

## **Review of Social Housing Regulation: Call for Evidence**

### **Principles of Regulation**

**Q1. We would welcome information on whether the current statutory objectives, and monitoring and enforcement powers are right, whether they need amending, and if so, how.**

The Council agrees with the current statutory objectives.

In light of proposals set out in the Social Housing Green Paper the Council would support the Regulator, as an unbiased third party, in collating KPI data to assist with transparency and the assessment of service delivery and outcomes.

However, as has been identified in the Council's response to the Social Housing Green Paper, the Council would not support the introduction of new KPIs which are too vague or open to interpretation. For example, the Council would be concerned about how effectively 'respectfulness' could be measured.

The Council would also want any performance indicators to take into account existing indicators which are already collected to ensure that duplication is avoided. For example, the Local Authority Housing Statistical Returns (LAHS) already require social landlords to provide data on decency, void times and spend on repairs. It is important that resource-stretched councils are not required to carry out further labour-intensive performance reporting which would require resources to be taken away from front line services. It must be noted that the focus of the Council's reorganisations over the last 10 years has been to reduce back office activity. For the same reason, the Council would not support the imposition of fees to support the regulator. Such fees would no doubt need to be passed on to the Council's leaseholders as an additional charge.

It is vital that any rating of a social landlord's performance should take account of local circumstances and stock profile and allow for comparison to be made with those with a similar profile (e.g. with Inner London council stockholders).

The Regulator is more experienced in working with the PRP sector than with councils and has a greater range of tools to address poor performance in this sector given the financial regulation it provides. Since the TSA, the regulator has not worked as closely with councils and therefore it will be a learning curve for both parties to implement an assessment and intervention regime that is effective and efficient.

Although the Council would not generally support an inspection regime, it does support some overall assessment of performance and delivery. For example, a system where a poor score triggers an early warning that action is required and escalation if there is a failure to improve. The Council supports steps to intervene earlier than the 'serious detriment test' to tackle underperforming social landlords. Poor performance could result in financial penalties and fees (rather than the withdrawal of affordable housing grant funding, as proposed in the Social Housing

Green Paper.) However, the mere flagging of performance issues should be sufficient for a social landlord to take improvement action.

The Council would urge a period of dialogue with Council landlords and other social landlords prior to introduction of any extension of the regulators activities – including with organisations such as the Association of Retained Council Housing.

**Q2. We would welcome information on whether the “regulated self-assurance” approach to regulation of social housing is the right approach. If not, how should it be changed?**

The Council would continue to support the ‘regulated self-assurance’ approach and the flexibility this offers providers to deliver good quality services. It is important that the Regulator is not too prescriptive and that providers are accountable for the delivery of services to their residents.

**Economic Regulation**

**Q3. We would welcome information on the effectiveness of the current approach to economic regulation.**

The economic standards apply to private registered providers only as the Regulator has no power to set economic standards for local authorities. We would expect PRPs to continue to be subject to economic regulatory standards to ensure they use their assets effectively and manage risk well to encourage investment into the sector and deliver new affordable homes. This is particularly important given the very different approaches taken to raising finance to support housing activity including delivery of capital works and development of housing.

**Q4. We would welcome information on any areas of the economic regulatory framework which might not work effectively or provide sufficient oversight when meeting the challenges of the evolving sector.**

**The Regulatory System as a Whole**

**Q5. We would welcome information on any specific issues that we should be aware of as the review progresses, to ensure that we retain a coherent regulatory framework.**

Wandsworth Council has robust resident participation structures in place and scrutinises its policy and performance through well-established resident forums. The Council would not support rigid regulations surrounding resident participation, but that social landlords should have the autonomy to decide how best to meet the Tenant Involvement and Empowerment Standard. We do however believe that, as a minimum, all social housing providers, including PRPs, should be required to publish their participation structures for residents and this should be enforced through the regulatory framework.

We agree with proposed plans to set out a consistent approach on how landlords should report their complaint handling outcomes, by asking them to report how many

complaints were resolved, how many were resolved after repeated complaints and how many were referred to the Ombudsman. This would ensure all councils follow best practice and is largely what the Council already does. However, the regulator must appreciate that council housing services are embedded in a corporate structure, including complaints handling. Therefore, it would not be suitable for the regulator to set out specific timeframes for complaints handling but rather expectations in terms of transparency, timeliness, review and escalation.

**Q6. We would welcome information on any risks arising from improving the approach to consumer regulation enforcement.**

As above, no improvement should be overly burdensome or prescriptive and should be consistent with existing best practice, legislative and policy requirements as well as established performance reporting regimes (KPI sets that are standard across the social housing sector, publishing annual reports on performance).

We would also not support the imposition of fees on council landlords given that any such additional costs would need to be passed on to council leaseholders and have the potential to take resources away from the provision of frontline services.

**Relationship with the Hackitt Review**

**Q7. What are your views on risks and opportunities presented by the regulatory regime suggested by Dame Judith Hackitt and how that should work with social housing regulation?**

Ensuring our residents are safe in their homes is an absolute priority for the Council and we will continue to respond to recommendations arising from the Grenfell Inquiry. Fire Safety remains an ongoing focus as we review our Fire Risk Assessments and undertake additional works to improve our blocks, including installing sprinkler systems for our most vulnerable residents and to our high-rise blocks. Developing a clear regulatory framework for residential buildings which are 10 storeys or taller would be welcomed as this would encourage best practice and ensure consistency across the sector.

Since the Grenfell Tower disaster there has been pressure on local authorities to improve fire safety measures in high-rise blocks and therefore Wandsworth has committed to retro-fit sprinklers in 100 blocks that are 30m high or over in line with current building regulations. This has brought to the forefront an issue relating to the extent to which a Council landlord can use conditions in leases to require health and safety measures to be taken.

In Wandsworth, there is the matter of whether lease terms can be used to require the fitting of sprinklers in leasehold owned homes the matter of enforcement has also been raised. Another, typical example of this is whether existing leases allow for a Council to require a non-compliant front door to be replaced by one that meets fire safety standards. Wandsworth have amended the lease conditions to ensure this is a requirement, however clarity is clearly needed. It must also be noted that if electrical and other safety checks become a requirement there will be no way to require these checks in leasehold owned homes. Therefore, whilst there may well

be good reason to accept that such matters are left to the leaseholder to determine, this may create a situation where a proportion of a block has not had a necessary safety check.

If possible, a new regulatory framework should clarify such matters to ensure that action can be taken to improve health and safety standards in the social housing sector. The regulatory standards should also clearly set out a social landlord's responsibilities in regards to health and safety to ensure that residents know what they should expect from their landlord, a measure residents will clearly support. Clarity in respect to responsibilities will also assist in explaining why on occasion a social landlord may make a tough decision which may have financial consequences – such as the need to retro fit a sprinkler system, upgrade doors in a block and/or where it is a requirement to clear communal areas.

### **Any Other Suggestions for Improvement**

#### **Q8. We would welcome any further information that might inform the review of the regulatory framework.**

It is notable that whilst the regulator does have oversight over services provided by social landlords and the increasing number of for-profit providers, it has no regulatory purvey over the almshouse sector. This is also the case with the Housing Ombudsman. This seems an anomaly that needs to be addressed or certainly recognised as an issue, given the lack of regulation and remedy this may give to those living in this sector.

In Wandsworth, the PRP sector is generally responsive and wishes to work with Councils in a range of areas, from lettings to tackling ASB. The Council also recognises the challenge that larger PRPs may face if their stock is located in more than one Council area. There is however an increasing risk that PRPs will reduce their local focus, particularly if they merge. This may result in the PRP being less responsive to its residents and also to councillors who take up issues on behalf of residents. It may also affect joint working on matters such as ASB, supporting vulnerable residents and social housing lettings. Standards set by the regulator therefore should ensure that there is a duty to cooperate on matters where joint working is necessary.

The Council has not directly experienced an increased level of gate keeping from PRPs in relation to social letting nominations (i.e. being selective and only accepting economically active residents). Nonetheless, it is important that the duty to cooperate with a Council to meet housing needs and accept referrals is explicit. Social housing regulation would be an appropriate framework to set this out. It is not appropriate that a PRP should be able to refuse a nomination for reasons of work status. Furthermore, if there is an issue with a referral for this reason, there should be an opportunity for the PRP and Council to discuss options (e.g. a commitment to cover a housing benefit shortfall from Discretionary Housing Payment or an adjustment in the rent level).

Wandsworth Council remains to be convinced that the for-profit PRP sector provides anything positive to the social housing sector. Whilst competition in the sector is beneficial, this should largely underpin delivery of affordable housing. As yet, it is unclear as to how the for-profit sector will achieve this. The regulator would be an appropriate body through which to set out requirements and guidance to ensure the for-profit PRP sector benefits the social housing sector.

There are now a few PRPs who have moved significantly away from formal ways of consulting and seeking the views of social housing residents in favour of customer focused approaches. These include capturing resident views through advanced online methods. These approaches may have benefits in terms of responding to and improving the customer experience and should therefore be explored. Whilst the Council does not believe the regulator should be overly prescriptive, there is a debate to be had in relation to encouraging the use of online technology to deal with resident concerns.