



## CONSULTATION RESPONSE: SOCIAL HOUSING GREEN PAPER

4 November 2018

### Abstract

This document contains TAROE Trust's formal response to the Government's Green Paper: 'A New Deal for Social Housing'.

To inform the preparation of this response, TAROE Trust has sought to engage directly with Tenants and residents. It has run an online survey, and the results of this exercise are attached at Appendix 1. The feedback received has helped to inform

### Introduction

Overall, the publication of the Green Paper is welcomed. It represents a recognition that change across the sector is required, particularly in relation to the following:

- Improved housing standards;
- Strengthening of consumer regulation, including complaints resolution;
- Tenants requirements to have access to information, to enhance landlord accountability;
- Tenants and Tenant groups, locally, regionally and nationally, need to have multiple platforms to be heard and to influence decision-making, at a landlord level and in terms of wider housing policy (which is protected and funded by Government);
- The need to address and reverse the stigma faced by Tenants living in social housing;
- Increased housing supply and improved affordability – including the need for greater public investment in housebuilding which delivers wider economic benefits for the country as well as improving the affordability of social housing rents.

Many of these areas reflect issues raised by Tenants in the Housing Minister 'roadshows' of Winter 2017 – Spring 2018 and confirms that some of their concerns have been heard.

It is unfortunate that social housing<sup>1</sup> is framed as a form of 'social service', a 'safety net' and a 'springboard'. This suggests social housing is only a temporary solution for the excluded, vulnerable or marginalised. Social renting could represent a sector of choice for many, within mixed income communities, and not recognising this opportunity compounds the stigma experienced by many living in the sector. The paper also offers few solutions to increasing the supply of truly affordable homes without existing Tenants having to burden the cost of new supply through higher rents.

The approach remains embedded in a "consumerist" model. However, social housing Tenants often have limited choices, which the existing regulatory framework does little to mitigate, aggravated by limited supply. This highlights the need for increased truly affordable housing supply and stronger consumer regulation.

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<sup>1</sup> 'Social housing' is used throughout this report as this is the term used in the Social Housing Green Paper. TAROE Trust has separately called for the adoption of different terminology, e.g. "regulated rented housing" as a step towards removing the stigma associated with the sector.

## **Part 1 – Safe and Decent Homes**

Feedback from Tenants continues to place Repairs and Maintenance, Quality of home, and the local Environment in which Tenants live as amongst the top priorities for Tenants. Collectively, these represented the top priorities for 38.5% of responses. The majority of complaint related issues that TAROE Trust directly support Tenants with are also related to these areas. It is therefore timely to review the Home Standard, alongside the strengthening of consumer regulation (see separate sections).

It is noticeable that 8.7% of respondents highlighted Safety & Security matters as a top priority. This has not previously been a major issue raised by Tenants, such as in our 2014 survey. Undoubtedly, the tragic events at Grenfell have heightened awareness, but also highlighted the need for action as a basis for rebuilding trust and confidence.

When asked about security concerns Tenant solutions go beyond addressing issues in isolation. Various responses highlighted how security issues are intrinsically linked to regular maintenance, effective management including addressing anti-social behaviour, and opportunities for Tenants to be engaged more effectively.

Issues about a lack of transparency were also received. Whilst this perception persists (whether justified or not), it will be a barrier to rebuilding trust.

Some comments received included:

*“Properly maintained sprinkler systems in tower blocks and effective security patrols”*

*“Bring back Neighbourhood or Anti Social Behaviour teams ...all gone under deregulation and "privatisation" of social housing”*

*“More Tenant engagement we have gone backwards accountable scrutiny is no more”*

*“There are no accountable standards anymore we are back to unaccountable landlords riding roughshod over Tenants”*

### **Key changes required**

1. All the recommendations Hackitt Review need to be adopted and taken forward. There are signs that this is proposed, such as increased transparency and the right for residents to have access to safety information (e.g. FRAs). However, rapid and visible action needs to be taken and strong Government leadership is required.
2. The Hackitt Review identified areas of change which went beyond safety matters, and the need for ‘culture change’. Opportunities for landlord engagement and improved transparency should extend in the sector beyond safety matters and to all areas of housing management.

3. The wider review of property standards is to be welcomed. It is now 12 years since the Decent Homes standard was last reviewed. It needs to reflect current property requirements and expectations, but also include flexibility to allow Tenants to shape those programmes based on their needs and what they consider to represent 'value'.
4. Property standards in the social housing sector should also oblige landlords to at least mirror standards applicable in the private rented sector. This relates to safety, but also needs to address broader quality minimum standards and fuel poverty issues.
5. Where properties achieve the Decent Homes standard, as a minimum, landlords should be required to ensure that such properties continue to comply with this standard.
6. A number of Tenants highlighted issues relating to communal areas and public spaces. Home standards should extend to these areas, with Tenants empowered to require improvements to be implemented where standards are not maintained.

## **Part 2 – Effective resolution of complaints**

The recognition that residents need a stronger voice is to be welcomed, as well as the need to access effective forms of redress. As one respondent to our recent survey stipulated, the way a landlord handles complaints should be ‘a real litmus test for landlord services’.

The way in which landlords deal with complaints can vary significantly. This can even extend to whether issues are categorised as a complaint or an enquiry or expression of dissatisfaction. This can influence how the landlord subsequently deals with that matter.

*“definition of what is a complaint and what is an enquiry still a grey area and dealt with subjectively”*

*“Listening to Tenants in the first place then working together to resolve.”*

Landlords should be required to regularly highlight the routes available for residents to raise complaints, and escalate such complaints, including access to Ombudsman services. They should also be obliged to explain who will be handling their complaint, how it will be handled, and keep Tenants updated on progress.

*“The complaints service is somewhat opaque and does not include any Tenant participation.”*

The movement to a ‘call centre’ style or digital only approach to customer service can often mean that residents are unclear about who is best placed to deal with their complaints, which can often lead to no individual taking ownership for the resolution of the complaint. It can also limit the routes available to Tenants to raise a complaint, or access support from third parties to assist them to resolve that complaint. This can also further limit the degree of openness and accountability for decisions that complaints stem from.

*“The procedure needs to be clear & landlords have to keep communication channels open.”*

Many Tenants are also concerned that their tenancy may be at risk if they were to raise a complaint against their landlord. This cannot be acceptable, particularly where complaints are justified and Tenants have a legitimate cause for complaint.

Access to the Housing Ombudsman service (or future single Ombudsman) should be available to all individuals that receive any form of service from a social landlord

TAROE Trust has separately called for a simplification in the systems of redress available to residents in the social housing sector. This includes a movement to a single Ombudsman service (subject to caveats, e.g. no reduction in resources for services available to social housing residents). Further details are found in the TAROE Trust response to the Government’s consultation on ‘Strengthening consumer redress in the housing market’.

TAROE Trust has separately called for the abolition of the “democratic filter” requirements which causes unnecessary delays, additional hurdles to achieving redress, and in some

instances risk the potential for harm to arise. They add unnecessary stress and delay for Tenants who are already dissatisfied and often feel that they are not heard and disempowered. We therefore welcome the potential removal of this step from future redress arrangements.

*“a shorter time for the whole process”*

Some thought needs to be given to the scope of the Housing Ombudsman, and how its role fits within the wider regulatory structure. The Housing Ombudsman should have a broader scope to make recommendations for change where complaints identify broader systemic failings, and the relationship with the Regulator of Social Housing (RSH) enhanced beyond the current existing relationships. This means the role of the Housing Ombudsman influencing strengthened consumer regulation activities.

*“There should be a system where landlords are placed in 'supervision' if they continue to have complaints about the same issues going on for great lengths of time.”*

The range of support available to Tenants in making a complaint is also limited. Examples of additional support requested by Tenants included access to the following:

- lawyer or advocate
- independent Tenants group
- Tenant support network to provide guidance and support
- independent local experienced person with step-in powers
- clear plain English guidance on options available

It was also highlighted that recourse to independent advice can also assist a Tenant to assess whether their complaints are justified, and the likely outcome that could be achieved.

TAROE Trust is identified as an organisation that provides advice and support to Tenants to resolve complaints. However, it received no funding in any form for such services, which are supplied on an entirely voluntary basis. This cannot be an acceptable arrangement for residents to access much needed advice and support, particularly when it is Tenants' rents and service charges that are paid to the landlord that are often used to access legal services to defend the landlord's actions against the Tenant. The balance of power in such instances is heavily skewed in favour of the landlord.

### **Key changes required**

1. Abolition of the 'democratic filter' which causes unnecessary complexity and delays to Tenants achieving redress;
2. Requirements to be placed on landlords to operate a fast and effective complaints management system, without complex stages and hurdles for Tenants to overcome. There would appear no reason to operate more than a simple 2 stage resolution and review process. We can also see benefit in Tenants being engaged in this review process.

3. Requirements to be placed on landlords to regularly publicise how Tenants can raise a complaint, and the option to go to the Housing Ombudsman, which would include supplying details alongside the signing of a Tenancy Agreement.
4. Requirement for landlords to accept complaints in any form, and through any route. This includes via telephone and face to face. It also includes where a complaint is being made by a person or organisation acting on behalf of a Tenant (where authority to act is demonstrated).
5. Ensure that Tenants are assured that their tenancy is not at risk when they raise a complaint against their landlord.
6. The Housing Ombudsman needs to have a broader scope of focus, empowered to make recommendations about broader landlord service improvements required.
7. The role and findings of the Housing Ombudsman needs to form a closer part of the overall range of regulatory measures in place to protect Tenants, including enhanced joint-working with the Regulator of Social Housing.
8. Funding needs to be made available for independent body(ies) to directly support Tenants in resolving complaints with their landlord. This could be funded from Tenants' rents similar to the current mechanism in place for funding the Housing Ombudsman service.
9. Where residents exercise their Right to Buy, including under the voluntary schemes, they should retain a right to access the Housing Ombudsman Service (or any successor body). Residents living on estates will often continue to pay for and receive services from a landlord, and should also have a right of redress in relation to such matters.

## **Part 3 – Empowering residents and strengthening the Regulator**

### **Strengthening the Regulator**

The existing regulatory framework was established on the principles of co-regulation. However, the existing restrictions placed on the Regulator of Social Housing (RSH) means that it is impotent to take any meaningful action on consumer related matters, and Tenants are often not part of the co-regulatory process as the Tenant Involvement & Empowerment (TIE) standard had envisaged. This is important, as there is not a true market in place, and Tenants therefore require the protection of enhanced regulation, particularly on consumer matters. It has also sent a message to landlords that economic matters should be prioritised over consumer matters, when they are really two sides of the same coin.

For local authorities, not subject to the economic standards, it means that the level of regulatory scrutiny that they receive is minimal.

Whilst there could be further strengthening of the Involvement and Engagement Standard, its premise is essentially sound. However, its designation as a consumer standard means it is not regulated and landlord compliance is often not achieved.

It follows from the premise that there needs to be holistic regulation of economic and consumer matters that the creation of a separate consumer related regulator or inspectorate is not supported. It is likely that the RSH will need to engage with third parties to establish best practice on tenant empowerment related matters, such as the National Tenant Organisations. We would strongly advocate the involvement of Tenants in any future consumer related regulation activities. However, a separate inspectorate would either a) not be equipped with the powers currently vested in the RSH to take action where failings are identified, or b) it would be vested with such powers but would reach such decisions in isolation of economic considerations that are regulated by the RSH, and therefore creates inverse risks associated with the current over-emphasis on economic standards.

We also call for the enhancement of consumer protection through the development of a single tenancy agreement. Earlier research has been undertaken into the potential for this.<sup>2</sup> Under these proposals, the following could be achieved:

- simplification and increased comprehensibility and flexibility of tenancy agreements
- abolition of the use of Ground 8 in possession proceedings (this allows landlords the mandatory right to possession when arrears are equivalent to 8 weeks rent at the point of issuing the notice and subsequent court hearing, even where this may be due in full or part to benefit payment errors)
- principles of landlord neutrality - allowing increased transferability between local authorities and housing associations
- consumer protection for Tenants is enshrined within the tenancy agreement – this is critical for the protection of consumer standards which have not been enforced through regulation in recent years

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<sup>2</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/272281/6781.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/272281/6781.pdf)

Under the consumer protection approach, tenancy agreements could be used as a means of preventing unfair contract terms, but also requiring the agreement to include the promotion of effective Tenant empowerment and engagement as a landlord obligation.

The messages received from Tenants overwhelmingly support this position. A particular theme within the feedback was the need for increased focus on consumer matters, and a return to more proactive regulation of such matters in the form of an inspection regime.

*“more checks that they are doing as they are supposed to”*

*“The reintroduction of proactive inspection of housing providers similar to the previous Housing Corporation and Audit Commission operations”*

*“Need proper regulation. Inspected and listen to Tenants when they say their landlord is rubbish/dangerous”*

*“Going back to inspections would help. Since that stopped our landlord does what they like. No participation, resources or support. Tenants are ignored repairs not done.”*

*“Landlord regulation should have teeth. It is all very well to introduce some form of regulatory body but if it does not have the means to impose meaningful penalties for wilful disregard of Tenant interest, and if it does not have a substantive percentage of Tenant representation in the decision making process, it will be a paper exercise only.”*

*“Landlords need to be regulated on Consumer Standards as robustly as they are regulated on Financial and Governance Standards with real meaningful consequences being imposed by the Regulator”*

### **Key changes required**

1. Removal of the artificial distinction between economic and consumer matters. Both contribute to the viability of a landlord and wellbeing of Tenants and the sector as a whole. The “serious detriment” threshold also needs to be abolished.
2. Increased powers to be given to the RSH to effectively regulate consumer matters. This may require a mixture of both direct regulation, and engagement with bodies such as the National Tenant Organisations to provide expertise on effective Tenant engagement approaches. At the very least, Tenants need some form of involvement in the regulatory assessment of landlord services. It will also mean more effective regulation of local authority landlords.
3. The In-Depth Assessment (IDA) process should involve an assessment of compliance with consumer standards, which includes involvement and empowerment matters.



4. Regulator ratings of landlords should be introduced in relation to consumer related service delivery, and the effectiveness of Tenant engagement, a “C” and “T” rating alongside the current “G” and “V” ratings for Governance and Viability. This would send a clear message out to landlords on the importance of such matters. Indeed, maintaining resident trust and confidence is a key component to the delivery of the overall “social housing product” which is able to draw down competitive lending rates from funders.
5. Landlords need to be obliged by the regulatory standards to hear the voices of all Tenants. This includes traditional methods as well as more modern digital methods, and the voices from groups that form part of the formal landlord engagement structures (where these exist) as well as wider groups of Tenants, and especially those which are democratically established.
6. Linking access to development funding could act as an incentive to improve performance of those landlords that are engaged in accessing such funds. It sends a clear message on what is expected of landlords in service delivery. However, and increasingly, many landlords do not have recourse to such funds and therefore this is not a sufficient step in incentivising performance improvements.
7. Improved liaison with the Housing Ombudsman (see above) who should also have its powers bolstered to undertake investigations where consumer related concerns exist.
8. Regulatory compliance, including the Involvement and Empowerment Standard, needs to be embedded within the Tenancy Agreement to give greater enforceable rights to Tenants.
9. The adoption of a single form of tenancy agreement to be used across all rented housing, and which provides consumer protection for Tenants, including obligations to promote effective Tenant empowerment and engagement.

### **Increased accountability**

The improved availability of information, such as performance information, is generally welcomed as an additional means of Tenants assessing the quality of landlord services and increasing accountability of landlords. This extended to increased clarity on the standards of service that Tenants can expect to receive and calls for increased transparency on broader issues, such as Board minutes to show evidence of decision-making (subject to legitimate concerns on commercial sensitivity). This could include extension of the Freedom of Information Act to housing associations.

It is also highlighted that some of the more traditional mechanisms of providing information are being replaced by digital platforms which removes access to information from certain groups of Tenants. Modernisation of governance arrangements for instance have meant co-terminus boards and shareholders. This has removed the opportunity for many Tenants to raise questions at an AGM for instance.

Another issue of concern raised with us is the creation of barriers both to direct engagement with their landlord, and communications amongst Tenants more generally, as a consequence of data protection regulations. It is possible that this is an unintended consequence, but new regulations in this area are creating difficulties for Tenants to remain engaged and connected. Solutions to overcome these barriers are required. It is also important that such regulations do not become barriers to transparency, used as an excuse not to disclose legitimately requested information. Again, this highlights how extension of the Freedom of Information Act to housing associations, or the application of similar regulatory obligations to promote transparency, might be the solution to ensuring Tenants legitimate requests do not ignored.

Access to performance data and league tables is only “papering over the cracks” of more fundamental shortcomings. If Tenants are not empowered to take action in instances of poor performance, and are not supported by enforceable consumer related standards, some of the more detailed suggestions in the Green Paper will be futile.

Where information is supplied, it is clear that headlines figures are not sufficient, and can actually increase mistrust amongst Tenants where results appear to be inflated. Details of methodology and supporting data also needs to be published. Such claims do little to appease individual Tenants who have received poor services.

*“Access to performance information, complaints data, policies and access to staff to be able to talk to.”*

*“Full access to records.”*

*“Obviously there is a certain amount of information that can, rightly, be classified as 'commercially sensitive'. However this is all too often used as a smokescreen for the attitude "why should the Tenants know this.....".”*

*“all documents held about the tenancy to be accessible in a timely manner the ability to have your say regardless of the landlords views”*

*“Reports where satisfaction is monitored and how this information is collated available to Tenants and not just a glossy report showing percentages which are not backed up.”*

The increased involvement of the Regulator in the development and reporting of key consumer related performance indicators between residents and landlords will bring an additional level of scrutiny, transparency, and consistency to the delivery of services. However, caution should be exercised as to whether or not this approach becomes overly prescriptive. Resident experiences and concerns will vary considerably across the country. There should be the option to include locally agreed indicators in addition to the national indicators.

Whilst transparency of reporting on complaints by landlords is in principle a positive proposal, in reality the way in which landlords handle complaints can vary greatly. There is

not a consistency of approach, both in terms of policy, and the application of those policies. How meaningful such performance data will be is therefore questionable.

Particular caution should be exercised over the launch of league tables. This may bring about an increased focus on league table results, but there is a real risk that it will cause landlords to lose focus on what are the real outcomes required. Like inflated claims of performance and Tenant satisfaction, positive league table positions could actually be used as a reason for inaction in individual circumstances, and regardless of the league table results, they are meaningless to Tenants if they are not empowered to do anything about the results.

In summary therefore, whilst there needs to be increased access to information as part of a more collaborative approach, our position on league tables can be summarised as follows:

- It can be counter-productive, driving a focus on consumer related performance targets which do not necessarily reflect the concerns or lived realities of many residents;
- There are considerable variances in housing types, demographics, local issues, that it is difficult to draw meaningful comparisons across different landlords;
- League table positions can drive priorities, which are not necessarily reflective of local residents' priorities;
- It is questionable what residents will actually be able to do with league table results, since there is not an effectively operating market that would enable residents to exercise choice.

That is not to say that increased regulatory focus on consumer matters should not be undertaken by the Regulator.

### **Tenant Involvement and Empowerment**

*“Providers MUST listen to Tenants concerns and be able to support representatives to raise issues that Tenants have, locally, regionally and nationally. If we are to learn anything from Grenfell it must be that Tenants’ concerns must be paramount and fully understood by all those at all levels in housing, including the political representatives.”*

Real positive improvements for Tenants goes far beyond the publication of performance information. It highlights the need to engender greater levels of trust and bring about culture change that rebalances the relationship between landlords and Tenants. This are no “quick-fix” solutions. This requires a long term commitment from landlords, within a regulatory framework that also promotes real and meaningful shifts in power towards Tenants and communities. Many of the things that really matter to Tenants, issues of trust and confidence, are intangible and subjective and cannot be condensed into simplified performance indicators. The calls from Tenants for increased transparency and openness, on one level, therefore highlight the need for a more fundamental shift in the nature of the landlord/Tenant relationship to one of openness, trust, and collaboration.

The question in the Green Paper about the national representation of Tenants is welcomed. TAROE Trust has been calling for this for many years. Recent years has witnessed a considerable erosion of the voice of Tenants, at a local, regional, and national level. That is why we have supported the work of the 'A Voice for Tenants Steering Group'

The establishment of a national Tenant voice type body would send a clear message to the sector of the value and importance Government attributes to the Tenant voice in national policy decision-making. Contingent on how this is set up, it could also have a role in the improvement of standards at a regional and local level. We understand that feedback to the survey being undertaken by A Voice for Tenants Steering Group has received overwhelming feedback on the need for a national Tenant voice body. We believe that further and direct consultation with Tenants is required to understand what this body may look like.

Feedback received from some Tenants highlighted some of the benefits of Tenants being part of the formal governance of the landlord organisation. TAROE Trust recognises that this has both advantages and disadvantages for Tenants. The movement to skills-based boards has certainly resulted in a significant reduction in Tenants sitting on Boards of Management. However, there is certainly benefit to be derived from diverse boards to avoid "group think" and we believe this is an area requiring further examination.

Another area requiring further review is the role of Tenants in the merger process. The rationalisation of the sector through merger has significantly increased in recent years. The relative merits of this is perhaps beyond the scope of this response. However, it is leading to increasingly large and distant landlords. The voice of Tenants often appears to be absent from merger discussions, and there is a risk that the resultant changes mean that the voice of Tenant groups in the new organisation are diminished.

Some of these challenges to Tenants' voices being heard are not identified in the Green Paper, but include the following:

- Some landlords choose to only recognise certain groups, and to ignore others.
- Most resident groups have limited or no access to resources. Where they do, it is usually from the landlord, and not from independent sources.
- Most resident groups do not have access to independent advice and support to assist in challenging landlord decisions.
- Many residents are not able to, or aware, of how to escalate concerns that are not meaningfully considered by their landlord.

Recognition of the benefit of community-based models of housing management are positive and welcomed. There are other national Tenant bodies that are better positioned to highlight the benefits of community-led housing models. In particular, attention is drawn to the positive work of the National Federation of Tenant Management Organisations (NFTMOs) and the Confederation of Co-operating Housing (CCH). However, there is a question as to whether such rights to establish community-based housing models could be given to housing association Tenants as well.

TMOs offer an effective means for residents to exercise greater control over their housing services for those that wish to be involved at this level. For those residents that do not,

there should be options for residents' to have a greater say in how their rental payments are spent, and the type and kind of services that are delivered through Local Management Agreements (or similar).

Finally, the tragic events of Grenfell appear to have done nothing to halt the demolition of Council housing as part of the wider regeneration initiatives. We can see significant benefits on the mandatory introduction of Tenant ballots when such schemes are being considered as a means of ensuring Tenants' voices are heard.

Feedback received from Tenants on the need for Tenants' voices to be heard include the following:

*"Tenants to be empowered to form active groups which the landlords will listen to - with the support of local councils & national government."*

*"more empowerment and encouragement from landlords to have a voice"*

*"Statutory legislation to enforce landlords to have Tenants on Committees where Tenants are affected by any changes to their Tenancy Agreements, contractors employed etc."*

*"The creation of a National and Regional Tenant and Resident Representative body."*

*"A national panel of involved Tenants needs to be formed to scrutinise and hold landlords to account"*

*"A national Tenant body is a must but it must not be filled with all the old suspects"*

*"Many HA Tenants do not know who their landlord is, especially where takeovers occur. When this happens, Tenants groups can become more scattered and may lose their effectiveness. A comprehensive, nationwide review of Tenant involvement in a meaningful way needs to take place."*

*"Get rid of self regulation..it doesn't work Set up a National Tenants organisation with proper funding and a voice All landlords to pay into supporting a National Tenants organisation"*

*"The re-instatement of a national Tenant 'voice', or properly funded organisation, possibly consisting of experienced Tenants with the ability to call on specialist and/or independent advice. This organisation must have clear access to the very highest authority."*

*"A national Tenant forum is needed. This can only be co-ordinated through the efforts of an independent organisation and kept out of the hands of local or central government."*

*“Definitely. Establish a National body like TAROE to represent Tenants, but with funding from governments and landlords, via a compulsory levy (like trading boards used to be funded) based on number of properties.”*

*“Compulsory standards that require landlords to undertake resident involvement..and external inspection....National standards for Tenant involvement with scores on the doors , like food hygiene.”*

### **Key changes required**

1. There should be a duty for landlords to recognise and listen to all resident groups, particularly where they are democratically formed.
2. There is already an obligation for landlords to publish an Annual Report for Tenants. This is not always prepared. This process should be properly regulated, and landlords should be required to demonstrate how they engage meaningfully with their Tenants so that their voices are heard at every level of the organisation, and have real influence on decision-making.
3. There needs to be proper funding available to Tenant groups, and not administered by the landlord who uses the funds as a level of control over the Tenant groups’ activities.
4. Independent and objective local, regional and national Tenant bodies need to be funded to provide advice and support to Tenants and highlight wider good practise.
5. A Government backed project needs to be undertaken that engages with Tenants across the country to understand how a Voice for Tenants-like body should be formed to receive the widespread support from Tenants.
6. Further exploration of the relative benefits of Tenants sitting on Board of Management.
7. Further exploration is needed on options to extend rights to community-based housing models to Tenants. The expertise of NFTMO and CCH should be sought in exploring these alternative models.
8. Requirement to introduce mandatory Tenant ballots for major regeneration schemes.

## **Part 4 – Tackling stigma and celebrating thriving communities**

It is good to see that steps need to be taken to address the negative stigma currently associated with residents of social housing.

It is difficult to take direct action against issues such as stigma, since it is part of a wider social and cultural narrative. There are also requirements for more responsible and balanced reporting and media coverage of social housing issues.

However, it is possible for the Government to demonstrate leadership, and to be part of the solution rather than the problem. As such, the prevailing view of social housing as a 'springboard' into the more desirable tenure of home ownership contributes to views of the sector as undesirable. References to residents feeling 'fortunate' that they live in social housing compounds stereotypes around deserving and undeserving recipients.

There also needs to be greater levels of genuinely affordable housing developed, to make affordable rented housing a tenure that is available for many people, and not a marginalised and residualised sector that is only available for those judged as the most in "need". In short, social housing needs to become a 'tenure of choice' if the stigma associated with living in the sector is to be addressed and reversed.

Examples of events and street parties to tackle the stigmatisation of social housing residents appear tokenistic. Whilst these might be beneficial on a localised level, they do not address the structural failings highlighted that fundamentally contribute to the marginalisation of the sector, and thereby its associated stigma.

Most residents living in social housing are in employment. Customer services therefore need to evolve so that landlords provide services that are beyond the traditional 9-5 model. It is positive to see the Green Paper identify this.

It is good that the Green Paper has highlighted some of the negative issues experienced by residents in relation to anti-social behaviour. The rationalisation of landlords across the sector into much larger bodies means that many landlords are no longer embedded within local communities. Staff responsible for managing issues such as anti-social behaviour can be employed and based many miles away. Local knowledge is often essential to tackle such issues. In other instances, landlords can fail to take responsibility for the anti-social behaviour issues that arise, simply passing residents on to other agencies (e.g. Police) who are also stretched.

Where residents are effectively engaged in every aspect of housing design, construction and on-going management, they are much more likely to take active community ownership, which in turn results in more stable communities. This in turn means that various agencies, including landlords, require less recourse to formal sanctions. For instance, even decisions about the appearance of a property, such as a front door, can demarcate communities in social and non-social housing Tenants and have a divisive effect.

Feedback from Tenants has included:

*“Stop painting all the front doors the same four colours. Stop providing identical council doors. The Council Landlord should be just the same as a Private Landlord, but better.”*

*“Improve the facade of estates & make them places decent people want to continue to live in”*

*“A difficult question. Somehow we need to encourage the media to publish positive images of social housing and its residents as opposed to the negative programmes.”*

*“Government has a role and while the focus of continued Governments is that of 'by owning your own home are you a valued member of society' the stigma will never go away.”*

*“Politicians can assist in this by using careful language when speaking in the areas of privilege, also hold to account those using defamatory and negative language to stigmatise Tenants, this including social networks and users of social platforms.”*

*“It should be re-stated that many social renters are in work, just the same as private renters or home owners.”*

*“Publicity showing the positive contribution that Tenants of social housing make. People in high profile positions with a social housing background should 'come out'. Examples of successful communities should be featured - there are many opportunities to do this outside the mainstream media, who only seem interested in programmes like "Shameless", etc”*

### **Key changes required**

1. Government needs to take a lead in taking opportunities to highlight and showcase the positive benefit that social housing has to the nation.
2. Implementation of Tenants in landlord decision-making processes will also result in decisions that are more aware of the impact such decisions can have on communities.
3. Increase the availability of funding for major regeneration projects that improve the appearance of estates, where there is meaningful buy-in and ownership of such programmes from local Tenants (not done to them).



## **Part 5 – Expanding supply and supporting home ownership**

It is good to see that the Green Paper recognises the stable and affordable base that social housing can provide. However, it should not only be seen as a stepping stone to home ownership but recognised as providing a long-term benefit to communities.

Some of the proposed steps to increase the output of new housing developments appear to be positive and welcomed. These include:

- Raising the borrowing caps of local authorities [noted separate announcements subsequent to launch of Green Paper that these will be removed]
- Greater clarity on the use of Right to Buy receipts
- The proposed abolition on the enforced sale of high value assets

TAROE Trust has some concerns as to whether the level of capital funding that will be available for new housing developments will be sufficient to achieve the considerable step change required in terms of the level of additional new housing development outputs required.

Whilst TAROE Trust has received constructive feedback from Tenants on possible options to consider for increasing the supply of social housing, there were also some clear messages about how not to increase new housing supply. Some of this feedback highlighted the following:

- The need for truly affordable new housing supply
- New social housing supply should be funded by Government grants (and private finance), but the burden of such finance should not be borne through increasing the rents of existing social housing Tenants

### **Rents and affordability**

Rent should not be set at inflated levels to subsidise the Government's house building programmes. This is forcing Tenants paying 'social rents' (set by Government rent formula) to fund the development of new housing supply, of different tenure types. The shortage of housing, and especially affordable housing, is due to years of under-investment in the supply of quality rented accommodation. This revenue approach to funding new housing supply also means that some of the poorest people in the country, who are already living in the regulated housing sector, are shouldering the burden of paying for new housing developments. This system cannot be fair. The severe shortage of affordable housing supply is a problem for everyone in the country, and a more progressive approach to funding is required that spreads the costs of housing subsidies more fairly. This policy also artificially increases the 'Benefits Bill' as many of those living in rented accommodation rely on some form of benefit to survive.

Only minimal levels of new housing completions are let at the Government rent formula 'social rent' levels. Most new properties let within the regulated housing sector have rents linked to a dysfunctional private sector rented market. Research in 2015 from the Joseph Rowntree Foundation (JRF) has highlighted how this approach will place an additional 1.3 million people into poverty by 2040.

TAROE Trust calls for the link between rent setting and market levels or property values to be broken. One option would be for the concept of “Living Rents”<sup>3</sup> to be adopted into housing policy for the regulated sector, in which rents are linked to local earning levels. This will reduce reliance on benefits and make renting more affordable for everyone. This approach to rent setting would involve calculating rents according to applying a fixed percentage (28%) of net local earning levels, using the lower-quartile average earnings as the reference point (nationally, these are equivalent to an average week on the minimum wage). It is an approach that, if accompanied by a £3 billion investment from Government would unlock an additional £7 billion for investment, as well as generating benefit savings up to £5.6 billion per annum by 2040.

### **Capital funding of new housing supply**

The sign of a progressive housing finance system would be for taxpayers to collectively fund public housebuilding, rather than existing social housing Tenants having to disproportionately meet the cost of new housing supply.

The wider economic benefits of increased public funding for new capital developments should be recognised. It stimulates employment and economic growth; greater levels of subsidy assist surplus generation and therefore the ability of landlords to secure improved borrowing terms; and it assists in the establishment of an enhanced long term asset class for local authorities.

We have separately highlighted (*Manifesto for Change*) the need to move away from the existing UK approach to fiscal measures, which focuses on “public sector” debt, and to adopt a European / international approach which is based on “government” debt. Under the UK approach, the debts of public corporations (including council housing) form part of the calculation of national debt. This unnecessarily restricts the public sector’s abilities to engage in council housing investment and development. In other European countries for example, whilst Government subsidies form part of the general government gross debt, the borrowing against revenues of trading bodies is excluded.

An exposition of this was highlighted in the UK Housing Review 2011/12. We would like to see the adoption of international accounting fiscal measures based on ‘Government debt’ which would promote increased council housing investment and development, whilst also providing wider economic stimulus.

We also believe there is merit in exploring the introduction of a tax on housing association surpluses. These could be used as a lever to increase new development outputs where surpluses are not reinvested in truly affordable regulated housing supply. At present, housing associations are increasingly diversifying into commercial activities. The rationale is that surpluses generated on such activities are re-invested in social purpose activities. However, if there is continued expansion into commercial activities, the return for regulated housing sector Tenants is perpetually deferred whilst increasing commercial growth is

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<sup>3</sup> <http://pdf.savills.com/documents/Living%20Rents%20Final%20Report%20June%202015%20-%20with%20links%20-%202019%2006%202015.pdf>

secured on the back of securitised regulated housing assets. Taxation on surpluses may act as a counter-balance to encourage re-investment of surpluses for truly affordable regulated housing.

We recognise the benefits that Right to Buy has brought to some households, and how it is attractive to many current/former local authority residents. However, there needs to be a review of the Right to Buy policy, and consideration of the discount levels it offers. For many, it results in adverse outcomes for communities, as well as a loss of valuable social housing properties. The properties sold are not being re-invested in new social housing developments, resulting in a net loss of such properties, and this is a result of Government policy.

TAROE Trust welcomes further research proposed on the application of local authority housing allocation practices across the country. In many instances, the system operates as a “lottery”, with many people offered housing within the private rented sector, where standards of housing and services cannot be guaranteed and limited security is available. We know from our survey, and previous surveys, that security of tenure is highly valued by those living within the sector and brings much needed stability to individual households and the wider community.

The Government decision to not implement the requirement for local authorities to implement fixed term tenancies is welcomed as a positive step to increasing stability for residents. Indeed, the pressures placed on the availability of social housing is in part due to the housing policy of successive Governments, including policies such as the Right to Buy and the failure to replace properties sold under this scheme. The Government should also go further and limit the use of fixed term tenancies more generally, and also consider preventing the use of such tenancies in the housing association sector.

Some messages about new housing supply that we received from Tenants included the following:

*“Government should give councils so much money per year to rebuild or buy property”*

*“Give priority on brownfield sites to social housing... Empty lots should pay full council tax and must be built on in five years or lost to Social Housing. Convert empty office blocks to housing. Fund from the National debt.”*

*“Stop/reduce the right to buy schemes”*

*“Make soft central government loans available to local councils to build social housing (NOT affordable housing which is too expensive for the majority)”*

*“Allow Councils to raise finance for new housing from the private sector. “*

*“The proceeds [of Right to Buy] must be ring fenced (hypothecated) and only used to replace the property sold with a new social rental property.”*

*“All new properties built must be protected by a suitable covenant requiring them to remain as Social Housing in perpetuity... Builders and developers could also be encouraged to supply further housing by having their taxation reduced as an incentive.”*

*“It is not the role of Tenants and Service Charge Users to pay, through their landlords, for the increase in housing supply, this role is that of the nation’s Tax Payers which includes many Tenants and Service Charge Users. It is perverse to increase rents to build new homes for sale and shared ownership, making rents and Service Charges unaffordable”*

*“Only by Government funding- developers will only build houses that they can sell at a profit”*

*“The affordable houses in developments are a joke, they are simply not affordable to many, and the numbers needed in new schemes are low”*

*“The government must take the lead in replacing the lost housing stock from the right to buy scheme.”*

### **Key changes required**

1. New housing supply needs to include increased levels of housing supply at truly affordable rent levels, such as social rent levels.
2. Consideration should be given to alternative methodologies for setting rents, such as exploration of Living Rents (alongside other suggestions for increasing new housing supply). It is important that rents should be set according to affordability criteria.
3. There is a need to review the Right to Buy policy, and consideration of the discount levels it offers.
4. Increased levels of grant funding should be available to fund truly affordable (e.g. social rent) new housing supply. This is a more progressive approach which recognises the financial value of social housing, and also spreads the cost of new supply more evenly through application of proceeds from taxation, rather than requiring existing social housing Tenants to take the burden of new affordable housing supply.
5. There should be increased use of legal devices to ensure that new social housing supply must be used for this purpose in perpetuity.

## CONTACT INFORMATION

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## FURTHER DETAILS ON TAROE TRUST

TAROE Trust is a charity formed in 2013 out of the former national Tenant representative organisation, Tenants and Resident Organisations of England (TAROE). It has been established to further charitable objects which can be summarised as follows:

- The relief of financial hardship by providing free advice and assistance on housing issues to persons who would otherwise be unable to obtain it.
- To promote social inclusion for the public benefit among people who are excluded from society or part of society by:
  - Providing advice and assistance and building capacity on housing matters
  - Working to promote the needs of people who are socially excluded and to raise awareness of those needs among housing providers, service agencies and the general public
  - Researching links between housing and social exclusion and publishing the useful results thereof
- To develop capacity and skills among members of socially and economically disadvantaged communities which evidence deprivation in such ways that they are better able to identify, and help meet, their needs in housing related matters in particular and to participate more fully in society.

## APPENDIX 1

### TAROE TRUST SURVEY 2018 – TIME FOR A CHANGE

#### Approach

In 2014, TAROE Trust’s predecessor organisation, TAROE Ltd, undertook a National Conversation with Tenants. During this exercise, feedback was received from 2,168 Tenants, offering 4,000 suggestions for change in response to the question:

**“What do Tenants really want to happen, which if changed, will improve their quality of life in their home”?**

Following the announcement of the Social Housing Green Paper, TAROE Trust felt it was a timely opportunity to re-engage with Tenants through a survey. The approach adopted allowed for open questions, so that Tenants were not unduly influenced by leading questions when providing their responses. For approximately 1 month, the survey sought responses to the following question:

**“As a Tenant or leaseholder, what are your 3 top priorities to improve your quality of life in your home?”**

In addition, there was the option available to Tenants and residents to provide responses to more detailed questions, tailored to elicit responses to many of the issues raised in the Social Housing Green Paper. Many of these responses provided rich, detailed and considered responses which have been incorporated into the main body of TAROE Trust’s Consultation Response document.

In total, only 37 substantive responses were received to the survey. Whilst the total number of responses received is low, the quality of the responses were excellent, and are still considered to offer an insight into Tenant related priorities which have influenced the preparation of the consultation response.

#### Overall results

The top three priorities highlighted by Tenants in our survey show the following:

Rank	Priority area	%
1	Repairs and maintenance	21.2
2	Tenant participation	10.6
3	ASB / Neighbourhoods	8.7
	Community / Environment	8.7
	Quality of home	8.7
	Safety and Security	8.7

The priorities expressed by Tenants can also be highlighted in the following word cloud, in which the larger words represent the most quoted issue highlighted in feedback received:



### Trends from 2014 survey

Whilst it is acknowledged that the sample size makes it difficult to draw meaningful comparisons from the 2014 exercise, some observations can be noted:

- As might be expected, repairs and maintenance issues represent the most important issue for Tenants. This was the single most important issue also highlighted in 2014.
- As in 2014, the physical environment remains the most important priority for Tenants, and was the issue raised by 47.1% of responses received.
- Safety and security issues and anti-social behaviour were both highlighted as concerns by 9% of responses, and this is directly in line with responses received in 2014 (also 9%).
- A noticeable change from 2014 is that 10.6% of respondents felt that Tenant participation related issues were a priority issue. This is an important shift, as in 2014 this hardly factored in the results. It suggests that this might be an area that has deteriorated in the last 4 years. This is supported by the more detailed responses received, in which the factors such as the shift of regulatory focus away of consumer standard issues and the increasing growth and mergers of landlords were cited as reasons for the reduction in opportunities for Tenants to influence decision-making.

### Other priority area highlighted

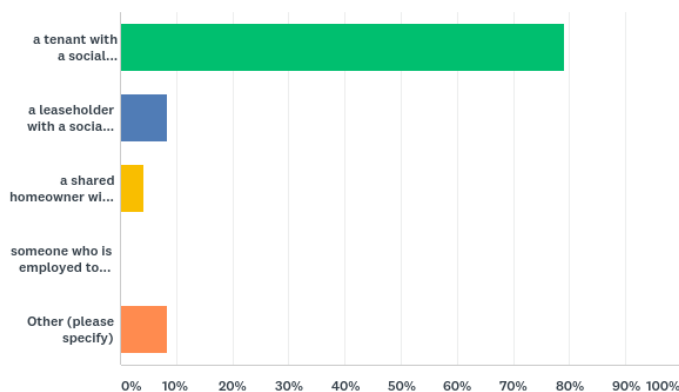
In addition to the top issues highlighted, the other priority areas highlighted by Tenants were as follows:

Rank	Priority area	%
4	Affordable rents	6.7
	Transparency / communications	6.7
5	Management of housing	5.8
6	Social engagement	3.8
7	Communal areas	2.9
	Security of tenure	2.9
8	Complaints	1.9
	Other housing costs	1.9
9	Energy efficiency	1.0

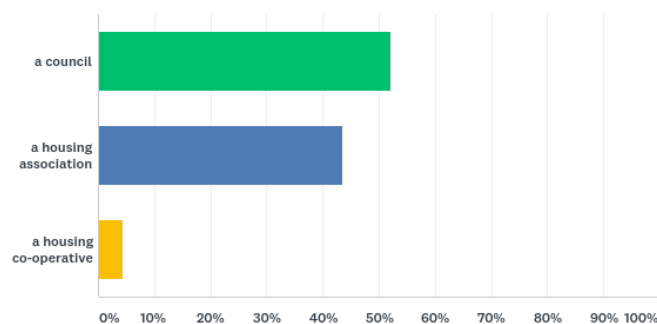
### Where did our responses come from?

Details of our respondents are set out below:

Q12 Which of the following are you?

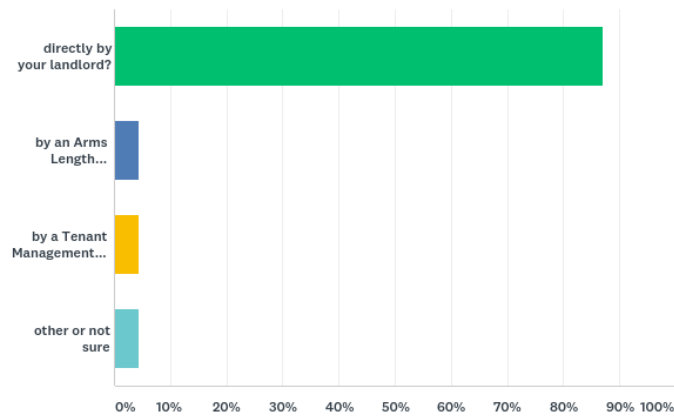


Q13 Is your landlord:

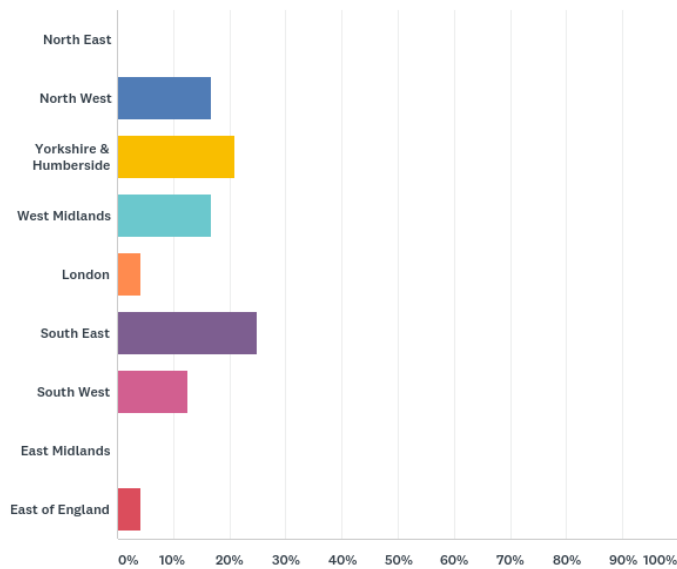




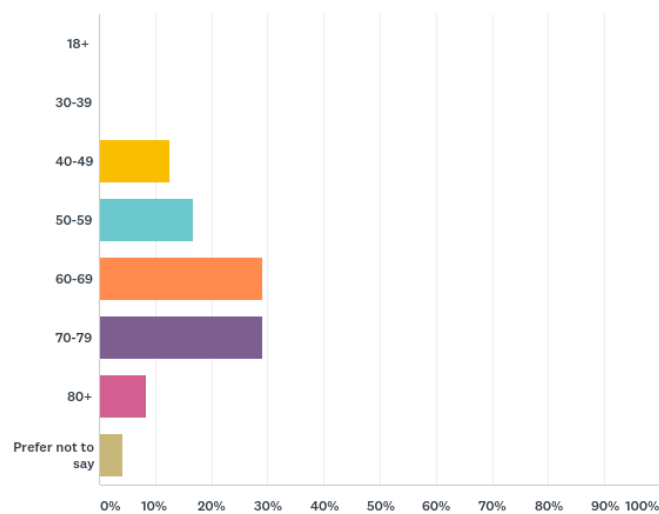
### Q14 Is your home managed:



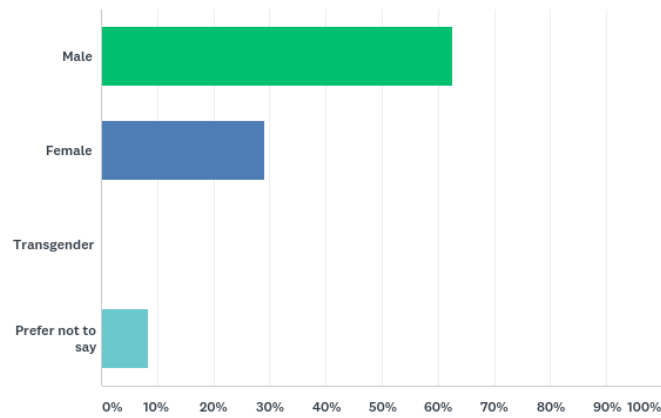
### Q15 In which region of the country do you live?



### Q16 What is your age range?



### Q17 What is your gender?



### Q18 How would you describe your ethnic origin?

