

Agenda Item IMD36

INDIVIDUAL EXECUTIVE MEMBER DECISION REFERENCE IMD: IMD 2018/36

TITLE	Response to Government Consultation on Social Housing Green Paper
DECISION TO BE MADE BY	Executive Member for Housing - Pauline Jorgensen
DATE, MEETING ROOM and TIME	5 November 2018 FF14 at 7pm
WARD	None Specific;
DIRECTOR	Director of Locality and Customer Services - Interim Sarah Hollamby

OUTCOME / BENEFITS TO THE COMMUNITY

In submitting a formal response to this consultation, the Council seeks to ensure that the direction taken by Government on social housing is informed by Wokingham Borough's local needs and circumstances. The aim is to ensure an essential, safe, well managed housing service is available for all those who need it.

RECOMMENDATION

That the Executive Member for Housing approves the consultation response for submission.

SUMMARY OF REPORT

A consultation on the Social Housing Green Paper was released by the Ministry of Housing, Communities and Local Government on 14th August 2018 and will run until 6th November 2018. The Green Paper covers five key themes:

1. Ensuring homes are safe and decent.
2. Effective resolution of complaints.
3. Empowering residents and strengthening the Regulator.
4. Tackling stigma and celebrating thriving communities.
5. Expanding supply and supporting home ownership.

The Council welcomes the eradication of the proposed high value asset levy in particular, which would have posed a significant risk to the viability of the Council's Housing Revenue Account (HRA). The Government's home ownership proposals align well with our own plans to develop a local "Rent to Buy" scheme.

The Green Paper is likely to result in an increased focus on housing standards, management of health and safety issues, complaints handling and performance reporting. Whilst this is welcome, there is no funding proposed to support this.

The Council's draft response also calls on Government to do more to encourage and support local-authority housing companies.

Background

On 14th August 2018, the Government released the long awaited Social Housing Green Paper for consultation. The documents can be viewed [here](#). The consultation closes on 6th November 2018.

Key new proposals in the Green Paper include:

- New 'league tables' of housing providers based on key performance indicators, surrounding services such as repairs and neighbourhood management. This could be linked to housing grant.
- Consideration to scrapping of the current 'serious detriment' test, to allow 'Ofsted-style' tougher consumer regulation.
- New home ownership options such as allowing tenants to buy as little as 1% of their property each year through shared ownership. This would only apply to new shared ownership purchases.
- The potential introduction a new stock transfer programme from councils to 'community-led' housing associations.

Previous policy proposals which have now been abandoned by Government are:

- High value asset levy.
- Proposals to scrap lifetime tenancies.
- Local Housing Allowance cap on social housing benefit.
- Removal of housing benefit for under 21's.

Analysis of Issues

The Government has been exploring ways to facilitate the building of more affordable homes through initiatives such as increasing the borrowing cap, providing longer term stability over rental income and changing the way that Right to Buy receipts can be used. The Green Paper does not promise any new funds, but it does demonstrate that the Government is listening to tenants, councils and housing providers. There is a marked softening of the position on social rented accommodation.

The Council welcomes the eradication of the proposed high value asset levy in particular, which would have posed a significant risk to the sustainability and viability of the Council's Housing Revenue Account (HRA). The Government's proposal to introduce new home ownership options whereby tenants can buy as little as 1% of their property each year through shared ownership aligns well with our own plans to develop a local "Rent to Buy" scheme.

Following on from the Green Paper, the Council expects to see Government implementing stricter rules on the management of health and safety issues and on complaints handling. We also anticipate changes to performance reporting and to the role of the Regulator. Whilst the Council is generally supportive of these measures, we are calling for additional funds to be made available to support this.

The Council's draft response also calls on Government to do more to encourage and support local-authority housing companies. Last year, our companies delivered 123 new affordable homes in the Borough, more than any other social housing provider in our area. The Smith Institute predicted in 2017 that "collectively LHCs could increase completions over time from 2,000 homes a year to 10,000-15,000 homes each year by 2022" making a significant contribution to the Government's housing target.

The Council's draft response to this consultation is included in Appendix 1.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	Yes	Not Applicable
Next Financial Year (Year 2)	£0	Yes	Not Applicable
Following Financial Year (Year 3)	£0	Yes	Not Applicable

Other financial information relevant to the Recommendation/Decision

The proposed high value voids levy had posed a significant risk to the sustainability and viability of the Council's Housing Revenue Account (HRA). The Green Paper confirms that this will not be implemented, which is positive for the HRA Business Plan. Proposals to increase standards are likely to bring additional resource implications and it is not clear in the Government's consultation paper whether there will be new funding to support this.

Cross-Council Implications

Residents' access to high quality, well-managed and safe housing impacts across all Council services.

SUMMARY OF CONSULTATION RESPONSES

Director – Corporate Services	No comments received.
Monitoring Officer	No specific comment.
Leader of the Council	No comments received.

Reasons for considering the report in Part 2

Not Applicable

List of Background Papers

Social Housing Green Paper:

<https://www.gov.uk/government/news/social-housing-green-paper-a-new-deal-for-social-housing>

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WOKINGHAM BOROUGH COUNCIL RESPONSE TO
THE SOCIAL HOUSING GREEN PAPER CONSULTATION.

Ensuring homes are safe and decent

1. How can residents best be supported in this important role of working with landlords to ensure homes are safe?

The Council welcomes the proposal to build on existing good practice in the sector and to establish a pilot to develop this. The Council currently supports the involvement of its residents across many aspects of our work, including through our Tenant Landlord Improvement Panel (TLIP). We have clear processes and strong governance in place to ensure that we provide clear information, listen to our tenants and act quickly to resolve any issues.

2. Should new safety measures in the private rented sector also apply to social housing?

The Council believes that safety measures in social housing should at least meet those in the private rented sector, and would therefore welcome this proposal. The additional costs of such work must be funded by Government.

3. Are there any changes to what constitutes a Decent Home that we should consider?

The Council would wish to be involved in further consultation about detailed proposed changes to the Decent Homes Standard. Key areas that the Council feels should be covered include energy efficiency/fuel poverty, air quality, renewables/sustainability and security. We would welcome the introduction of a standard for all providers to achieve and for additional funding to be offered to meet any new higher standard.

4. Do we need additional measures to make sure social homes are safe and decent?

The Council agrees that the Decent Homes Standard should be explicit about fire safety. The Council would be interested to hear from Government on proposals to tackle water management, enhance communal areas and develop estate management.

Effective resolution of complaints

5. Are there ways of strengthening the mediation opportunities available for landlords and residents to resolve disputes locally?

The Council is keen to support early and local dispute resolution wherever possible. Therefore, we are open to exploring the benefits of local mediation for certain types of complaints.

6. Should we reduce the eight week waiting period to four weeks, or should we remove the requirement for the “democratic filter” stage altogether?

The Council believes that the democratic filter is an important element of the existing complaints process and does not support the reduction in time or the removal of this filter. The democratic filter supports local resolution, and can facilitate positive outcomes for all parties without further escalation.

We would like to see further endorsement of designated persons, so that residents do seek help from a local councillor, MP or tenant's representative.

7. What can we do to ensure that the "designated persons" are better able to promote local resolutions?

The Council is keen to ensure that our residents are aware that the support of designated persons is available to them. Training, facilitated meetings, advertising and coordination with tenant's panels is essential.

8. How can we ensure that residents understand how best to escalate a complaint and seek redress?

The Council publishes its complaints process on our website and encourages feedback from residents. A leaflet explaining the process is also available. We routinely monitor the number of complaints that we received and the outcomes achieved.

We support the proposal for a national awareness campaign.

9. How can we ensure that residents can access the right advice and support when making a complaint?

The Council will accept complaints in person, over the telephone, online, via email or in writing. Residents can nominate someone to act on their behalf if they wish to. We signpost and refer customers to our voluntary sector partners as appropriate.

10. How can we best ensure that landlords' processes for dealing with complaints are fast and effective?

The Council has adopted an early resolution protocol. Our Customer Care Officers ensure that issues are responded to with agreed actions within 3 working days. Stage One complaints are responded to within 10 working days, and Stage Two complaints are responded to within 20 working days. We record and monitor complaints received against these timescales, and look for service improvement opportunities with each complaint.

A Code of Guidance to confirm best practice would be welcomed.

11. How can we best ensure safety concerns are handled swiftly and effectively within the existing redress framework?

The Council agrees that fire safety concerns require a prompt response. Staff are aware of our health and safety duties and respond accordingly. In addition, any arising health and safety concerns are discussed at a weekly operational meeting.

Empowering residents and strengthening the Regulator

12. Do the proposed key performance indicators cover the right areas? Are there any other areas that should be covered?

The Council views the proposal to introduce further KPIs focusing on areas such as repairs, safety, complaints handling, resident engagement and neighbourhood management as a positive step. We support these themes, but want to be able to set the actual indicators locally to ensure they are relevant to local circumstances, reflect what our residents are interested in and are proportionate.

13. Should landlords report performance against these key performance indicators every year?

The Council would support this.

14. Should landlords report performance against these key performance indicators to the Regulator?

The Council does not support this proposal and considers that publication via our website is sufficient.

15. What more can be done to encourage landlords to be more transparent with their residents?

We agree that annual reports should be publically available, accessible, easy to use and easy to compare. We publish our Annual Report on our website and operate a Tenant and Landlord Improvement Panel (TLIP) encourage scrutiny.

16. Do you think that there should be a better way of reporting the outcomes of landlords' complaint handling? How can this be made as clear and accessible as possible for residents?

The Council does not believe there is a fundamental issue with the way the outcomes of complaints handling is reported currently. However, we do think that more could be done to publish this information in an accessible format for residents and the wider community. We would be interested to find out more from our residents about how this could be addressed.

Outcomes, lessons learnt and improvements made as a result of complaints could be summarised in the Annual Report.

17. Is the Regulator best placed to prepare key performance indicators in consultation with residents and landlords?

We do not consider that the Regulator is best placed for this role. The Council considers that a locally based framework with tenant involvement is the best approach. The Regulator could produce a subsequent highlights report.

18. What would be the best approach to publishing key performance indicators that would allow residents to make the most effective comparison of performance?

Although the Council is in favour of transparency within the sector, we question the value of a league table approach given the lack of real choice for residents in the sector and the frequency of mergers between housing associations at the current time.

The Council supports a localised process, including benchmarking against similar organisations.

19. Should we introduce a new criterion to the Affordable Homes Programme that reflects residents' experience of their landlord? What other ways could we incentivise best practice and deter the worst, including for those providers that do not use Government funding to build?

The Council has its own local partnership arrangements in place to ensure that development of new affordable housing is undertaken by high-performing Registered Providers.

We also undertake annual New Homes Surveys to gather feedback from residents about their satisfaction with their new home, and the results are reported back to our registered provider partners. We also undertake bi-annual surveys of tenants and residents (STAR surveys).

20. Are current resident engagement and scrutiny measures effective? What more can be done to make residents aware of existing ways to engage with landlords and influence how services are delivered?

The Council has four tenant involvement groups focused on different aspects of our services. We also publish a newsletter, organise roadshows, run satisfaction surveys, publish minutes of meetings and organise events and community fun days. Information about getting involved is available on our website.

We would be interested in further discussions about how best to engage with a wider cross-section of our demographic, and those who may be vulnerable and/or isolated.

21. Is there a need for a stronger representation for residents at a national level? If so, how should this best be achieved?

The Council is in favour of stronger representation for residents at a national level. We would like to see a tenant representative at board level for existing organisations such as Homes England, and registered providers. We would also like to see more being done to capacity build tenants, including greater involvement at national housing conferences.

22. Would there be interest in a programme to promote the transfer of local authority housing, particularly to community-based housing associations? What would it need to make it work?

The Council does not consider this to be a viable proposal given the size of our stock. We also have concerns about perpetuity and stagnation.

23. Could a programme of trailblazers help to develop and promote options for greater resident-leadership within the sector?

Further detail would need to be provided before we could judge the relative merits of this proposal.

24. Are Tenant Management Organisations delivering positive outcomes for residents and landlords? Are current processes for setting up and disbanding Tenant Management Organisations suitable? Do they achieve the right balance between residents' control and local accountability?

This does not apply to Wokingham Borough Council.

25. Are there any other innovative ways of giving social housing residents greater choice and control over the services they receive from landlords?

We have covered this elsewhere in our response.

26. Do you think there are benefits to models that support residents to take on some of their own services? If so, what is needed to make this work?

We would like to see evidence of how this could work before further considering these proposals.

27. How can landlords ensure residents have more choice over contractor services, while retaining oversight of quality and value for money?

We involve residents in the procurement process as far as is possible within the public sector procurement framework, including at interview and selection stages.

28. What more could we do to help leaseholders of a social housing landlord?

The Council supports the suggestion made in the Green Paper to ensure that social housing leaseholders have a voice, receive transparency over service charges and are consulted in a meaningful way over major works. The Council seeks to be fair and equal to leaseholders and ensure that service provision matches provision for tenants.

29. Does the Regulator have the right objective on consumer regulation? Should any of the consumer standards change to ensure that landlords provide a better service for residents in line with the new key performance indicators proposed, and if so how?

The Council supports the overarching objective here, but considers that the focus should be on tenants deciding on the indicators that they wish to see.

30. Should the Regulator be given powers to produce other documents, such as a Code of Practice, to provide further clarity about what is expected from the consumer standards?

Yes – the Council would welcome a Code of Practice.

31. Is “serious detriment” the appropriate threshold for intervention by the Regulator for a breach of consumer standards? If not, what would be an appropriate threshold for intervention?

No. “Serious detriment” is too high a threshold. The Council considers that there should also be a mechanism to pick up on systemic issues and a corresponding intervention process.

32. Should the Regulator adopt a more proactive approach to regulation of consumer standards? Should the Regulator use key performance indicators and phased interventions as a means to identify and tackle poor performance against these consumer standards? How should this be targeted?

The Council agrees with these proposals.

33. Should the Regulator have greater ability to scrutinise the performance and arrangements of local authority landlords? If so, what measures would be appropriate?

We would like to see the same scrutiny applied to all social housing providers.

34. Are the existing enforcement measures set out in Box 3 adequate? If not, what additional enforcement powers should be considered?

We agree that these measures are adequate. However, we would like to see more detail about the specific requirements of all social housing providers.

35. Is the current framework for local authorities to hold management organisations such as Tenant Management Organisations and Arm's Length Management Organisations to account sufficiently robust? If not, what more is needed to provide effective oversight of these organisations?

We do not have either type of organisation here, and therefore do not feel in a position to comment on this.

36. What further steps, if any, should Government take to make the Regulator more accountable to Parliament?

The Council would prefer to comment on this once the outcome of the review of the Regulator's role is known.

Tackling stigma and celebrating thriving communities

37. How could we support or deliver a best neighbourhood competition?

The Council recognises that the Borough contains many vibrant and thriving social housing communities. We would welcome the opportunity to be part of a recognition programme for these areas and consider that this could be built into existing award schemes. There are already many examples of this working at a local level.

38. In addition to sharing positive stories of social housing residents and their neighbourhoods, what more could be done to tackle stigma?

The Council agrees that the positive impact of good news stories and social media campaigns will help to reduce this stigma. We would also like to see more being done to tackle some of the underlying causes of the stigma, including within Government and public services. The Council is committed to promoting opportunities for all our residents, including tenants, and provision is made for this within our Council Plan and through our "Strive" business start-up training programme.

39. What is needed to further encourage the professionalisation of housing management to ensure all staff deliver a good quality of service?

The Council is keen to support the professional development of its employees. We would welcome a nationally recognised qualification in housing management. We are also keen to find ways to promote a career in housing to our tenants and young people in the area.

40. What key performance indicator should be used to measure whether landlords are providing good neighbourhood management?

We consider that this would be best approached from a local level using a multitude of indicators. We recognise the value of reporting on anti-social behaviour case outcomes, social impact and STAR survey results.

41. What evidence is there of the impact of the important role that many landlords are playing beyond their key responsibilities? Should landlords report on the social value they deliver?

The Annual Report should cover achievements in this area.

42. How are landlords working with local partners to tackle anti-social behaviour? What key performance indicator could be used to measure this work?

The Council works on a multi-agency basis to tackle anti-social behaviour. We work with the police, community safety team and voluntary sector partners, and use the range of tools available to us. The key measures of this work include prevention and fast resolution.

43. What other ways can planning guidance support good design in the social sector?

We look forward to the guidance due to be published later this year. The Council supports measures to boost Secured by Design, healthy and active communities, high quality affordable homes and planning for the future. We actively use our planning powers and the Council's "Borough Design Guide SPD" to encourage good design across all tenures.

44. How can we encourage social housing residents to be involved in the planning and design of new developments?

We agree that communities should be engaged in the planning and shaping of local design policies. We have been successful in involving residents in the early masterplanning stages of our estate regeneration project at Gorse Ride through community steering groups and events.

Expanding supply and supporting home ownership

45. Recognising the need for fiscal responsibility, this Green Paper seeks views on whether the Government's current arrangements strike the right balance between providing grant funding for housing associations and Housing Revenue Account borrowing for local authorities.

The Council is committed to maximising affordable housing output in the Borough. In order to do this, we need access to grant funding as well as additional borrowing headroom. We also need long-term income certainty.

46. How we can boost community-led housing and overcome the barriers communities experience to developing new community owned homes?

The Council welcomed the announcement of £163 million for the Community Housing Fund up to 2020/21, although this timeframe is too short. We are currently developing a proposal for a self-build site within the Borough. We are keen to work with local community groups that identify themselves to us and we are considering self-build provision in our local plan update.

There is very limited local provision of specialist advice and support for community led-housing groups. We would welcome the introduction of a regional hub to provide such expertise.

47. What level of additional affordable housing, over existing investment plans, could be delivered by social housing providers if they were given longer term certainty over funding?

We understand that the Government plans to give landlords greater confidence and certainty over future rental income through a new rent settlement of CPI +1% to 2025. We need longer term rental certainty than this. The Council requests further consideration from Government on longer-term rent policy.

The Council has its own wholly owned housing companies (including Loddon Homes, a Registered Provider) delivering an ambitious programme of affordable housing for rent and shared ownership. Last year, our companies delivered 123 new affordable homes in the Borough, more than any other social housing provider in our area. The Smith Institute predicted in 2017 that “collectively LHCs could increase completions over time from 2,000 homes a year to 10,000-15,000 homes each year by 2022” making a significant contribution to the Government’s housing target. The Government should do more to encourage and support local-authority housing companies.

48. How can we best support providers to develop new shared ownership products that enable people to build up more equity in their homes?

Shared ownership is very popular in Wokingham Borough due to the high value of property in the area. However, in response to resident concerns around affordability of the standard model, we developed a unique, more affordable local shared ownership model (35% equity shares with rent capped at 1.5% per annum), which we implemented in 2004. The Council feels that this flexibility is important to ensuring that shared ownership products are genuinely affordable given local market conditions.

We would welcome Government proposals to introduce a shared ownership product where shares of as little as 1% could be acquired. Wokingham Borough Council has committed to rolling out a local “Rent to Buy” scheme, which is likely to work in a similar way. We consider that this can be a gateway into traditional shared ownership for those who are unable to afford an initial deposit.