

Social Housing Green Paper

What does it mean for the housing market?





The much anticipated Social Housing Green Paper has now been published by Government.

Titled 'A new deal for social housing', the Paper focuses on five key principles aimed at ensuring a better deal for people living in social housing:

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

Whilst we analyse these principles in more detail, our housing experts react here to some of the most notable themes coming out of the Paper. We will be running a series of events for clients during the course of the consultation period to help inform our response to Government.

“The Green Paper presents an important opportunity to shine a spotlight on the role of social housing today, who it supports, who provides it and how – whether a landlord is in the public or private sector, charitable or for profit – residents can be assured of safe and decent homes and be placed at the heart of decisions surrounding their homes.”

Tonia Secker - Partner, head of housing and regeneration.

Home ownership

The focus in the Green Paper on encouraging the transition to home ownership for those who can make it is not new. Looking at more innovative ways to use intermediate products, such as shared ownership, is arguably as important as increasing supply in encouraging mobility in the market. Creating opportunities for people to move from social housing either to a form of home ownership or a more stable private rented sector will help in increasing availability of existing social rented homes and in turn create opportunities for housing more people in need.

The focus on the relationships between residents and those who own and manage the homes they live in and how tenants can make the transition into home ownership is a sensitive and complicated area. How can a right to buy – in whatever guise - not deplete the national social housing stock at a time when the need for it is acute? What is the incentive for local authorities and housing associations to build knowing that the stock may be lost?

The Regulator's role

The call for evidence on the Regulator's role is timely and can resolve existing tensions between its actual powers, the perception of those powers and the role of the Housing Ombudsman - as well as the difference in its enforcement powers as between housing associations and local authorities. Renewed consideration of the Regulator's consumer-facing powers is necessary, but it will be important to ensure that sound economic regulation is not lost in the debate.



League tables and performance indicators

This is a difficult and complicated area. Some “yardstick” of quality is necessary, but whether a “league table” or a “performance indicator” approach is the right one remains to be seen – particularly in circumstances where an individual’s choice of landlord is constrained. The additional resource and infrastructure required to implement such a system risks both cutting across the role of the Regulator and muddying the waters. What is needed is more clarity and unification of function rather than less.

Funding

There has been some criticism of the absence of new funding announcements in the green paper to increase the supply of genuinely affordable homes by local authorities and that there was no further movement on local authority HRA debt cap. Don’t forget however that £2 billion of funding for affordable housing and social rent was announced at the end of last year taking the total provision up to £9 billion. Local authorities are also currently bidding for an additional £1 billion of HRA headroom which we understand will be heavily oversubscribed and the Green Paper indicates that this programme will be used by Government to measure the appetite of local authorities to build new homes. Local authorities will be hoping that an oversubscribed bidding round will lead to further opportunities. Let’s see. local authorities will nonetheless be pleased that Higher Value Void levy has now been abandoned and should provide additional confidence to invest in new homes.

Tenant engagement

The Green Paper demonstrates a willingness on the part of the Government to reconsider and reverse the policy drift, which has taken place in recent years, away from the real enforcement of the engagement and accountability of landlords to their tenants in the social and affordable housing sectors. The reality of what that actually means will only emerge after the Green Paper’s suggestions and options have been discussed and fully consulted upon. The opportunity is there for tenants who want sustainable improvements in this area to state their case and to put forward for consideration the ways and means by which they wish to see that happen. Tenants voices will be an, and one hopes the, important ingredient in the decisions which Government will take in this crucial aspect of the wider social housing debate. Tenants have a great opportunity to take a much stronger and enforceable role in how their homes are provided, maintained and managed.

Construction impact

The Green Paper consults on reviewing the decent homes standard and applying the new safety measures applicable to the private rented sector to social housing. If the Government follow the Hackitt report recommendations this will mean higher standards for social housing and consequently social landlords will be required to fund the additional costs of improvement works and improved service levels. One likely outcome of the consultation is that social landlords will be asking the Government to implement a new decent homes programme similar to the initiative launched to improve social housing stock in the late 90s and early 2000s.

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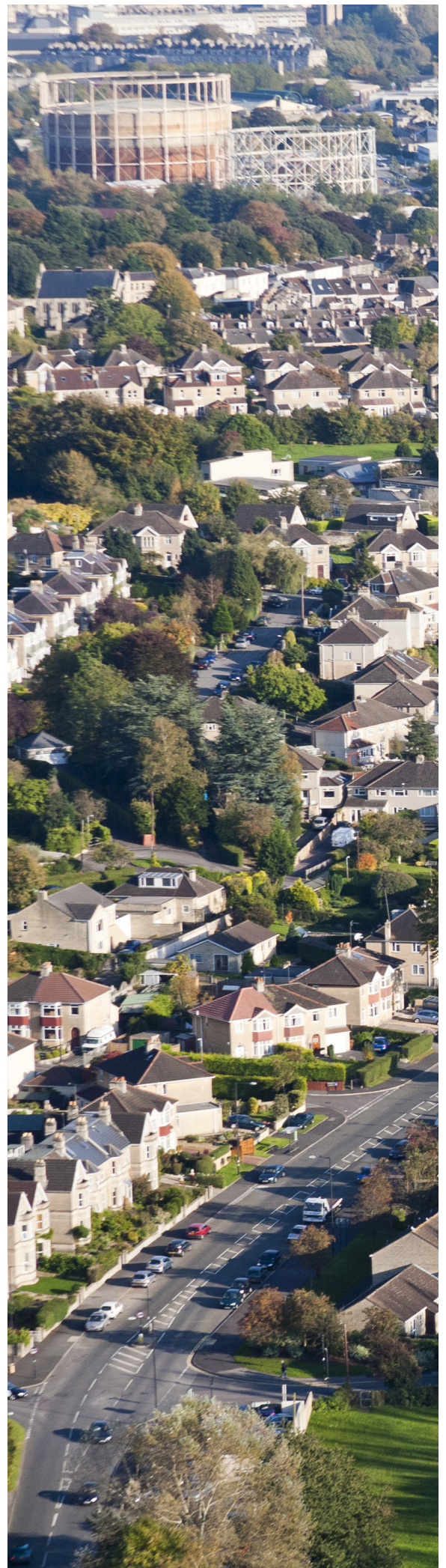
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