

**HOMES POLICY DEVELOPMENT GROUP
21 JANUARY 2020**

HOUSING SECTOR UPDATE

Cabinet Member(s): Councillor Simon Clist
Responsible Officer: Mrs Claire Fry, Group Manager for Housing Services

Reason for Report: To inform Members about recent news items relating to social housing

RECOMMENDATION: That members note the report

Financial Implications: None arising from this report

Legal Implications: None arising from this report

Risk Assessment: None arising from this report

Equality Impact Assessment: None arising from this report

Relationship to Corporate Plan: Homes are a priority for the Council and this includes increasing supply in the District and also ensuring that those homes in our ownership are managed efficiently and effectively

Impact on Climate Change: The housing service has actively invested in energy efficiency; extensive use of solar PV and air source heat pumps already exists. The ongoing circa £170M 30 year maintenance programme has a significant focus on ensuring energy efficiency. Where sustainable options are available they are utilised; however, it is acknowledged that where there is a significant cost differential that plays heavily in the choices made.

We recognise that the provision of sustainable communities is important. As part of our commitment to meeting the provisions of the Tenant Involvement and Empowerment Standard within the Regulatory Framework for Social Housing, the Council offers a menu of involvement which provides opportunities for tenants to get involved in service delivery. Tenants scrutinise the work of the Service and are also involved in the development of our newsletter which is published periodically. We use this and social media to promote sustainability and therefore publish information relating to a variety of topics including fuel efficiency, recycling and healthy living.

Officers sometimes have to respond to emergencies such as those associated with the prevention and management of homelessness and also those arising from serious incidents of anti-social behaviour. In such cases, safeguarding concerns will take priority in order to minimise risk and it is accepted that the ability to manage such issues effectively may have an environmental impact which would not occur if work can be planned in advance and managed in a more co-ordinated way.

1. Introduction/Background

- 1.1. Members previously agreed that it would be helpful to receive a regular briefing on matters relating to housing.

- 1.2. Matters relating to fire safety and cladding continue to be reported widely in the housing press. The Council does not have any high rise blocks in its housing stock.
- 1.3. Issues relating to health and safety have gained increasing significance in the aftermath of the fire at Grenfell Tower and it is widely expected that the regulatory framework will be strengthened to address these at some point in the future. The Social Housing Green Paper, “A new deal for social housing” published in August 2018, gave a strong indication of this and contained many proposals designed to ensure that homes are safe and decent.

2. Regulation

2.1 Review of Building Regulations and Fire Safety

- 2.1.1 In a press release, the Ministry of Housing, Communities and Local Government (MHCLG) announced that Dame Judith Hackett will be advising on the most effective way to “deliver” a new Building Safety Regulator (MHCLG, 2019). The new regulator will be able to impose criminal sanctions in cases where legislative and regulatory requirements relating to health and safety are not implemented.
- 2.1.2 Members will recall that Dame Judith was commissioned by the Government to review building regulations and fire safety following the Grenfell Tower fire. Her [Independent Review of Building Regulations and Fire Safety](#) was published in May 2018 and the Government committed to take forward all of her recommendations.
- 2.1.3 A consultation on the proposed reforms was undertaken in June 2019 and the responses are currently being reviewed.
- 2.1.4 In the recent announcement, MHCLG stated that there will be a new safety framework for high-rise residential buildings. Those responsible for the safety of high-rise buildings will become more accountable. Residents will be able to raise any concerns and these must be given serious consideration by landlords. There will also be new sanctions designed to ensure compliance with the system and to provide a stronger framework to ensure construction products meet the appropriate standards.
- 2.1.5 The press release said: “The government’s proposed new legislation will ensure building owners and developers prioritise residents’ safety over profit” and will: “Give residents a stronger voice in the system, ensuring their concerns are never ignored and they fully understand how they can contribute to maintaining safety in their buildings”. This can be seen as an indication that there is likely to be a shift in priorities so that a greater importance will be given to the involvement of tenants and satisfaction levels as they relate to health and safety matters.
- 2.1.6 A New Homes Ombudsman is also planned and developers of new homes will have to join this.

2.2 The Housing Sector Risk Profile

- 2.2.1 The Regulator of Social Housing (RSH) published the Sector Risk Profile 2019 in October 2019 (RSH, October 2019a). This report was written to help the boards of housing associations to have a better understanding of the risks faced by their organisations. However, many of the risks identified apply equally to those Councils with retained stock. The RSH stated in this document that risk in the sector is growing as a result of issues such as the uncertainties relating to Brexit, and the need to respond to evolving requirements following the Grenfell Tower fire.
- 2.2.2 In the report, the RSH stated that registered providers of social housing (RPs) must understand and fully meet all their existing obligations with regard to health and safety. In addition, it was noted that the safety of all tenants, especially the most vulnerable, should be of primary importance for all providers of social housing. The report stated that the need to comply with all relevant health and safety legislative and regulatory requirements includes having up to date and relevant policies in place that are regularly managed and monitored. It also emphasised the need for effective compliance reporting and good quality data.
- 2.2.3 The report stated that as part of a well-integrated, strategic approach to asset management, providers should understand the overall condition of their stock, including areas where additional investment is required. The regulator noted that this should be based on professionally sourced up to date data and that the necessary investment should be reflected in the organisation's long-term business plans with delivery monitored and recorded.
- 2.2.4 Other strategic risks for housing associations which were identified included reputational risk, fraud, and data integrity and technological risks. In addition, other operational risks noted within the report included welfare reform, those associated with rent compliance, and also costs and inflation. The Housing and Building Services could also be exposed to such risks and there is a need to ensure that mitigating actions are implemented. As Members will be aware, there is a regime of regular risk inspection and necessary actions are taken in partnership with other Services, which are reported to relevant Policy Development Groups (PDGs) at every meeting.

2.3 Regulation of Health & Safety

- 2.3.1 There have been some recent regulatory judgements involving landlords which had breached the Home Standard. Members will recall that the Home Standard is one of the four consumer standards within the regulatory framework for social housing.
- 2.3.2 Runnymede Council was found to have caused a risk of "serious detriment" as a result of a breach of the regulatory framework for social housing involving fire and electrical safety. The Council had failed to complete "urgent or high priority remedial action arising from fire risk assessments (FRAs)" at two properties: a 17 storey block and a sheltered scheme. (Wilmore, 2019).
- 2.3.3 With regard to the breaches relating to electrical safety, the regulator found that the Council had no evidence of when testing was last carried out for 162

properties. In addition, according to the records, the electrical installations in 794 properties had not been tested in the past 10 years.

2.3.4 The RSH concluded that the Council did not have an “effective system in place to allow it to meet its statutory health and safety responsibilities in fire and electrical safety”. It was also found that the Council could not provide evidence relating to whether or not the properties in management met the Decent Homes Standard. The regulator said that it would work with the Council to address the issues and will consider whether or not any further action is required in connection with the breach.

2.3.5 Lambeth Council, which has 22,500 homes in management, was found to have “a significant number” of overdue remedial actions arising from FRAs, including some for FRAs considered “intolerable” or “substantial”. (Williams, 2019)

2.3.6 The RSH also found that the Council had breached the Home Standard because more than 180 communal areas had not been surveyed for asbestos whilst over 40 properties were found to be without valid gas safety certificates. The regulator accepted that the Council had made improvements over the last six months and has stepped up the pace of remedial work; however, it found that the Council did not have an “effective system in place to allow it to manage the risk of tenant safety and to meet its statutory health and safety responsibilities across a range of areas”.

2.3.7 In addition, Newark and Sherwood Homes, an arms’ length management organisation (ALMO), which manages 5,400 homes on behalf of Newark and Sherwood District Council identified a non-compliance issue relating to gas safety. (Barker, October 2019)

2.3.8 A report to the Homes and Communities Committee of Newark and Sherwood District Council during the week commencing 30 September showed that 622 gas safety certificates were outstanding for a short period earlier this year. The Council became aware of this non-compliance issue in July and the breach was rectified by 15 August. This was the second instance of gas servicing failure identified this year because the ALMO had reported in April that 38 homes did not have valid gas safety certificates as a result of a data error. Both the Council and the ALMO viewed the failures as serious and took action to ensure that this did not happen again. The Council self-referred to the RSH in June. The outcome of this was that the RSH did not find any breach of the consumer standards. However, the Council is planning to bring back the housing service in-house meaning that the closure of the ALMO.

2.3.9 These cases demonstrate that robust systems are required to ensure that health and safety is managed properly. They also show the need to establish an open and honest dialogue with the RSH in the event that any non-compliance is identified.

2.4 Annual Survey of Stakeholders

2.4.1 In its second annual survey of stakeholders, the RSH received 531 responses in total. One new question was asked this year. This related to whether or not stakeholders felt that the RSH takes “appropriate action” when consumer

standards have been breached, or when tenants have been at “significant risk of detriment”. Of the organisations that completed the question, 10% of respondents disagreed that the regulator took appropriate action, whilst 2% strongly disagreed. However, 88% agreed that it took appropriate action and of these 21% strongly agreed. (RSH, November 2019).

2.5 Consultation on Rent Standard

2.5.1 The RSH recently published the responses to the consultation on the new Rent Standard (RSH, October 2019b). Following the consultation, the new Rent Standard will be implemented with effect from 1 April 2019. There were over 100 responses to the consultation and generally respondents were supportive of the changes to be introduced which include the provision of guidance on the management and setting of the new five year rent settlement. This will allow RPs to increase rents by the Consumer Price Index measure of inflation with the addition of 1% for five years from 2020. Members will recall that there has been a policy of rent decreases for four years from 2016 which has impacted the revenue stream of the Housing Service and other RPs.

2.5.2 It should be noted that the provisions of the new Rent Standard will apply to the Council from April 2020.

3. Health and safety

3.1 An 80 year old tenant of Clarion Housing Group suffered a fatal heart attack after her heating or hot water failed to work for two weeks, an inquest found. This lady died at the end of 2017 after learning that a boiler repair would not be completed that day, 22 December 2017, as promised by the heating contractor. This date was the last working day before Christmas. The visit to the home of this tenant had been allocated as the engineer’s last appointment but he ran out of time despite her family having been assured that someone would be attending to undertake the repair. The housing association and its contractor admitted that the service delivered was unacceptable on this occasion. The Assistant Coroner found that both organisations had since made improvements and that further recommendations to prevent future deaths were not necessary. (Barker, September 2019a)

3.2 Following a large fire at Richmond House, a block of flats on an estate in Worcester Park, South London, the housing association responsible for managing it has stated that work is needed to remedy certain defects in the passive fire protection of buildings there (MTV, 2019). It said that this will involve installing or improving cavity barriers within the external wall systems and other work to improve fire resistance.

3.3 A 24 hour “waking watch” has been implemented on the estate and the “stay put” advice has been changed to “simultaneous evacuation”. In addition, a communal fire alarm system is being installed across all buildings on the estate.

3.4 Changes to the recommendations relating to the fitting of sprinkler systems to new and converted properties where there are flats and fire evacuation policies generally are anticipated by housing professionals in the aftermath of events at Grenfell Tower and subsequent fires including this one at Richmond House.

4. The Housing Ombudsman Service

- 4.1 Members will recall that the Housing Ombudsman Service (HOS) is responsible for investigating complaints made by tenants and that tenants of the Housing Service may escalate a complaint once the two stage corporate procedure has been exhausted. Tenants can ask a Designated Person or a Complaint Panel to investigate before a case is referred to the HOS and can also refer it directly if 8 weeks has elapsed since the landlord concluded their investigation.
- 4.2 The role of the HOS is to resolve disputes which may include making awards of compensation or other remedies, where appropriate, and to support effective landlord-tenant dispute resolution by others. 325 local authorities are members of the Housing Ombudsman scheme.
- 4.3 Richard Blakeway, who was recently appointed into the role of Housing Ombudsman, has published his new business plan for consultation and also proposed some changes to the Housing Ombudsman scheme. (HOS, 2019)
- 4.4 In the business plan, an increase in the level of fees has been proposed with landlords being charged £2.16 per home for the next two financial years.
- 4.5 In addition, there is a proposal relating to the imposition of a deadline of 15 working days with regard to the provision of evidence by landlords. In the event that a landlord failed to meet this deadline, the HOS could make a finding of “complaint handling failure”. The HOS is also proposing to identify any issues which could be systemic and subject to wider investigation and reporting, to escalate such cases to the RSH, as appropriate.

5. The Right to Buy Scheme

- 5.1 Inside Housing undertook a project to identify the number of tenants in receipt of Housing Benefit who exercise their Right to Buy. 95 of the 165 Councils with retained stock in England responded and the research showed that these authorities had sold 4,686 properties to tenants in receipt of Housing Benefit. This equated to one in seven of the homes sold through the Right to Buy scheme since discounts were increased in 2012. (Barker, September 2019b)
- 5.2 In order to secure a mortgage necessary to purchase a property through the scheme, a tenant in receipt of Housing Benefit would need to make a joint application with someone else. This means that there could be opportunities for individuals to make fraudulent applications although in reality, in most cases, family members are likely to provide financial assistance. The Council undertakes checks with a view to identifying any potentially fraudulent requests when an application to buy a property through the scheme is received.
- 5.3 The MHCLG told Inside Housing that it takes fraud associated with the Right to Buy scheme “very seriously” although they did not want to penalise those on low incomes which could happen if tenants in receipt of Housing Benefit were excluded from buying their home. It was noted that the Ministry works in partnership with social landlords, lenders and others to ensure that the risk is minimised.

6. The Allocation of Social Housing

- 6.1 The Chartered Institute of Housing (CIH) published a report in September (CIH, 2019) in which it found that providers of social housing are excluding vulnerable people through their approach to new tenancies. The CIH advocated changing the system to protect vulnerable people. It suggested that Councils should take the specific circumstances of households and their accommodation history, into account when considering their applications to join the housing waiting list.
- 6.2 In addition, the report recommended that the Government should work with local authorities and housing associations to develop a toolkit which would support the delivery of support focused pre-tenancy procedures.
- 6.3 Other recommendations were made which would potentially increase in the supply of available homes. For example, the report advocated a 10 year funding programme for social housing building. The suspension of the Right to Buy scheme was recommended together with a proposal that Councils be allowed to retain the receipts arising from sales through the scheme.
- 6.4 It was also suggested that RPs should review their “lettable” standards to explore ways to improve the marketing of properties, particularly in areas of low demand. In addition, the CIH recommended that local planning authorities should take a “more considered” approach to agreeing s106 local connection requirements. Members will recall that s106 agreements are planning conditions.

7. New Council Housing

- 7.1 Goldsmith Street, which was designed by architects Mikhail Riches for Norwich City Council won the Royal Institute of British Architect’s (RIBA) Stirling Prize. The scheme delivered over 100 energy-efficient homes. There are 7 terraced blocks arranged in 4 lines. Parking has been located at the edge of the scheme and the bin stores are situated in the front gardens to provide a barrier between the pavement and the front door of each home. The rear street has a garden with a meandering pathway. The street has been landscaped and the path is not straight in order to remove the idea that it is a “back alley”. This scheme was described as an “exemplary project.”

8. Housing Associations

- 8.1 Curo, a housing association based in Bath, has announced an intention to stop issuing fixed term tenancies. The association has 13,000 homes in management and stated that it would convert its 680 fixed term tenancies to assured tenancies as these tenancies came to the end of their terms. The Chief Executive said: “We’ve listened to our customers who have fixed term tenancies with us. We’ve heard how important having a long-term tenancy is to feel safe, secure and be able to put down roots in the local community”. (Joinson-Evans, 2019)
- 8.2 LiveWest, the largest housing association in the South West, has entered into an agreement with Bovis Homes which will result in 2,000 affordable homes being built in the South West on three sites. LiveWest currently has more than 36,000 homes in management, with some in Mid Devon. The RP is planning to build

another 16,000 over the next 10 years and the new developments will contribute to the achievement of this target.

- 8.3 The arrangements will last for 15 years and the first homes are due to be completed in Tavistock in August 2021. 678 homes will be built in Exeter and also 831 in Taunton. There will be shopping centres and community hubs at the developments, as well as improved roads and sustainable travel initiatives.

9 Recommendation

- 9.1 That Members note the report.

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Circulation of the Report: Councillor Simon Clist, Cabinet Member for Housing, and other members of the Cabinet Leadership Team

List of Background Papers:

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Barker (September, 2019b), RTB research sparks new fraud fears, Nathaniel Barker, Inside Housing, 20 September 2019

Barker (October 2019), Midland Council had 622 certificates out of date, Nathaniel Barker, Inside Housing, 3 October 2019,

Turner (2019), LiveWest partners with Bovis Homes to deliver 2,000 homes in South West, Charlotte Turner, Business Live, 22 November 2019

<https://www.business-live.co.uk/economic-development/livewest-partners-bovis-homes-build-17299724>

CIH (2019), Rethinking Allocations, Chartered Institute of Housing, September 2019
<http://www.cih.org/resources/Rethinking%20allocations.pdf>

HOS (2019), Housing Ombudsman issues consultations for improved service, Housing Ombudsman Service, 25 October 2019

<https://www.housing-ombudsman.org.uk/2019/10/25/housing-ombudsman-launches-consultations-for-improved-service/>

Joinson-Evans (2019), Curo to end all fixed term tenancies for residents, Esmee Joinson-Evans, 24 Housing, 7 October 2019

MHCLG (2019), Dame Judith Hackett named as Government Advisor on the new Building Safety Regulator, Press Release, 28 October 2019, Ministry of Homes, Communities and Local Government & the Right Honourable Robert Jenrick

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<https://www.mtvh.co.uk/news/worcester-park-fire-update/>

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/845188/20191031_Stakeholder_Survey_Results.pdf

RIBA (2019), RIBA Regional Awards, Goldsmith Street, RIBA.Architecture.com
<https://www.architecture.com/awards-and-competitions-landing-page/awards/riba-regional-awards/riba-east-award-winners/2019/goldsmith-street>

Williams (2019), Lambeth Council breached Home Standard over “long-standing” safety issues, Sarah Williams, 13 November 2019, Social Housing

Wilmore (2019), Council breached Home Standard, James Wilmore, Inside Housing, 31 October 2019, Inside Housing