committee is well-placed to explore whether the Regulator could be empowered to take more strident steps to regulate housing providers in a way that ensures consumer standards, including the quality of homes and landlord service, are not secondary to economic standards – in the eyes of tenants and residents and in the actions taken by boards and councillors, leaders and managers in the social housing sector.

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

The Decent Homes Standard is overdue for an update. The review of the Decent Homes Standard appears to be running behind schedule. The government has indicated that the review will consider how the Decent Homes Standard 'can better support the decarbonisation and energy efficiency of social homes, and improve communal and green spaces...consider the fit with wider government objectives such as ensuring buildings and neighbourhoods are safe; and responding and being resilient to climate change.' In the meantime, the GLA has used its major investment programmes to assure higher standards in new affordable homes in London, most notably in the [Affordable Homes Programme 2021-26](#).

Evidence from recent changes in the planning and building regulation systems suggest that standards which can be given objective, quantifiable metrics are more easily adopted and more quickly lead to intended changes in built environment practice. For example, Approved Document E – Resistance to the Passage of Sound includes quantified performance standards for sound transmission through walls and floors.

In prioritising changes to the Decent Homes Standard, consideration should be given to the most powerful drivers of individual health, well-being and financial welfare, and societal factors such as contribution of homes to climate change and the economic viability of intervention. For example:

- While ventilation is a consideration in the 2006 Decent Homes Standard (in the context of installing heating and ventilation), more explicit consideration should be given to thermal comfort in summer months, i.e. overheating, consistent with practice to define processes and outcomes under the Future Homes Standard and Future Buildings Standard.
- While external noise is a consideration in the 2006 Decent Homes Standard, more explicit consideration should be given to sound transmission within and between dwellings.

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

Yes.

Following on from the previous Decent Homes Standard, there should be requirements to ensure the fabric of the building is insulated and a low/zero carbon heating system is in place.

Looked at in the wider context, homes should also be made resilient to climate risks such as flooding or overheating. Consideration should also be made to supporting a sustainable way of living, through the provision of sufficient space for recycling and facilitating sustainable modes of travel.

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

Yes.

We recognise that shared ownership is a distinct form of affordable housing (note: not social housing) and that unregistered bodies, subject to other oversight, are able to provide adequate consumer protection for shared owners.

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

Providers can diversify in a number of ways, but citizens should have confidence that all providers of social housing are subject to equal and fair regulation.

January 2022