



## **ARCH Tenants Group Meetings**

Monday 26 March 2018

The Wesley Hotel and Conference Centre

81-103 Euston St, London NW1 2EZ

11.00PM – 3.00PM

*Refreshments and arrivals from 10.30am*

### **AGENDA**

1. Welcome, Introductions and apologies
2. Minutes of last meeting 8 January 2018
3. Matters arising
4. Feedback from ARCH Executive on key issues - **John Bibby**
5. Update on government policy/ legislation - **John Bibby**
6. Consultations – **John Bibby**
  - 6.1 – Strengthening Consumer Redress
  - 6.2 – Social Housing Green Paper
7. Update on the Benefit to Society campaign update - **Jenny Hill**
8. Tenant Conference Update – **Jenny Hill**
9. Welfare Reform – Update - **Jo Linney**
10. Any Other Business – to be notified to Julie Morton by 12 noon on Wednesday 21 March 2018

### **ITEMS FOR INFORMATION ONLY**

11. National Conversation (7 December) De-brief
12. Tenants' Group Work Plan 2018

**A light buffet will be available part way through the meeting**

**Association or Retained Council Housing Ltd**

**Minutes of the ARCH Tenants' Group Meeting**

**Held on Monday 8 January 2018 at CIH Offices 236 Grays Inn Road London**

**PRESENT:**

**Tenant Group members:**

David Bown (South Derbyshire).  
Chris Gould (Norwich)  
Jenny Hill (Runnymede) – Chair  
Les Issacs (Stevenage)  
Stella Parkin (Rotherham)  
Eric Shipton (Birmingham)  
Dennis Smith (Tendring)  
Brian Tulley (Crawley)  
Wyn Marshall (Epping Forest)  
Brian Rhodes (Welwyn Hatfield).

**In attendance:**

John Bibby (ARCH)  
Gez Kinsella (HouseMark)  
Chris Danpure (Stevenage)

**1, WELCOME, INTRODUCTIONS AND APOLOGIES**

Apologies received from:

Mick Daniels (Sheffield)  
Yaw Boateng (Croydon)  
Martyn Lund (Kettering)  
Marlene Price (Wandsworth) - Vice Chair  
Mavis Vines (East Riding)  
John Ranshaw (Lincoln)

**2. MINUTES OF THE LAST MEETING (6 NOVEMBER 2017)**

Agreed as a true record

**3. MATTERS ARISING**

**11.3 Skills survey**

Not seen as necessary - covered in part by profiles on the website and skills assessed as part of the process when tenants joined the Group.

A question was asked about the location of the next meeting. John said he was working on this with Julie (HouseMark). If CIH have not moved by the date of the next meeting (26 March), we will use their offices again. Working on alternatives venues that offer value for money.

**ACTION:** John to report back on future venue

#### **4. STEVENAGE SCRUTINY PRESENTATION**

A short presentation by members of Stevenage's Scrutiny Committee was made, setting out the scrutiny process, outcomes and 'what next'. There were a range of questions, including; how do they recruit, specifically recruiting younger people and what impact a reduction in resources is having. Dave Bown pointed out that in his organisation the resident involvement function was withering, with fewer and fewer tenants and a weakening of the formal structures.

**ACTION:** John will contact South Derbyshire to stress the important of engaging residents, particularly at this time.

**ACTION:** Presentation will go on the website and GP will be circulated via the Bulletin

#### **5. FEEDBACK FROM ARCH EXECUTIVE ON KEY ISSUES**

John Bibby updated the Group on key issues the ARCH Executive meeting (30 November) including:

- Discussed rent formula and supported housing funding consultation - what ARCH's response should be
- Established new build network. First meeting in December sharing best practice
- Presentation from 3H York on leveraging additional resources
- Arrangement for AGM - no major changes. Board members can be viewed on the ARCH website

#### **6. UPDATE ON GOVERNMENT POLICY /LEGISLATION**

John Bibby delivered a presentation (see attached) to the Tenants Group about the key areas as follows:

**Housing and Planning Act** - specifically fixed term tenancies and RTB. Waiting for regulation on this. Autumn budget announced RTB pilot in West Midlands. Councils won't be asked to pay high value levy before April 2018.

**Housing White Paper** – 10/15 years fixed term council housing – no further announcements, but idea is still being pursued

**Affordable Housing Programme** - £2 billion announced in the budget, but no further detail yet.

**Rent policy** - CPI + 1% after 2020, still to be consulted on. Supported housing funding, consultation to close 23 January 2018. ARCH will submit a response.

**The Homelessness Reduction Act** – waiting for Code of Guidance. An issue for the sector going forward. Public Accounts Committee Branded Government policy “a national crisis”.

**Welfare reform** – Concessions made in the budget, eg interim payments relaxed and removal of 7 day wait period.

**Autumn budget** – Additional £1 billion incremental borrowing by end of 2020. Council must bid and applies only to areas of “high affordability pressure”. £400 million estate regeneration money announced. Awaiting detail.

**The Housing Green Paper** – Minister’s engagement meeting with tenants on-going. Round-table meetings with officers too. Publication expected in Spring 2018. ARCH Board preparing a response (Tenant Group will be asked for its view).

**Review of Building Regs** – Interim report published 18 December 2017. Reports sets out direction of travel and concludes current regulations are not fit for purpose. Final report expected in Spring 2018.

**HMO Reform** – extension of existing mandatory licence arrangements to include flats and one/two story flats. Extension of ban on rogue landlords

#### **ACTIONS:**

- John Bibby – to update Tenants Group as soon as more on Green Paper Consultation dates known
- Tenants Group Members – prepare to discuss in 2018 Green paper.

#### **7. MEETINGS WITH THE HOUSING MINISTER**

Meeting took place on 7 December, with Marleen and Yaw Boateng attending. Neither present at this meeting.

**ACTION:** Written report to be submitted to the next meeting (26 March).

#### **8. VOICE OF TENANTS MEETING**

Dave Bown attended, but very little to report and no proposal as to how such a national body would be formed or would work. Some confusion over why it was said at the meeting that its work was confidential. No date yet agreed for future meetings

#### **ACTION:**

- Marlene to attend the next meeting
- John to write to Nic Bliss to better understand what the plan is, what progress is being made, the issue of confidentiality and what happens next.

## **9. TENANT CONFERENCE**

There are a number of possible venue options that need to be explored, with Birmingham's kind offer as the 'back-stop.

### **ACTION:**

- Gez to send out conference selection criteria
- Eric, Stella, Les and Chris to chase up their landlords (Birmingham, Rotherham, Stevenage and Norwich)
- Gez to discuss with Julie cost of Leamington Spa venue previously used

## **10. BENEFIT TO SOCIETY CAMPAIGN**

The launch of this will take place on 28 February. The Group discussed how best to promote positive images of council tenants.

### **ACTION:**

Jenny to ask Sarah to produce a standard press release proforma that can be share with members to be adapted and used locally.

## **11. WORK PLAN 2018**

Various ideas were discussed for the 2018 Work Plan, including:

- Maximising the use of local media
- Impact of Universal Credit – both policy impact (CIH) and impact on businesses
- Complaints. Suggested members bring in their complaints processes to a future meeting to share good practice
- Invite the Housing Ombudsman to discuss effective complaints handling and the tenants' role in this
- Understanding costs/performance data – using data to hold landlords to account
- Understanding change in data protection and implications for tenants

### **ACTION:**

- Gez to work up a programme of speakers
- Gez to share Community Champion criteria, so members can start approaching their landlords for nominations. Also, include in Board paper – the idea that Tenants Group promoting Community Champion
- Eric to provide Gez with a BCC contacts
- Wyn to provide Gez a contact to discuss Epping Forests approach to complaints
- Wyn to feedback on value of Data Protection course and relevance to the Group

## **11. AOB**

Tenant section of the ARCH website has been updated.

**ACTION:**

- Members are asked to review and update with any further changes. Also, check if profile up to date and provide Gez wording

**12. NEXT MEETING 26 MARCH**

Venue to be confirmed.

<p style="text-align: center;"><b>ASSOCIATION OF RETAINED COUNCIL HOUSING LTD ARCH TENANT GROUP MEETING ON 26 MARCH 2018</b></p>
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**ITEM 6: STRENGTHENING CONSUMER REDRESS IN THE HOUSING MARKET: GOVERNMENT CONSULTATION PAPER**

**1. Purpose of report**

- 1.1 To advise the ARCH Tenant Group of the publication of a government consultation paper and to seek the Tenant Group's views on the proposals set out in the paper to inform a formal response by the ARCH Board.

**2. Background**

- 2.1 The government have launched a consultation paper "*Strengthening consumer redress in the housing market*" (Attached as **Appendix 1** to this report) setting out options and seeking ideas for a simpler and better system for dealing with housing complaints so future disputes can be resolved faster and consumers can access swift redress and compensation where it is owed.

- 2.2 Options considered in the consultation paper include:

- introducing a single housing ombudsman to cover the whole of the housing market both public and private, owner-occupied and rented sectors
- whether home builders should be required to join an ombudsman scheme, following on the government's commitment to expand redress to tenants of private landlord
- the naming and shaming poor practice to help tackle the worst abuses
- sanctions and financial awards of up to £25,000 and more.

- 2.3 Currently, there are multiple providers of redress that cover some aspects of home buying and renting, but not all and membership of ombudsman schemes is compulsory for some groups, but not for others.

- 2.4 The consultation paper seeks responses from tenants, leaseholders, landlords, homeowners, and existing ombudsman schemes across 3 key areas:

- the effectiveness of the current complaint process, or if more can be done to improve the experience
- what standard of service should be expected and if a single housing ombudsman is needed

- how to fill the existing gaps in the current system, such as private landlords not having to register with a redress scheme

2.5 The consultation began on 18 February and will close on 16 April 2018.

### **3 Recommendation**

3.1 The ARCH Tenant Group is asked to consider the consultation paper at their meeting on 26 March 2018 and to feed views and comments to the ARCH Executive Board at its meeting on 9 April 2018 to help inform an ARCH response to the consultation paper.

3.2 Should tenants wish to feed in their individual views there is an online form <https://www.surveymonkey.co.uk/r/Housingredress> available to housing consumers (public and private tenants and home-owners) until the 16 April 2018.

**Report Author: John Bibby**

#### **Appendices:**

Appendix 1: Strengthening consumer redress in the housing market:  
Government consultation paper



Ministry of Housing,  
Communities &  
Local Government

# Strengthening consumer redress in the housing market

A Consultation



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# Scope of the consultation

Topic of this consultation	This consultation seeks views on options for improving consumer redress in housing.
Scope of this consultation:	This consultation seeks views on the redress landscape in housing. It looks at improvements to existing services, filling gaps in redress, and the potential to reconfigure services in the future to better serve consumers.
Geographical scope:	The policy proposals primarily relate to England. The U Government will be discussing these issues with devolved administrations where existing legislation also has scope outside England.
Impact Assessment:	The purpose of the consultation is to gather evidence and seek views on improving redress in housing. Any policy changes brought forward as a result of the consultation would be subject to appropriate assessment.

## Basic Information

Duration:	This consultation will last for eight weeks from 18 February 2018 to 16 April 2018.
How to respond:	<p>We encourage you to respond by completing an online survey at: <a href="https://www.surveymonkey.co.uk/r/Housingredress">https://www.surveymonkey.co.uk/r/Housingredress</a></p> <p>Alternatively you can email your response to the questions in this consultation to – <a href="mailto:Housingredress_communities.gsi.gov.uk">Housingredress_communities.gsi.gov.uk</a></p> <p>Written responses should be sent to:  Social Housing Division  Ministry of Housing, Communities and Local Government  Third Floor – Fry Building  2 Marsham Street  London  SW1P 4DF</p> <p>When you reply it would be very useful if you confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include:</p> <ul style="list-style-type: none"> <li>- your name,</li> <li>- your position (if applicable),</li> <li>- the name of your organisation (if applicable),</li> <li>- an address (including post-code),</li> <li>- an email address, and</li> <li>- a contact telephone number</li> </ul>

# Ministerial Foreword

Our broken housing market is one of the greatest barriers to progress in Britain today. We have already set out comprehensive plans to build more homes – and have begun to see progress, with the biggest increase in the number of new homes for almost a decade last year.<sup>1</sup>

But fixing the market is about more than building more homes. We know that for many households – whether tenants or owners – their home can be a source of stress. Repairs that never get sorted. Neglected communal spaces. The frustration and hassle of slow and costly sales processes.

Having a roof over your head is not a luxury, and moving home is not always an easy option when problems occur. That's why it's so important that consumers have swift, effective routes to complain when things go wrong that they know where to go, and are clear about what they can expect.

The current landscape does not support this. There's not one redress scheme but many and each operate different practices. Even this array of schemes does not entirely cover the issues that consumers might encounter. Too many people have no option but to take a grievance through the courts.

Ultimately, I want to simplify the process so that people have a clearer and simpler route to redress. That's why I am consulting on options for streamlining redress services, including considering whether the answer might be a single housing ombudsman service: a single, transparent and accountable body with a remit that covers the whole of the housing sector.

In the meantime there are also steps we can take to improve redress across the market. This isn't just about improving consumers' experience of making a complaint. It's also about the role of redress schemes in driving service improvements to ensure that issues are not just fixed, but learnt from.

With your help we can ensure that households up and down the country get the homes they deserve.



**The Rt Hon Sajid Javid MP**

*Secretary of State for Housing, Communities and Local Government.*

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<sup>1</sup> MHCLG Live table 120 <https://www.gov.uk/government/statistical-data-sets/live-tables-on-net-supply-of-housing>

# 1. Introduction

1. The Government has already taken a number of steps to reform redress and regulation in the housing market. Our calls for evidence on the home-buying process and on improving consumer experiences of lettings and managing agents both touched on these issues.
2. This consultation looks at the issue of redress in the housing market in more depth. It considers:
  - how the current redress landscape works [Chapter 2]
  - improving 'in-house' complaint processes, to ensure that issues get resolved as quickly as possible [Chapter 3]
  - the practices and functions that should be expected of redress schemes and the powers that they need to do this [Chapter 4]
  - how to fill existing gaps in redress, with a particular focus on private tenants, buyers of new build homes and leaseholders [Chapter 5]
  - the case for streamlining and improving services for consumers through the creation of a single housing ombudsman service [Chapter 6].
3. Following the tragedy at Grenfell Tower last year, the Prime Minister announced a Public Inquiry which is already underway. It will consider the arrangements made by the local authority and other responsible bodies for receiving information relating to the risk of fire at Grenfell Tower and the action taken. We will also be considering the specific issues experienced by social housing tenants in our Social Housing Green Paper, to be published later this year.
4. Additionally, the Independent Review of Building Regulations and Fire Safety, led by Dame Judith Hackitt, will make recommendations aimed at achieving a sufficiently robust regulatory system for the future and providing further assurance to residents that the buildings they live in are safe.
5. Housing issues that are dealt with by redress schemes in other sectors, such as the Financial Ombudsman Service and Legal Ombudsman, are not in scope of this consultation and the remit of these bodies will remain unaffected.
6. Annex A provides a glossary of relevant terms used in this document.
7. Responses should be submitted no later than midnight on 16 April 2018. We encourage respondents to use the online survey available at:  
<https://www.surveymonkey.co.uk/r/Housingredress>
8. If you wish to provide a written response, the full list of consultation questions can be found in Chapter 7 and these can also be emailed to:  
[Housingredress\\_communities.gsi.gov.uk](mailto:Housingredress_communities.gsi.gov.uk) or sent to:

Social Housing Division  
Ministry of Housing, Communities and Local Government  
Third Floor – Fry Building  
2 Marsham Street  
London, SW1P 4DF

## 2. How things work now

9. When things go wrong with someone's home or housing services, we would expect most people to raise a complaint directly – whether with an estate or lettings agent, a landlord, a local authority, a developer or a managing agent.
10. When someone is unsure of their rights or how to exercise them, many people will seek an independent source of advice. There are a number of services across different parts of the market, both local and national, that currently exist to provide independent advice for consumers. If effective, these can help consumers have a better understanding of their rights and responsibilities, as well as their options for taking complaints further. Some are focussed on particular sectors, for example LEASE which exists to offer free initial legal advice on leasehold, while others offer advice across different sectors, for example Shelter and Citizens Advice.
11. Where consumers are unable to resolve their issue directly, the next step can be to seek independent redress. Redress can come in different forms, including through ombudsmen, but regardless of the type all provide a means to get an issue heard again once they have exhausted an organisation's internal complaints process. Redress schemes can investigate, mediate, and make decisions about how to put things right, sometimes through a financial award. Some schemes are statutory, some are underpinned by statute and some are entirely voluntary. The range of current redress services in housing, including the existing ombudsmen, is set out below.
  - **Tenants of social landlords** can take a complaint to the Housing Ombudsman for investigation, either eight weeks after the end of their landlord's internal complaints procedure or via a designated person (an MP, local councillor or designated tenant panel). The Ombudsman's determination may include recommendations for action and or a financial remedy (compensation). If the Ombudsman identifies possible significant systemic issues they can refer the case to the Regulator of Social Housing who can take action if there is evidence of a breach of its consumer standards and there has been, or is a risk of, 'serious detriment' to tenants. Where complaints are made directly to the Regulator (where action is not taken), the Regulator will signpost complainants to the Housing Ombudsman. In 2016 17, the Housing Ombudsman received over 15,000 enquiries and complaints, of which 34% were about repairs and 10% concerned tenant behaviour.<sup>2</sup>
  - **People applying for social housing or for help with homelessness** and who have been through local authority complaints can take a complaint to the Local Government and Social Care Ombudsman. If the Ombudsman finds fault in the way the application was dealt with they can ask the local authority to put the matter right. For example, the local authority may look at an application again or provide a homeless person with accommodation while their application is being considered. The Ombudsman does not have the power to demand that an authority follows its recommendations, but they are nearly always complied with.

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<sup>2</sup> The Housing Ombudsman - [Annual Report and Accounts](#) - 2016-17

- **Customers of letting and managing agents** in the rented and leasehold sectors can take a complaint to one of three redress schemes: the Property Ombudsman, the Property Redress scheme or Ombudsman Services: Property. The last of these announced recently that it proposes to end its current arrangements in the property redress market in recognition of the need to streamline service provision and reduce consumer detriment. Ombudsman Services: Property will continue to provide redress services to current members and their tenants until 6 August 2018 and will continue its enquiries function until the end of 2018. It is therefore appropriate to treat them as continuing to operate in the private sector for the purposes of this consultation. There is a gap in redress for leaseholders where their freeholder does not employ a property agent: in such circumstances, the freeholder is not required to sign up to a redress scheme.
- **Customers of estate agents**, whether they are buyers or sellers, can currently take a complaint to one of the same three schemes that cover letting and managing agents. Where a redress scheme thinks an estate agent may be unfit for the role under the Estate Agents Act 1979 due to, for instance, fraud or discrimination, they can refer a case for investigation to the lead enforcement agency. This function is delivered by the National Trading Standards Estate Agency Team, who can issue banning or warning orders against estate agents, individually or as a business. The team is also responsible for approving and monitoring redress schemes for estate agents.
- **Tenants of private landlords** might not have access to any redress scheme. A small number of private landlords have chosen to join the Housing Ombudsman scheme or one of the three private redress schemes, and some tenants will have access to redress because their landlord uses an agent. However landlords are not required to belong to a redress scheme where they provide services directly to tenants. In October last year the Government committed to requiring landlords in the private rented sector to join a redress scheme to fill this gap.
- **Park home residents** currently have no access to a redress scheme. They will have a written agreement with their site owner, which sets out the contractual obligations of both parties, but if the site owner fails to meet their obligations the resident has little recourse to redress except via the first-tier tribunal. Only specific complaints around health and safety conditions or harassment, which are not dealt with satisfactorily by the local authority, can be taken to the Local Government and Social Care Ombudsman.
- The majority of **buyers of new build homes** are covered by an industry led consumer code or warranty scheme which can offer resolution where things go wrong, but these do not always cover all issues. Warranty schemes consist of two parts: for the first two years it remains the responsibility of the housebuilder to put right any damage or defects. What problems a code will consider, and the forms of redress and the sanctions that the codes have, will differ. For example not all codes may cover snagging issues. Where consumers experience non-structural, snagging problems they can contact their warranty provider if the house builder fails to resolve them. However, if the homeowner disagrees with a decision by the warranty provider, or no action is taken, the consumer can find they have no route to redress. After the second year, the warranty provides insurance to cover against the cost of repair, although these also differ in their level and scope of cover. Where consumers experience issues with the

warranty provider they can seek redress from the Financial Ombudsman Service. Where a problem relates to the reservation and sales process, in the majority of cases consumers can approach an industry-led consumer code and seek redress through them.

12. The Consumer Protection from Unfair Trading Regulations 2008 provides consumers with rights to redress if they've faced misleading actions or aggressive selling practices by traders. For example, in the housing sector, this could include misleading adverts for properties advertised by letting agents. The regulations are enforced by Local Authority Trading Standards Services.
13. The Government are concerned that the current landscape is confusing for consumers both in terms of the number of schemes, differences in practices, and gaps where consumers have no recourse to redress. We want to use these questions to understand the consumer experience of redress schemes.

### **Consultation Questions**

**Questions 1 – 3 can be found in chapter 7.**

**Q4: Have you ever made a complaint relating to the renting, selling or purchasing of your property, or relating to the management or maintenance of a property in which you are a renter or leaseholder?**

- Yes
- No, but I know how to make a complaint.
- No, and I do not know how to make a complaint.

**If no move to question 9**

**Q5: If you have complained about the renting, management, selling or purchasing of your property, who did you complain to? (Tick all that apply)**

- Estate Agent
- Managing Agent (Leasehold)
- Letting Agent
- Landlord
- Freeholder
- Developer
- Redress scheme
- Charity (e.g. Citizens Advice, Shelter)
- Politician – local or national
- Other [please list]

**Q6: Have you used any of the following housing redress schemes (as a consumer or organisation) in the past five years? (tick the one that you used most recently) If not move to question 9**

- The Housing Ombudsman
- The Property Ombudsman
- Ombudsman Services: Property
- The Property Redress Scheme
- The Consumer Code (Independent Dispute Resolution Service)
- Local Government and Social Care Ombudsman (only regarding its housing-related functions)
- Other [Please Identify]

**Q7: If you answered Q6, how would you rate the service that you received out of 10? (With 1 being very poor and 10 being exceptional) Please give details – for example how helpful was the organisation at resolving the problem.**

**Q8: What do you consider to be the main problem with redress in the housing market, if any (tick up to three):**

- There is no problem
- It is not clear how to raise a complaint
- It is not clear who to raise a complaint with
- There are gaps in redress
- Schemes are inconsistent in the way that they handle complaints
- It takes too long to get a decision or a complaint resolved
- It is expensive
- Complaints are not handled fairly
- Not everyone has the same access to redress
- When decisions are made they are not enforced
- Worried about the consequences of complaining
- Overlap between schemes
- Other [please explain]

**Q9: Which solutions below do you think would best improve redress in the housing sector (please pick up to three)**

- Better awareness from consumers of how to raise complaints
- Improvements to the working of existing redress schemes e.g. more timely complaint handling
- Better enforcement of redress scheme decisions
- Schemes all operating to the same criteria standards
- A code of practice for all housing providers (e.g. landlords, agents, housing associations, developers) on complaints handling
- Streamlined redress provision in housing (see question 30)
- Other [please explain]

### 3. Improving ‘in house’ complaints handling

14. There are a number of good reasons to look at ways to support in-house resolution of complaints through ensuring effective provider complaint handling services. Where complaints can be dealt with locally this could ease any pressure on redress services, reducing complexity and waiting times, resulting in a more satisfactory experience. Effective complaint handling processes can also help organisations improve services, providing insight on where there are issues and how these might be addressed. Effective learning from complaints could also potentially help address any wider systemic issues within the sector.
15. Some redress schemes already play a part in providing advice, guidance and learning on effective complaint handling. For example, the Housing Ombudsman has provided discussion workshops, training events and assisted in induction programmes to facilitate effective dispute resolution at a local level for landlords, while the Local Government and Social Care Ombudsman offers training courses for councils on effective complaint handling. In the private sector, all three schemes publish case studies to help prevent problems that result in complaints occurring and refer to industry codes and guidance in their decision making. Redress schemes can also issue guidance on best practice procedures, including setting out how long complainants should wait before escalating to a redress scheme.
16. We want to hear views on what more can be done to improve in-house complaint handling.

#### **Consultation Questions**

**Q10: Could more be done to improve in house complaint handling for housing consumers?**

- Yes [please explain]
- No
- Not sure

## 4. Practices and Powers

17. Where complaints cannot be resolved directly, redress schemes can provide another route to achieving this. Inevitably as each redress scheme has developed independently, there are differences in how they operate.

18. In this section we explore some examples of different practices. We want to hear your views on what standards should apply to existing housing redress schemes and any future service as set out in Chapter 6.

### Accessibility

19. A number of factors can help or hinder consumers from accessing redress. Across the schemes there are different practices relating to whether consumers pay a fee for their service, when schemes will consider a case and steps that can be taken to support consumers' awareness. For example:

- While most redress schemes provide a free service to the consumer, this is not the case for some. For new build home owners the Consumer Code Independent Dispute Resolution Scheme fee to consumers is 100 plus VAT to log a complaint.
- Most redress schemes will consider a complaint once a provider's complaint procedure has been exhausted. However, where provider complaint processes are protracted this could act as a barrier to consumers accessing redress. Some ombudsmen have put a maximum time limit on this. For example, the Local Government and Social Care Ombudsman will generally consider a complaint if 12 weeks have passed from the initial complaint being made, unless other statutory time limits exist, or earlier in some exceptional cases<sup>3</sup>.
- Some ombudsmen require that a complaint is submitted within a certain time of the issue occurring. For example the Property Ombudsman says that a complaint should be submitted within 12 months of exhausting the agent's in house complaint proceedings. Complaints to the Property Redress Scheme must be made no later than six months after the complainant's final communication with the other party.
- Under the Consumer Rights Act 2015, all letting agents are required to display the name of their redress scheme prominently in their offices and on their website and can be fined up to 5,000 if they do not do so.

20. We want to understand how redress schemes can best support consumers to access them.

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<sup>3</sup> The Local Government and Social Care Ombudsman can and does consider complaints earlier than 12 weeks if it is clear there is little to be gained by further attempts at local resolution.

## Timeliness

21. Everyone wants complaints resolved quickly, but we know that in practice, there can be variation in the time taken to reach a decision.<sup>4</sup> This is even the case amongst approved alternative dispute resolution bodies that must provide their decision to relevant parties within 90 days from the date upon which the complaint was received unless it is a highly complex dispute.<sup>5</sup> In an increasingly digital age, we want to understand through this consultation the appropriate time for determining and investigating a complaint.

## Data and transparency

22. Effective use of data can be an important tool in driving up service standards, helping to inform consumer choice and the activity of regulators and providers. Publishing can also help support enforcement activity. Many redress schemes make information available. For example:

- The Local Government and Social Care Ombudsman publishes its decision statements on their website three months after the date the decision is taken, unless it is not in the complainant's best interests to do so or anonymity may be compromised. It also publishes an annual letter to councils providing them with a summary of complaint statistics about their authority and feedback on learning points to prevent future problems. In addition the Ombudsman publishes thematic reports highlighting common issues from its casework which also contain good practice advice and suggested questions to support local scrutiny of services.
- The Property Ombudsman, Ombudsman Services: Property and the Property Redress Scheme publish the names of any agents that have been expelled from their schemes and their Memorandum of Understanding prevents any agents with an outstanding award from joining a different scheme. The schemes provide the Ministry of Housing, Communities and Local Government with monthly complaints statistics and publish annual reports summarising this information.

23. We are seeking views in this consultation on whether there should be common practices around transparency among redress schemes and what those practices should be.

## Codes of practice

24. Some redress schemes also use codes of practice as a means of setting out what is expected of providers so that both sides are clear. This can help support compliance, and drive wider service improvements. The Property Ombudsman operates Codes of

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<sup>4</sup> Which? "[Is the home buying process working for consumers?](#)"

<sup>5</sup> CTSI Requirements and Guidance on seeking approval as a [Consumer ADR Body operating in non regulated sectors. Schedule 3:6 \(d\)](#)

Practice for its members, but they are voluntary. The Codes<sup>6</sup> have been approved by the Chartered Trading Standards Institute's Consumer Codes Approval Scheme and provide a benchmark to help ensure a consistent service for consumers. Ombudsman Services: Property and the Property Redress Scheme use industry codes and guidance. Additionally, the Consumer Code for Housebuilders also sets out high level expectations which providers are assessed against. We want to understand the role of codes of practice in potentially driving more effective redress systems.

## Powers and enforcement

25. When a complaint is resolved there are a number of awards that can be made by different redress schemes, and variations in the level of compensation. In the social housing sector, the Housing Ombudsman has powers to make orders or recommendations including that the provider apologise, pay compensation, perform any contractual or other obligations and undertake or refrain from undertaking works. In 2016-17, the Housing Ombudsman made an order of compensation in around a third of determinations. The level of financial compensation awarded ranged from 20 to 8,195.<sup>7</sup>
26. The three property schemes can require an apology, an explanation of what went wrong, a practical correction of the problem or a financial award. The most common financial awards in 2016-17 across the schemes were between 50 and 500.
27. Where a letting or managing agent does not comply with the terms of a decision by one of the three property redress schemes, the scheme cannot force them to comply, but may expel them from the scheme (and, under the Memorandum of Understanding between the three schemes, deny them membership of the other two schemes) until they comply. Letting and managing agents can be fined up to 5,000 by a local authority for operating without belonging to a redress scheme whereas estate agents are subject to a fine of 1,000. Non-compliant estate agents can be referred to the National Trading Standards Estate Agency Team who has the power to ban individuals from estate agent work if they are not part of a redress scheme. However, there is no equivalent body for letting and managing agents and consumers may need to pursue their case through the courts.
28. In sectors where there is a regulatory agency in place, the working relationship between an ombudsman and a regulator can influence the effectiveness of the redress scheme in getting results. The Housing Ombudsman has the power to report the provider to the Regulator of Social Housing if the provider fails to comply with its determination. There is a Memorandum of Understanding between the Housing Ombudsman and the Regulator of Social Housing to ensure effective co-operation and communication between the two bodies.
29. We want to use this consultation to test what type and level of sanctions and awards a redress scheme should be able to deliver and their powers of enforcement.

### **Consultation Questions**

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<sup>6</sup> [Codes for Residential Estate Agents and Residential Letting Agents](#)

<sup>7</sup> The Housing Ombudsman - [Annual Report and Accounts](#) - 2016-17

**Q11: Are there common practices that housing consumers and businesses should be able to expect from a redress scheme, or do different sectors in housing require different practices?**

- Yes - there should be common practices for consumers
- No – different sectors require different practices
- Not sure

**Q12: If you believe there should be common practices that consumers should be able to expect from a housing redress scheme, what should they include? (pick as many as relevant)**

- Rules relating to the types of issues consumers can complain about
- Rules relating to the timeframe in which consumers can complain to a provider
- Policies to support awareness raising
- Timeliness of complaint handling
- Cost to consumers
- Compensation levels
- Codes of practice specific to the sector
- Cost to members payment structures
- Transparency of decisions
- All apply
- Other [please explain]

**Q13: Do you think that a redress scheme should publish decisions and the number of complaints relating to different providers? Please explain why.**

- Yes
- No
- Not sure

**Q14: What is a reasonable time frame for a redress scheme to deal with a complaint?**

- Less than 2 weeks
- More than 2 weeks but less than a month
- More than a month but less than six weeks
- More than six weeks but less than two months
- More than two months but less than three months
- 3-6 months

- 7-12 months
- More than 12 months
- It depends on the complexity of the case

**Q15: How should a redress scheme support consumers to access its scheme?**

**Q16: What kind of sanctions should a redress scheme have access to? (tick all that apply)**

- Financial award up to 25,000
- Financial award greater than 25,000
- Expulsion from scheme
- Power to make decisions binding
- Referral to enforcement agent regulators
- A range of options depending on the type and size of provider
- Other [please list]

## 5. Addressing the gaps

30. We want to understand where there are gaps in current provision, the best way of addressing those gaps, and how far these could be filled by existing statutory, voluntary or sector-led organisations or initiatives. Any new provision could potentially be part of any new, more streamlined set of services or single ombudsman service, as described in the options in Chapter 6. In particular we want to understand what more might be needed for buyers of new build homes, private renters, and leaseholders.

### **Consultation Questions**

**Q17: Have you encountered any gaps between different issues, ombudsmen and redress schemes in terms of their areas of responsibility?**

- Yes [please explain]
- No
- Not sure

## Buyers of new build homes

31. For most people buying a new build home is an exciting time and most problems can be easily put right. However, the decline of consumer satisfaction and gaps in the protections for buyers of new homes is a growing concern.<sup>8</sup>

32. When something goes wrong, house builders and warranty providers must swiftly fulfil their obligations to put it right. Too often we receive letters from consumers that include protracted disputes over snagging issues and cases where the home buyer does not feel that they have been treated fairly during the purchase process. Results from the 2016 Home Builders Federation Survey state that 98% of respondents reported problems with their home to their builder.<sup>9</sup> It is not always clear to home buyers who they should complain to and who is responsible for putting things right. The redress system is fragmented and we are concerned there are gaps in protection. For example there needs to be more robust protection for homebuyers in the first two years after purchase.

33. We are working with the Home Builders Federation, warranty providers, lenders and the redress providers to address these issues and we want them to continue to drive improvement. We want to consider the best approach for taking this forward.

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<sup>8</sup> The All Party Parliamentary Group for Excellence in the built environment report, [More homes, fewer complaints](#).

<sup>9</sup> Home Builders Federation. [National new home customer satisfaction survey](#), March 2017

## Consultation Questions

**Q18: Should purchasers of new build homes have access to an ombudsman scheme?**

- Yes
- No
- Not sure

**If you have answered no, please go to Question 21.**

**Q19: Is there an existing ombudsman scheme that is best placed to deliver this? If so which?**

**Q20: Should this body be statutory?**

- Yes
- No
- Not sure

**Q21: Aside from the issues discussed in section three of this document, are there other things we should be considering to ensure that complaints are dealt with swiftly and effectively by homebuilders?**

## Tenants of private landlords

34. Privately-let homes are more likely to be in serious disrepair, to present a higher risk for falls or excess cold, and to lack a working smoke alarm, than those that are owner-occupied or in the socially rented sector.<sup>10</sup>
35. Steps to protect consumers in the private rented sector have already been taken and as discussed above, all letting and managing agents are required to be a member of either the Property Ombudsman, Ombudsman Services: Property or the Property Redress Scheme. Furthermore, where landlords ask a tenant for a security deposit, they are required by law to protect it in a Government-approved tenancy deposit

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<sup>10</sup> MHCLG, English Housing Survey: [Private rented sector, 2015–16](#), July 2017, paras 4.9, 4.10, 4.13, 4.14, 4.19

scheme. If there is a dispute around the amount of deposit that should be returned at the end of a tenancy, the protection scheme will provide dispute resolution.

36. A small number of private landlords have voluntarily joined the Housing Ombudsman or one of the three private redress schemes. However, in general, tenants whose properties are let or managed directly by their landlord often have little recourse to dispute resolution or redress except via the courts. 2016 data from the Council of Mortgage Lenders<sup>11</sup>, suggests that tenants of only about a third of landlords (those who are using an agent for full management services) have access to redress throughout the entire period of their tenancy.<sup>12</sup> In a survey conducted by Citizens Advice last year, 71% of tenants said they would find it helpful to have support when negotiating with their landlord.<sup>13</sup>
37. The Government has committed to changing the law to require all landlords to join a redress scheme making sure that every tenant has access to effective dispute resolution. Some complaints and cases, such as possession claims taken by landlords are not within a redress scheme's remit. Such cases will continue to be dealt with by the courts and are not within the scope of this consultation. Separate work is underway with the Ministry of Justice to explore how we might improve court processes, including considering the case for a new Housing Court.

### Putting mandatory redress into action

38. We need to consider how to ensure that a landlord redress scheme is effective for both tenants and landlords. There are implementation considerations in terms of cost, consistency with agent redress, and enforcement. There are estimated to be between 2 million and 2.5 million private landlords, significantly more than the number of property agents and social landlords, and the majority are small scale, owning one or two properties. We need to consider the implications of this and in particular would like to consider:
- **Coverage:** the requirement could be restricted only to those landlords who do not employ an agent to let and manage all of their properties, potentially reducing the administration and cost burden on landlords.
  - **Scheme provider:** we are keen to understand who might be best placed to provide a redress scheme for landlords. This could be one of the existing redress schemes or a new provider such as a future Single Housing Ombudsman. The deposit protection schemes have experience in providing dispute resolution and may be able to provide some wider landlord redress services in addition to their existing functions. However, we need to ensure that we are making the redress market more streamlined and not adding additional complexity.
  - **Cost:** Given the wider range of private landlords, many of whom may never have a complaint raised against them, a flat membership fee may not be reasonable. We

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<sup>11</sup> The Council of Mortgage Lenders (CML) has been part of U Finance since July 2017.

<sup>12</sup> CML, [The profile of UK private landlords](#), December 2016, p40: CML estimates only a third of landlords use agents to manage all properties as landlord are not required to belong to a redress scheme, tenants of the remainder are not guaranteed access to redress.

<sup>13</sup> Citizens Advice, [If it's broke, let's fix it: Improving redress for private renters](#), July 2017, p18

want to test whether a pay per complaint model or a tiered fee structure based on portfolio size would be more appropriate.

- **Monitoring and Enforcement:** Many existing legislative requirements on private landlords are enforced by local authorities and they may be best placed to enforce this new redress requirement. However, we would be interested in understanding other options and if there are lessons to learn from different markets where there are a large number of small scale providers. An agreed set of standards could be used to benchmark practice and ensure consistency in the way that complaints are handled.
- **Penalties for non-compliance:** It is important to have a penalty that is a strong deterrent yet proportionate and fair. Possible options are financial penalties, removing the ability to use the 'section 21' no fault eviction process, or prosecution.
- **Communication:** ensuring that all landlords are aware of the requirement to belong to a redress scheme. We will shortly be bringing forward a new 'How to Let' guide to support landlords in meeting their legislative requirements but are keen to understand if there are other mechanisms to better communicate with landlords.

39. Finally, we want to understand if there are any other voluntary or intermediate measures that could be implemented to improve redress for tenants in the private rented sector ahead of any legislative changes.

### **Consultation Questions**

**Q22: Should the requirement for private landlords to belong to a redress scheme apply to all private landlords?**

- Yes
- No – it should only apply to landlords that don't use an agent to provide full management services
- Don't know

**Q23: Who is best placed to provide a redress scheme for private landlords?**

- The existing redress schemes in the private rented sector
- The tenancy deposit schemes
- A new ombudsman, such as a single housing ombudsman
- Other [please explain]

**Q24: How should redress scheme membership for private landlords be costed?**

- A flat rate (and how much do you think it should cost )
- A tiered system according to the number of properties a landlord lets
- A pay per complaint system

- Don't know/This question isn't relevant to me

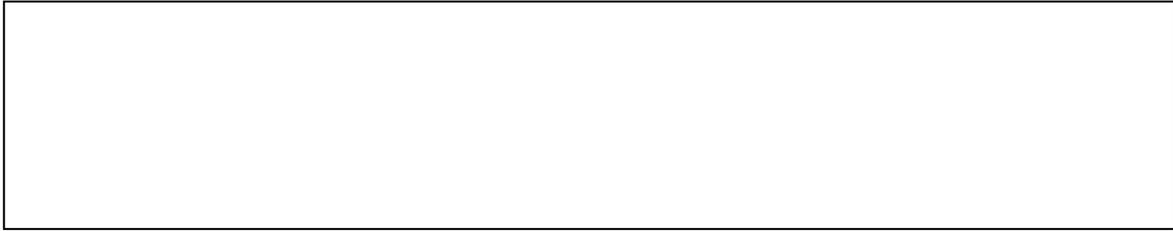
**Q25: How should the requirement to be a member of a redress scheme be enforced and by whom? And are there any other markets we can learn from in order to ensure compliance by a large number of small scale providers?**

**Q26: What should the penalty for initial non-compliance be? If a financial penalty, what would be an appropriate level of fine? (tick as many as appropriate)**

- Financial penalty [please give details on suggested level of fine in the box below]
- Criminal offence
- Banning order
- Loss of right to evict tenants under Section 21
- Civil sanction such as improvement notices or enforcement notices
- Other [Please explain]
- Don't know/This question isn't relevant to me

**Q27: How can Government best ensure that landlords are aware of their requirement to belong to a redress scheme?**

**Q28: Are there any other voluntary or medium term measures that could be implemented to improve redress for tenants in the private rented sector ahead of any legislative changes?**



## Leaseholders

40. The Government's response to the consultation on 'Tackling unfair practices in the leasehold market' set out a number of steps to tackle abuses in the sector. We have also recently conducted a call for evidence to explore where managing agents, and potentially freeholders, should be subject to regulation. This may include a requirement to sign up to a code of practice.
41. Here we want to consider the particular issue of redress. Many leaseholders will have access to redress where a managing agent is employed by the freeholder, and the complaint relates to services they are responsible for delivering. However, freeholders are under no obligation to belong to a redress scheme, where there is no managing agent, or where there is a problem with services provided directly by the freeholder. In such cases leaseholders may have no access to redress other than through the courts.
42. We want to explore whether freeholders of leasehold properties should all be required to sign up to a redress scheme.

### **Consultation Questions**

**Q29: Do you think that freeholders of leasehold properties should all be required to sign up to a redress scheme?**

- Yes
- No
- Not sure

## 6. Creating a single housing ombudsman service

43. The reforms to individual redress schemes that we have identified above could go some way to addressing the problems that stem from fragmentation in the housing redress market. However, we want to consider whether there is a need to go further.
44. We have heard concerns that there is a lack of public awareness and some confusion about which are the right organisations for consumers to approach to seek redress. For example, Ombudsman Services: Property's recent decision to withdraw from the market was in recognition of the need to streamline service provision and reduce consumer detriment.
45. This consultation will help us better understand the position in the housing sector. There is a risk in the current system that, despite best efforts of existing redress schemes, there are times when issues might fall through the gaps. This makes it harder to deliver a seamless service.
46. In other markets, such as financial services, a single ombudsman scheme operates. This has the potential not only to create a stronger brand, giving consumers a clearer sense of where to go, but also to help ombudsmen more effectively drive service improvements. This option could potentially enable data to be aggregated and trends to be more easily spotted. Efficiencies may also be possible to achieve, and could potentially make it more cost effective to fill any gaps in the system.
47. There are a number of approaches that Government could take, and which we are keen to test through this consultation:
- **A Single Housing Ombudsman** – primary legislation would ultimately be required to create an entirely new organisation to combine most of the existing housing redress functions, and potentially also new functions where there are currently gaps, into a single body
  - **A 'Single Front Door' with greater standardisation of practices** – a single ombudsman service portal through which all housing-related complaints could be channelled. Consumers would only need to engage with one front-of-house organisation, but the operation and process of complaints by existing redress schemes could continue in the background. Within this, Government could seek to standardise practices where appropriate to minimise confusion and drive best practice
  - **Consolidation** – in the absence of creating one single ombudsman there could be a case for rationalising the existing schemes. For example this might include retaining one ombudsman for the social rented sector with another single service for the private rented sector, leasehold and estate agents. Services could be standardised where possible and appropriate.

48. Not all of these options will necessarily be mutually exclusive and a combination of some or all of these may offer additional benefits over time. We therefore want to understand which of these options could be most effective, which areas of redress should be incorporated and whether there are other options or combinations of options we should be considering.

### **Consultation Questions**

**Q30: Should we streamline redress provision in housing, and if so, what would be the most effective model? Please explain below what you see as the benefits and challenges of the options.**

- Yes - One single ombudsman scheme covering housing issues
- Yes - One ombudsman portal for housing related complaints
- Yes - One ombudsman for private housing and another for social housing
- Yes - One ombudsman for each sector of the housing market (e.g. one for home buying, one for new build homes, one for private rented sector, one for the social sector, one for leaseholders)
- No
- Other [please list]

**Please provide details and explanation**

**Q31: If you ticked 'Yes' to one ombudsman or one portal above then which areas of redress should be incorporated? [Please tick any areas you believe should be included and explain any reasons for inclusion or exclusion]**

- Social housing tenants
- Private rented sector tenants
- Leaseholders with a private sector freeholder
- Leaseholders with a social housing provider as freeholder
- Purchasers who have bought a new build home
- Purchasers and sellers of existing homes
- Park home owners
- Persons approaching their Local Authority for homelessness advice
- Persons applying to a Local Authority for social housing
- Persons applying for a tenancy with a housing association
- Other [Please Identify]

# 7. Consultation questions

*You do not need to answer all the questions provided; please only respond to questions that are relevant to you.*

## **About You**

### **Q1: Are you responding (please tick one)**

- As a private individual
- On behalf of an organisation

### **Q2: If you are an individual, in which capacity are you completing these questions? (please tick one)**

- A tenant of social housing
- A tenant in the private rented sector
- A landlord in the private rented sector
- A leaseholder
- A freeholder
- A person that has recently bought a new home
- A person approaching their Local Authority for homelessness advice
- Other (please specify)

### **Q3: If you are an organisation, which of the following best describes you?**

- A housing association private registered provider
- A Local Authority registered provider
- A Local Authority that is not a provider
- An Ombudsman or redress scheme
- A developer
- A private rented sector landlord
- A private leasehold landlord organisation
- A managing agent
- A letting agent
- An estate agent
- A sector representative body
- A charity dealing with housing issues
- A government body
- A private business
- Other (please specify)

### **Q4: Have you ever made a complaint relating to the renting, selling or purchasing of your property, or relating to the management or maintenance of a property in which you are a renter or leaseholder?**

- Yes
- No, but I know how to make a complaint.
- No, and I do not know how to make a complaint.

**If no move to question 9**

**Q5: If you have complained about the renting, management, selling or purchasing of your property, who did you complain to? (Tick all that apply)**

- Estate Agent
- Managing Agent (Leasehold)
- Letting Agent
- Landlord
- Freeholder
- Developer
- Redress scheme
- Charity (e.g. Citizens Advice, Shelter)
- Politician – local or national
- Other [please list]

**Q6: Have you used any of the following housing redress schemes (as a consumer or organisation) in the past five years? (tick the one that you used most recently) If not move to question 9**

- The Housing Ombudsman
- The Property Ombudsman
- Ombudsman Services: Property
- The Property Redress Scheme
- The Consumer Code (Independent Dispute Resolution Service)
- Local Government and Social Care Ombudsman (only regarding its housing-related functions)
- Other [Please identify]

**Q7: If you answered Q6, how would you rate the service that you received out of 10? (With 1 being very poor and 10 being exceptional) Please give details – for example how helpful was the organisation at resolving the problem.**

**Q8: What do you consider to be the main problem with redress in the housing market, if any (tick up to three):**

- There is no problem
- It is not clear how to raise a complaint
- It is not clear who to raise a complaint with
- There are gaps in redress
- Schemes are inconsistent in the way that they handle complaints
- It takes too long to get a decision or a complaint resolved
- It is expensive
- Complaints are not handled fairly
- Not everyone has the same access to redress
- When decisions are made they are not enforced
- Worried about the consequences of complaining
- Overlap between schemes
- Other [please explain]

**Q9: Which solutions below do you think would best improve redress in the housing sector (please pick up to three)**

- Better awareness from consumers of how to raise complaints
- Improvements to the working of existing redress schemes e.g. more timely complaint handling
- Better enforcement of redress scheme decisions
- Schemes all operating to the same criteria standards
- A code of practice for all housing providers (e.g. landlords, agents, housing associations, developers) on complaints handling
- Streamlined redress provision in housing (see question 30)
- Other [please explain]

**Q10: Could more be done to improve in house complaint handling for housing consumers?**

- Yes [please explain]
- No
- Not sure

**Q11: Are there common practices that housing consumers and businesses should be able to expect from a redress scheme, or do different sectors in housing require different practices?**

- Yes - there should be common practices for consumers
- No – different sectors require different practices
- Not sure

**Q12: If you believe there should be common practices that consumers should be able to expect from a housing redress scheme, what should they include? (pick as many as relevant)**

- Rules relating to the types of issues consumers can complain about
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- Policies to support awareness raising
- Timeliness of complaint handling
- Cost to consumers
- Compensation levels
- Codes of practice specific to the sector
- Cost to members payment structures
- Transparency of decisions
- All apply
- Other [please explain]

**Q13: Do you think that a redress scheme should publish decisions and the number of complaints relating to different providers? Please explain why.**

- Yes
- No
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**Q14: What is a reasonable time frame for a redress scheme to deal with a complaint?**

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- Referral to enforcement agent regulators
- A range of options depending on the type and size of provider
- Other [please list]

**Q17: Have you encountered any gaps between different issues, ombudsmen and redress schemes in terms of their areas of responsibility?**

- Yes [please explain]
- No
- Not sure

**Q18: Should purchasers of new build homes have access to an ombudsman scheme?**

- Yes
- No
- Not sure

**If you have answered no, please go to Question 21.**

**Q19: Is there an existing ombudsman scheme that is best placed to deliver this? If so which?**

**Q20: Should this body be statutory?**

- Yes
- No
- Not sure

**Q21: Aside from the issues discussed in section three of this document, are there other things we should be considering to ensure that complaints are dealt with swiftly and effectively by homebuilders?**

**Q22: Should the requirement for private landlords to belong to a redress scheme apply to all private landlords?**

- Yes
- No – it should only apply to landlords that don't use an agent to provide full management services
- Don't know

**Q23: Who is best placed to provide a redress scheme for private landlords?**

- The existing redress schemes in the private rented sector
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**Q24: How should redress scheme membership for private landlords be costed?**

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- Don't know/This question isn't relevant to me

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**Q26: What should the penalty for initial non-compliance be? If a financial penalty, what would be an appropriate level of fine? (tick as many as appropriate)**

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- Banning order
- Loss of right to evict tenants under Section 21
- Civil sanction such as improvement notices or enforcement notices
- Other [Please explain]
- Don't know/This question isn't relevant to me

**Q27: How can Government best ensure that landlords are aware of their requirement to belong to a redress scheme?**

**Q28: Are there any other voluntary or medium term measures that could be implemented to improve redress for tenants in the private rented sector ahead of any legislative changes?**

**Q29: Do you think that freeholders of leasehold properties should all be required to sign up to a redress scheme?**

- Yes
- No
- Not sure

**Q30: Should we streamline redress provision in housing, and if so, what would be the most effective model? Please explain below what you see as the benefits and challenges of the options.**

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- No
- Other [please list]

**Please provide details and explanation**

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- Private rented sector tenants

- Leaseholders with a private sector freeholder
- Leaseholders with a social housing provider as freeholder
- Purchasers who have bought a new build home
- Purchasers and sellers of existing homes
- Park home owners
- Persons approaching their Local Authority for homelessness advice
- Persons applying to a local authority for social housing
- Persons applying for a tenancy with a housing association
- Other [Please Identify]

# Annex A - Glossary of terms

**Alternative Dispute Resolution (ADR):** A process for people to resolve disputes, which can be a cheaper and quicker alternative to the courts. Some of the ways a complaint can be handled are:

- **Arbitration:** A binding process where an independent third party evaluates a dispute and decides how it should be resolved. It is not generally possible to take cases to court once they have been arbitrated upon.
- **Adjudication:** Similar to arbitration, but it is generally possible to take cases to court after they have been adjudicated upon.
- **Mediation or conciliation:** An independent third party helps the disputing parties to come to a mutually acceptable outcome.

**Code of practice:** A set of written rules which explains how people working in a particular profession should behave.

**Consumer Code for Home Builders:** A voluntary code of practice developed by the home-building industry and adopted by some home builders. The Consumer Code Independent Resolution Scheme provides ADR for Consumer Code members.

**Consumer Code Independent Resolution Service:** A home buyer can refer their complaint to the Independent Dispute Resolution Scheme after 56 calendar days have passed since first raising it with the home builder and no later than 12 months after the home builder's final response. The Independent Dispute Resolution Scheme is run by CEDR Ltd, the Centre for Effective Dispute Resolution.

**Estate agent:** A person who carries out estate agency work as defined in section 1(1) of the Estate Agents Act 1979.

**Freehold:** The freehold interest in land is a title in property that can be held in England and Wales. In practice, a residential freehold interest applies to the outright ownership of land or property for an unlimited period and applies to the majority of houses.

**Freeholder:** A person or organisation who owns the property and the land on which it stands for an unlimited period (the freehold).

**Landlord:** Either: in the private rented sector, the owner of a property who lets it to one or more tenants or, in the leasehold sector, the owner of the freehold (or superior leasehold interest), who may also be called the lessor or freeholder.

**Leasehold:** A long leasehold is a form of property ownership normally used for flats that is simply a long tenancy, providing the right to occupation and use for a long period – the 'term' of the lease. This can be a period of over 21 years and the lease can be bought and sold during this term.

**Leaseholder:** A person who buys a leasehold property on a lease.

**Letting agent:** A person or company who is engaged by a private landlord to let rented homes on their behalf. A letting agent may also perform management duties on behalf of a landlord.

**Managing agent:** A person or company appointed by the owner (or someone operating on their behalf) to manage that property, and their role may include, for instance repairs and maintenance. Managing agents operate in both the private rented and leasehold sectors.

**Ombudsman Association:** The Ombudsman Association is a professional association for ombudsmen and complaint handlers but is not a complaint-handling body. Its members have to fulfil certain criteria for membership. The association has no role in the internal working of member schemes nor any influence or jurisdiction over them.

**Ombudsman schemes:** Independent third parties who provide ADR. Generally, to describe itself as an 'ombudsman' a redress scheme needs to be either a statutory complaints organisation, or a non-statutory body certified as a provider of ADR and holding ombudsman-level membership of the Ombudsman Association.

**Ombudsman Services: Property (OS:P):** A private sector, not for profit, ombudsman scheme for property agents in sales, lettings and leasehold management, as well as for chartered surveyors. The scheme is authorised by the Ministry of Housing, Communities and Local Government, the National Trading Standards Estate Agency Team and the Chartered Trading Standards Institute to provide Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015. OS:P is a full member of the [Ombudsman Association](#). It recently announced that it proposes to end its current arrangements in the property redress market in recognition of the need to streamline service provision and reduce consumer detriment. OS: P will continue to provide redress services to current members and their tenants until 6 August 2018 and will continue its enquiries functions until the end of 2018.

**Property agent:** A generic term for estate, letting and managing agents.

**Property Redress Scheme:** A private sector, not for profit, consumer redress scheme for property agents in sales, lettings and leasehold management. The scheme is authorised by the Ministry of Housing, Communities and Local Government, the National Trading Standards Estate Agency Team and the Chartered Trading Standards Institute to provide Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015.

**Redress schemes:** These are independent third parties who provide alternative dispute resolution (ADR) to remedy a complaint. However, a redress scheme is not necessarily an accredited ADR body and may not meet the membership criteria of the Ombudsman Association.

**Tenant:** A person who occupies land or property rented from a landlord.

**The Property Ombudsman (TPO):** A private sector, not for profit, ombudsman scheme for property agents in sales, lettings and leasehold management. The scheme is authorised by the Ministry of Housing, Communities and Local Government, National Trading Standards Estate Agency Team and the Chartered Trading Standards Institute to provide Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015. TPO

is a full member of the [Ombudsman Association](#) and has adopted the Association's [Service Standards Framework](#) (which sets out best practice for ombudsmen schemes).

**Local Government and Social Care Ombudsman:** Handles complaints about **councils** and some other organisations that provide local public services. It deals with complaints about councils' wider housing functions, including homelessness and housing allocations. Complaints about councils' role as social landlords, including repairs and maintenance, are handled by the Housing Ombudsman.

**The Housing Ombudsman Scheme:** Approved by the Secretary of State under Section 51 of, and Schedule 2 to, the Housing Act 1996. Membership of the Scheme is compulsory for social landlords (primarily housing associations who are or have been registered with the social housing regulator) and local authority landlords. A number of managing agents and private landlords are voluntary members.

**Regulator of Social Housing:** Is an independent regulator responsible for the regulation of registered providers of social housing. It sets the Economic and Consumer Standards that registered providers are required to meet. The Regulator proactively regulates private registered providers on their Economic Standards, but can only monitor and enforce the Consumer Standards on a reactive basis. It will only intervene on failures to comply with Consumer Standards where they have caused (or could cause) serious harm to tenants.

# Annex B - Personal data

The data protection legislation is changing and a new Data Protection Act will be published in May 2018. It will give you greater powers to protect your own privacy, and place greater responsibility on those processing your data for any purpose. The following is to explain your rights and give you the information you will be entitled to under the new Act. Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

## ***The identity of the data controller and contact details of our Data Protection Officer***

The Ministry of Housing, Communities and Local Government (MHCLG) is the data controller. The Data Protection Officer can be contacted at [dataprotection\\_communities.gsi.gov.uk](mailto:dataprotection_communities.gsi.gov.uk)

## ***Why we are collecting the data***

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

## ***Legal basis for processing the data***

Part 2 of the draft Data Protection Bill (subject to change before it becomes an Act) states that as a government department, MHCLG may process personal data is necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

## ***With whom we will be sharing the data***

We will not be sharing personal data outside of the MHCLG.

## ***For how long we will keep the personal data, or criteria used to determine the retention period.***

Your personal data will be deleted in accordance with our records retention and deletion policy which can be found on our website.

<https://www.gov.uk/government/publications/departmental-records-retention-and-disposals-policy>

## ***Your rights, e.g. access, rectification, erasure***

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right:

- a. to see what data we have about you
- b. to ask us to stop using your data, but keep it on record
- c. to have all or some of your data deleted or corrected
- d. to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk>, or telephone 0303 123 1113.

***MHCLG will not send your personal data overseas.***

However, you may wish to be aware that Survey Monkey stores all data on its servers in the USA. Survey Monkey are certified under the EU-US Privacy Shield Programme which we consider to be adequate to protect the type of personal data we need from you to respond to this consultation. More information can be found on their website at [https://help.surveymonkey.com/articles/en\\_US/kb/I-am-in-Europe-How-do-SurveyMonkey-s-privacy-practices-comply-with-laws-in-the-EU](https://help.surveymonkey.com/articles/en_US/kb/I-am-in-Europe-How-do-SurveyMonkey-s-privacy-practices-comply-with-laws-in-the-EU)

***This data will not be used for any automated decision making.***

**This data will be stored in a secure government IT system.**

# Annex C - About this consultation

This consultation document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Ministry.

Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed the Consultation Principles? If not or you have any other observations about how we can improve the process please contact us via the [complaints procedure](#).

## **ITEM 6.2: HOUSING GREEN PAPER: ARCH RESPONSE**

### **1. Purpose of report**

- 1.1 To seek the views and comments of the ARCH Tenant Group on a draft position paper "*Social housing we can all be proud of*" (attached at **Appendix 1** to this report) which sets out a number of key points and recommendations that we expect the forthcoming Social Housing Green Paper to address as a basis for an ARCH response to the Green Paper.

### **2. Background**

- 2.1 Following the Grenfell Tower fire in June last year, Communities Secretary Sajid Javid, speaking at the National Housing Federation (NHF) Conference in Birmingham on 19 September, announced the government's intention to bring forward a Housing Green Paper on social housing in England – a wide ranging, top-to-bottom review of the issues facing the sector, the Secretary of State promises it will be the most substantial report of its kind for a generation.

- 2.2 He promised that the Housing Green Paper "will kick off a nationwide conversation on social housing" and among the questions to be addressed in the Green Paper will be:

- What works and what doesn't work?
- What has gone right and what has gone wrong?
- Why things have gone wrong and – most importantly – how to fix them?

- 2.4 The Green Paper will also look at wider issues of place, community, and the local economy and issues such as:

- How can social landlords help to create places that people really want to live in, places where roses can grow?
- What role can social housing policy play in building safe and integrated communities, where people from different backgrounds get along no matter what type of housing they live in?
- How do we maximise the benefits for social housing for the local, regional and national economy as part of our Industrial Strategy?
- What more can we do to help tackle homelessness?

- What support is needed for leaseholders who have a social landlord?
  - What can be done to tackle illegal sub-letting, not just chasing down offenders but dealing with the cause of the problem in the first place?
- 2.5 He also said that, at the heart of it all, it will address how government, local government, social housing providers and others work together to get more of the right homes built in the right places.
- 2.6 Although no formal timetable has been announced, the government's Social Housing Green Paper is expected to be published in the Spring of 2018 and, as discussed at the last ARCH Board meeting, ARCH will need to prepare its response to the issues expected to be included in the Green Paper in order to influence future policy on social housing and council housing in particular.
- 2.7 To this end we have produced the attached paper which we have given the working title "*Social housing we can all be proud of*" (**Appendix 1 to this report**), setting out a number of key points and recommendations that we expect the Social Housing Green Paper to address, identifying **the need for social housing** and what we would expect the government to do in three main policy areas by:
- **backing councils to build**
  - **investing in council housing;** and
  - **ensuring tenants have a stronger voice.**
- The intention is to develop this paper into an ARCH position statement which, with the Board's approval, it would be intended to publish in advance of the Housing Green Paper to help influence the shape and direction of social housing policy and feed into the wide ranging debate we expect will follow.
- 2.8 In order to finalise this paper we want to ensure that ARCH members have the opportunity to contribute to the debate and we have therefore sought members' views on the paper via the ARCH Bulletin and will feed any responses into a report for the ARCH Board on 9 April.
- 2.9 The views of the ARCH Tenant Group are key and the purpose of this report and the accompanying workshop session is to seek the Group's views on the paper as it stands (strengths /weaknesses/ errors /omissions /key "asks" etc.) in order to feed into the ARCH Board and inform an ARCH position in advance of the Housing Green Paper.

### **3. Other reviews**

- 3.1 In addition to the Government's Social Housing Green Paper a number of other organisations have launched their own reviews into the future of social housing including:
- The Labour Party
  - Shelter
  - The Chartered Institute of Housing (CIH)
- 3.2 The review by the CIH is entitled "Rethinking social housing" and the project was launched to examine some fundamental questions about the role and purpose of social housing at a crucial time for the sector.
- 3.3 As part of its review, CIH wants people that live, work or otherwise have an interest in social housing to take part in a new workshop which gives people the chance to explore these key questions.
- 3.4 To assist the ARCH Tenant Group to formulate its response to the issues expected to be included in the Housing Green Paper and inform an ARCH response, the Tenant Group will be asked to dedicate part of its meeting on 26 March to a workshop session on the future of social housing.
- 3.5 The workshop will last no longer than an hour and a half and is an informal group exercise that allows you to get involved in brainstorming the answers to a series of questions.

#### **4 Recommendation**

- 4.1 The ARCH Tenant Group is asked to take part in the CIH "Rethinking social housing" workshop & consider the draft ARCH position paper "Social Housing we can all be proud of" and to feed their views into the ARCH Executive Board at its meeting on 9 April to help inform an ARCH response to the forthcoming Social Housing Green Paper.

**Report Author: John Bibby**

#### **Appendices:**

- Appendix 1: ARCH draft position statement: *Social housing we can all be proud of*

## Social Housing We Can All Be Proud Of

### ARCH's views on the future of social housing

#### Introduction

1. The Association of Retained Council Housing (ARCH) represents councils in England and Wales that own and manage housing. There are 165 councils in England owning over 1.6 million homes. Around three quarters of these councils manage these homes directly; in the others the stock is managed by an ALMO (Arms Length Management Organisation).
2. One important and necessary consequence of the Grenfell Tower tragedy has been a widening public debate on the future of social housing. The Government has announced the forthcoming publication of a Social Housing Green Paper. The Labour Party has launched its own review of social housing policy, as have Shelter and the Chartered Institute of Housing. This paper is ARCH's initial contribution to the debate.
3. In announcing the Social Housing Green Paper in a speech on 19 September 2017 Secretary of State Sajid Javid referred back to the 1950s, when:

“Living in social housing carried no stigma, no shame, quite the opposite, in fact. For many, it was seen the gold standard for accommodation, not a final safety net for the desperate and destitute but something you could genuinely aspire to, housing you would actively choose to live in; and as a country we were all rightly proud of it”,

and he said:

“We need to return to the time, not so very long ago, when social housing was valued. It was treasured. Something we could all be proud of whether we lived in it or not. I know that's exactly what many of you in the sector have been trying to achieve for many, many years. Well, I'm proud to stand here today and say that you have a Secretary of State who's totally committed to the cause.”

4. Social housing we can all be proud of is an ambition ARCH is proud to share and we want to work with this and any future government to make it a reality. In this paper we set out how we think it can be achieved.

## Key Points and Recommendations

### The need for social housing

- The housing market is broken. Not enough new homes have been built for too many years. The Government's ambition of 300,000 new homes a year, announced in the 2017 Budget, should be regarded as a minimum requirement.
- There is a particular need for more social rented homes open to households on lower incomes who cannot afford to buy or rent privately. At least 100,000 new homes a year should be for social rent.
- Current definitions of affordable housing include both intermediate housing such as starter homes, shared ownership or rent-to-buy as well as housing provided at below-market "affordable" or social rents. "Intermediate" housing provided by councils and housing associations should be treated as additional to the target of 100,000 homes for social rent.
- The mix of market, intermediate and housing for social or affordable rent required in different areas varies widely; local authorities should be tasked to plan for the right mix to meet local needs.
- In areas where market rents are high, "affordable" rents (i.e. defined as up to 80% of market rates) are not affordable by the majority of those in need of social housing; each local authority should be tasked to ensure that the rents charged on social housing in their area are genuinely affordable by the tenants it is provided for.

### Backing councils to build

- The target of at least 300,000 new homes a year will not be reached without councils taking the lead in enabling development and, more importantly, by taking a much bigger role in direct provision than they have done since the 1980s.
- Councils are responsible for ensuring that all housing needs in their areas are met, not only the need for social housing. Consequently, council involvement in house-building is not confined to the provision of homes for social rent; increasingly, they are involved, normally through partnerships of various kinds, or through local housing companies, in the provision of new homes for sale, shared ownership and market rent.
- The number of local housing companies, including partnerships and wholly-owned companies, has risen rapidly over the past 5 years, and around 200 are now thought to be operation. However, most are, as yet, operating on a relatively small scale and have completed relatively few new homes. The Smith Institute estimates that they could have the capacity, once fully operational, to deliver 10-15,000 homes a year.
- Councils that have retained their council housing have, in addition, unique potential to expand house-building using the financial strength of their Housing Revenue Accounts (HRAs).
- The HRA self-financing settlement, which took effect in April 2012 with broad cross party support should have enabled the 165 councils with housing to maintain their existing stock to Decent Homes standard and build around 20,000 new homes a year for 30 years. These reforms were intended to endure for the long term, enabling council landlords to plan for the long term through the development of robust and sustainable 30 year housing business

plans. However this potential has been undermined by subsequent Government decisions.

- To restore the full potential of the original settlement the Government should:
  - Lift HRA debt caps to give all councils the scope to borrow up to the level they can safely expect to repay from rental income (the prudential limit);
  - Allow councils to retain the receipts from selling any of their housing assets, including those sold under the statutory Right to Buy, in order to re-invest them in improving the existing stock or building new homes;
  - Scrap the mandatory 1% rent cuts planned for 2018/19 and 2019/20 and extend the period covered by the new rent policy of CPI + 1% to ten years from 2018;
  - Consider whether to reimburse councils for the loss of rental income since April 2016 by a one-off payment to reduce HRA debt, or freedom for councils to increase rents by more than CPI + 1% to the level they would have reached but for the rent cuts;
  - Give councils explicit powers to build for sale and market rent within the HRA, to help cross-subsidise the provision of homes for social rent;
  - Scrap plans to introduce a levy on Higher Value Assets;
  - Review the statutory Right to Buy and the arrangements for “one for one” replacement of homes sold under the Right to Buy.

### **Investing in council housing**

- The original self-financing settlement was designed to ensure that all councils would be able to bring their stock up to the Decent Homes standard and keep it there, allowing for planned replacement of key elements such as windows and roofs. Many councils planned to do more, often to improve thermal insulation and reduce energy consumption, adopting and planning to meet locally agreed standards higher than the Decent Homes Standard. In many cases, the rent cuts have forced these plans to be cut back or deferred.
- The findings of the Grenfell Public Inquiry and the Independent Review of Building Regulations and Fire Safety, when published, are likely to point to the need for significant investment both within dwellings and in common parts to provide an absolute guarantee of fire safety. In parallel, substantial improvement to the energy efficiency of the stock is essential if the UK is to meet its targets for reducing carbon emissions and provide affordable warmth for tenants. In returning to the original principles of the HRA self-financing settlement, the Government should be expected to ensure that councils have the resources to meet all these needs for investment in the existing council stock.

### **Review of the statutory Right to Buy**

- In announcing the Social Housing Green Paper the Secretary of State promised that the Green Paper “would be the most substantial report of its kind for a generation” and promised “a wide-ranging, top-to-bottom review of the issues facing the sector”. Many ARCH member councils support the Right to Buy; others don’t. However, it would be wrong to conduct a “wide ranging, top to bottom review” of social housing without including a comprehensive review of the Right to Buy and its impact, particularly at a time when other devolved governments in the United Kingdom in Wales and Scotland have undertaken

similar reviews. All ARCH members can agree that the review should ensure workable arrangements for at least one-for-one replacement of homes sold.

### **Giving tenants a stronger voice**

- Social housing tenants need a stronger voice in how their homes are managed, both in shaping policy and planned maintenance or improvements, and, when they complain when things go wrong, in getting prompt and effective responses & redress from their landlord.
- Councils are expected to follow the Tenant Involvement and Empowerment (TIE) Standard set by the Social Housing Regulator. The requirements of the Standard are clear and comprehensive, and describe well what a good landlord should strive to do, but there is no systematic evidence to show how well landlords are performing against the Standard or allow tenants and their landlords to compare their performance with others across the sector.
- ARCH remains committed to the principles of co-regulation. We do not see a major extension of the powers of the Regulator as the answer but would like to see steps that will improve transparency and strengthen the capacity of landlords to compare their performance with others and encourage sharing of experience and exchange of good practice, and enable tenants and their representatives to do the same. These should include investment in developing good practice in handling and responding to complaints and in particular in the use of complaints procedures to identifying service failures and improving services would bring dividends. There is a potential role for an appropriately funded regulator in promoting, disseminating and monitoring such good practice.
- Consideration should be given to a requirement on all social landlords to undertake and publish the outcome of an annual survey of tenant satisfaction along the lines of the HouseMark “Star” survey and to report the outcome of such surveys to the Regulator for national publication.
- A renewed focus on the landlord’s responsibility under the TIE Standard (paragraph 2.1.2) to report publicly on the number and nature of complaints received, and how they have been used to improve performance, may help improve organisational focus on learning from complaints. A requirement on all landlords to report annually to the housing regulator on the issues raised by tenants and how their landlord has responded might also be useful and would enable the regulator to identify issues of concern and consider support and intervention where necessary.
- ARCH supports the call from the major national tenant organisations for reinstatement of a “National Tenant Voice” at the heart of government policy making; the form & nature of which should be subject to wide consultation with tenants and social landlords.

## The Need for Social Housing

5. The Government's Housing White Paper acknowledges that the housing market is broken and no-one disagrees. Not enough new homes have been built for too many years. This chronic shortage of housing has helped to drive up house prices and market rents across the country, putting home ownership out of reach for four out of five newly forming households. Rising homelessness is further evidence of a particular lack of secure and affordable accommodation.
6. The Government's 2012 housing strategy said that current household projections showed a demand for 232,000 extra homes each year over the next 20 years. Respected forecaster Alan Holmans carried out an appraisal of housing need that took account of these projections, loss of stock and other factors<sup>1</sup>. He concluded that an average output of 252,000 new homes would be needed annually over the period of 2026, of which 169,000 should be market housing (both for sale and rent) and 83,000 should be for social rent. A 2008 appraisal for the then Government suggested a minimum annual target of 231,000 with a possible need to build up to 297,000<sup>2</sup>. However, the failure of housing supply to come anywhere close to these numbers for more than a decade is evidence of a growing backlog in unmet need. In the four years from 2009 to 2013, average annual completions in England were only 111,000 compared with an average of 152,000 in the previous four years. Output has slowly increased since 2013 and is now averaging between 150,000 and 160,000 a year, but taking the last decade as a whole, over a million fewer new homes were built than were needed. Against this background, the target of 300,000 homes a year announced by the Government in the 2017 Budget should be regarded as a minimum requirement.
7. There is a particular shortage of social rented housing. The number of council-owned homes has declined by over 2million from 3.67million homes in 1994 to 1.6 million in 2017. Despite a parallel growth in the number of homes owned by housing associations, the overall stock of social housing has decreased from 4.39 million in 1997 to 4.12 million.
8. The total number of social lettings by local authorities and housing associations reached its lowest level for 10 years in 2016/17. Annual lettings by local authorities declined by 9% on the previous year to 103,000 and housing association lettings declined by 11% to 231,000. Partly in consequence, there were 1.16 million households on local authority waiting lists in April 2017, and as at 30 September 2017 there were 79,190 homeless households living in temporary accommodation – including 121,360 children or expected children.
9. There is a strong economic case for investing in social housing. Research commissioned from Capital Economics by a coalition of housing organisations including ARCH in 2015, updated in 2016 to reflect the potential impact of Brexit, shows that investment in social housing would bring substantial long-term savings to the Exchequer in reduced spending on benefits<sup>3</sup>.
10. Holmans estimated that around a third of the new homes provided should be social rented housing, by which he meant homes provided by council or housing associations at rents set in accordance with the formula adopted by the Labour government in 2001, now often referred to as "social rent" and typically ranging from 50% to 70% of market rent, but with marked regional and local variation. He did not attempt to estimate what fraction of the households for whom these homes were intended could afford the higher "affordable" rents, of up to 80% of market rents, charged on new homes provided through the Affordable Housing Programme since 2010, although it is likely to be a minority. This implies that, of the 300,000 new homes we aim to provide each year, 100,000 should be provided by councils or housing associations for social or affordable rent.
11. Holmans made no separate estimate of the demand for "intermediate" housing, such as shared ownership, for households with incomes high enough to pay market rents but with an inability to raise a deposit to buy outright. If, as at present, councils and housing associations build for shared ownership or other low-cost home ownership initiatives, or for market sale or rent, these homes should be counted as additional to the supply of social rented homes that are needed.

The number of affordable homes needed, in the broad sense of “affordable” used in the Housing and Planning Act 2016, and elsewhere, which embraces starter homes for discounted sale, shared ownership and rent-to-buy alongside homes for social and affordable rent, is more than a third of the annual requirement – more than 100,000 a year.

12. These are national estimates; it is clear that the proportion of affordable homes needed varies widely in different parts of England, and within the different categories of affordable homes the relative demand for social and affordable rent and for intermediate products such as shared ownership will vary. In Greater Manchester the councils have estimated that, although the social housing stock needs substantial investment to improve its quality, there is no need for a net increase in the number of social rented homes. In parts of the Midlands and North of England, where market rents are lower, social and affordable rents are not far apart, and either is accessible by prospective tenants on low incomes. In London, the position is again different, the gap between “affordable” rents at up to 80% of market rates, and social rents can easily be £100 per week, putting Affordable Rents far out of the reach of many lower income working households. We would argue that each local housing authority should be tasked to base its plan for new housing in the area on an assessment that treats the demand for each of the relevant types of affordable housing separately, recognizing that they are not interchangeable categories.

### Backing councils to build

13. New home completions have not exceeded 300,000 in any year since 1972/73, when 300,250 were completed, of which 90,550 were built by local authorities. The fall in output since that time is largely attributable to the decline of council house-building. Annual construction of private homes for sale has not passed 200,000 a year since the 1960s, and has averaged around 120,000 a year since the 1970s. Housing association output has never passed 40,000 homes a year. This strongly suggests that the new target of 300,000 new homes will not be achieved without councils playing a much larger role – a conclusion that is reflected both in the Government’s Housing White Paper of 2017 and by the Labour Party in its proposal for a new programme of council house-building.
14. Councils can do more both by taking the lead in enabling development and by taking a much bigger role in direct provision than they have done since the 1980s. There is a case for all councils to start building again; there are particularly strong arguments for the 165 English councils which still own council housing to do more. Many are already building on a small scale or have begun to develop the skills and capacity needed to run new-build programmes and there is significant scope to provide additional homes by making more intensive use or redevelopment of land already occupied by council housing. Most importantly, the national stock of 1.6 million council homes yields an annual rental income of £9.5 billion, which provides an important resource that could be made available to support part of the cost of providing new council housing, supplemented of course by the additional rental income from any new council housing. But there are obstacles, in part created by Government policy and legislation, which need to be removed if councils are to fulfil their full potential.
15. Councils are not only responsible for meeting the need for social housing in their areas, but for ensuring that all housing needs in their areas are met. Consequently, council involvement in house-building is not confined to the provision of homes for social rent. Increasingly, councils are involved, normally through partnerships of various kinds, or local housing companies, in the provision of new homes for sale, shared ownership and market rent.

16. Partnership arrangements come in a variety of forms, usually involving a partnership or joint venture between a council and one or more partners, typically a developer and often a housing association, sometimes an institutional investor. These arrangements involve a formal long-term partnership or the establishment of a company in which the council is normally a minority shareholder. This enables the risks and rewards of development to be shared appropriately among the partners, so that the council benefits from any planning gain associated with the development and does not need to rely on s106 or similar arrangements. Homes may be provided for sale, including shared ownership, or letting at market or sub-market rents. If let, they are let on assured tenancies and the right to buy does not apply.
17. The application of this approach is, however, limited by the willingness of private partners to invest in housing development and the rate of return they expect on their investment. Set-up and governance costs associated with special purpose vehicles can be substantial, and the associated legal issues are complex and require specialist advice and support.
18. In an increasingly popular alternative approach, councils have set up arms-length companies they wholly own or control to develop housing for sale or rent, sometimes in conjunction with the development of commercial property. Alternatively, councils with ALMOs have extended their remit to include development of new homes. Housing provided through such arrangements is outside the HRA and, if let, is let on assured tenancies and not subject to the Right to Buy. Such housing development is classed as a trading activity, which means that councils can only do it through a company. However, the set-up and operating costs of such companies can be much lower than a joint venture with a private partner, particularly where the council is the only shareholder. While borrowing by the company counts as public borrowing, and is, in effect, part of the council's borrowing and subject to prudential guidelines, it is not subject to the debt caps imposed on HRA borrowing.
19. The number of local housing companies, including partnerships and wholly-owned companies, has risen rapidly over the past 5 years, and around 200 are now thought to be operation. However, most are, as yet, operating on a relatively small scale and have completed relatively few new homes. The Smith Institute estimate that they have the capacity, once fully operational, to deliver 10-15,000 homes a year. However, these homes should not be seen as replacing the provision of housing for social rent through council HRAs. Only around a third of them are estimated to be for social or "affordable" rent, the rest being a mix of homes for sale and shared ownership, for letting at market rents and for use as temporary accommodation for homeless people. This is partly because companies have been set up in response to a range of housing needs, not only the need for housing at social rent, and partly because most companies are operating without access to grant assistance through the Affordable Housing Programme. This means that the deliverable amount of housing for social rent is limited by the cross-subsidy available from homes for sale or market rent. A few companies have registered as social landlords in order to access the AHP, but many have not wanted to be subject to the requirement to charge affordable rents.
20. Council HRAs provide an additional resource that can be tapped to support the provision of new homes. The self-financing system introduced by the Localism Act in 2012, with the support of Government and Opposition parties in Parliament, gave councils with housing the opportunity to make a substantial contribution to new house-building. As enacted, it devolved long-term planning and investment to councils with housing, whether managed directly or through an ALMO, and, by allowing them to retain rent income in full, provided sufficient resources to bring all homes up to the Decent Homes Standard and build a significant number of new council homes.
21. The settlement incorporated limits on HRA borrowing ("debt caps"), restricting overall local authority housing debt to £29.8 billion. The formula used to calculate each authority's debt cap left most authorities with some "headroom" for new borrowing, although in three out of four authorities this was less than £20 million. 28 authorities had no headroom at all. An ARCH survey in summer 2012 suggested that councils were planning to invest an average of £9000

per unit in their existing stock and build 25,000 new homes by 2018, but could potentially increase output by a further 60,000 homes if borrowing limits were lifted.

22. These reforms were intended to endure for the long term, allowing councils to plan for the long term through robust and sustainable 30-year HRA business plans. However, they have been undermined by subsequent policy decisions by successive governments. The original settlement was premised on the assumption, used by the Government in deciding how much debt each council could afford to take on as part of the settlement, that rents would rise annually by 0.5% above inflation, as measured by the Retail Prices Index, throughout the business plan period of 30 years. However, since April 2012 successive Government decisions have significantly reduced the rental income expected to be available to councils, with corresponding impact on investment, both in the existing stock, and in construction of new homes:

- From April 2012, “reinvigoration” of the Right to Buy with significantly increased discounts led to a sharp increase in Right to Buy sales, currently running at around 15,000 a year; the loss of rent income from homes sold is only partially offset by savings in management and maintenance spending, and arrangements for replacement are not working.
- In June 2013, the Government announced that from April 2015 the rent increase formula would be based, not on the Retail Price Index, but on the Consumer Prices Index plus 1%, and the allowance of an additional £2 per week per unit to achieve convergence with housing association rents ended.
- In July 2015, the Government announced plans, later enacted in the Welfare Reform and Work Act 2016, to reduce council and housing association rents by 1% a year for four years from April 2016. By April 2020 rents will be 10% lower than they were in April 2016
- In October 2017, the Government announced that, from April 2020, local authorities will once again be able to raise rents by CPI + 1% for at least 5 years; however, this implies that rents will remain 10% below where they would have been before the rent reductions were applied.
- Since 2012, successive welfare reforms – the under-occupation charge, benefit cap, and roll-out of Universal Credit – have made it more difficult to collect rent from growing numbers of council tenants. Continuing roll-out of Universal Credit is likely to exacerbate this position.
- The Housing and Planning Act 2016 included provision for a levy to be raised from councils with housing to pay for discounts to housing association tenants exercising their proposed right to buy; the levy would be calculated by reference to the “higher value” stock owned by each council. While no levy will be payable before April 2019 at the earliest, uncertainty about future liabilities continues to blight councils’ investment planning.

23. The 2016 CIH and CIPFA Report *Investing in Council Housing*<sup>4</sup> estimated the cumulative impact of these changes as follows:

“The original self-financing model showed potential capacity for authorities to build more than 550,000 units over 30 years. After taking into account the effects of inflationary changes (i.e. the switch from RPI to CPI) this capacity for building new units reduced to 160,000. ... The effects of the rent reduction mean that the capacity to build drops to just 45,000 units (or 8% of the capacity at the time of the settlement).”

24. Nevertheless, were the original principles of the 2012 self-financing settlement reinstated and councils given the long-term certainty needed to plan new investment, this analysis suggests that stock-owning councils have the potential to deliver around 20,000 new council homes a

year without external subsidy in the form of Affordable Housing Grant. To make this happen the Government should:

- Lift debt caps to give all councils the scope to borrow up to the level they can safely expect to repay from rental income (the prudential limit);
- Allow councils to retain the receipts from selling any of their housing assets, including those sold under the statutory Right to Buy, in order to re-invest them in improving the existing stock or building new homes;
- Scrap the rent cuts planned for 2018/19 and 2019/20 and extend the period covered by the new rent policy of CPI + 1% to ten years from 2018;
- Consider whether to reimburse councils for the loss of rent since April 2016 by a one-off payment to reduce HRA debt, or freedom for councils to increase rents by more than CPI + 1% to the level they would have reached but for the rent cuts;
- Give councils explicit powers to build for sale and market rent within the HRA, to help cross-subsidise the provision of homes for social rent;
- Scrap plans to introduce a levy on Higher Value Assets;
- Review the statutory Right to Buy and the arrangements for replacement of homes sold under the Right to Buy.

### **Investing in the existing stock of council housing**

25. The Decent Homes programme initiated by the Government in 2003 was designed to ensure that all council homes met a basic decent standard within 10 years. It focused on replacing bathrooms, kitchens and windows but did not cover thermal insulation, common parts or the external environment. The original self-financing settlement was designed to ensure that all councils would be able to bring their stock up to the Decent Homes standard and keep it there, allowing for planned replacement of key elements such as windows and roofs. Many councils planned to do more, often to improve thermal insulation and reduce energy consumption, adopting and planning to meet local standards, developed and agreed with their tenants, that were higher than the basic Decent Homes Standard. In many cases, the rent cuts have forced these plans to be cut back or deferred.
26. The findings of the Grenfell Public Inquiry and the Independent Review of Building Regulations and Fire Safety, when published, are likely to point to the need for significant investment both within dwellings and in common parts to provide a guarantee of fire safety. So far, the Government's policy has been to expect local authorities to fund the necessary investment from existing HRA resources. In parallel, substantial improvement to the energy efficiency of the stock is essential if the UK is to meet its targets for reducing carbon emissions. In returning to the original principles of the self-financing settlement, as argued above, the Government should be expected to ensure that councils have the resources to meet all these needs for investment in the council stock.

### **Review of the Right to Buy**

27. Since its introduction in 1981 the Right to Buy has given hundreds of thousands of council tenants the opportunity to own a home they may not otherwise have been able to afford. But, because few of the homes sold have been replaced with new council or housing association homes, the social housing stock has fallen and the number of new lettings available to those on council housing waiting lists or the statutorily homeless has collapsed. Many households waiting for a council home are trapped in insecure, unsatisfactory and expensive

accommodation in the private rented sector. Meanwhile, as Right to Buy purchasers move or sell on, an estimated four out of ten ex-council homes are now let privately.

28. Since 2012, when the Right to Buy was “reinvigorated” with increased discounts and a national promotional campaign, Government policy has aimed at one-for-one replacement of homes sold (strictly, this applies only to the additional homes sold as a result of reinvigoration) by recycling a portion of the sales receipts, either through the HCA Affordable Housing Programme, or by giving councils the opportunity to invest receipts in new housing within three years. However there is no guarantee receipts handed to the HCA will be used in the local authority area they came from. These arrangements are not working. While Right to Buy sales have risen rapidly and are now running at around 15,000 a year, the number of replacements so far provided is only around a fifth of those sold. Many councils complain that restrictions on the use of receipts, in particular the timescale for spending the receipts and the requirement that they may contribute at most 30% of the cost of providing a replacement home makes it increasingly difficult, if not impossible, to use them. Some have returned receipts to the Government unused after three years. A review of these arrangements is overdue.
29. In announcing the Social Housing Green Paper the Secretary of State promised that the Green Paper “would be the most substantial report of its kind for a generation” and promised “a wide-ranging, top-to-bottom review of the issues facing the sector”. Many ARCH member councils support the Right to Buy; others don’t. However, it would be wrong to conduct a “wide ranging, top to bottom review” of social housing without including a comprehensive review of the Right to Buy and its impact, particularly at a time when other devolved governments in the United Kingdom in Wales and Scotland have undertaken similar reviews. All ARCH members can agree that the review should ensure workable arrangements for at least one-for-one replacement of homes sold.

### **Giving tenants a stronger voice**

30. The tragic and fatal fire at Grenfell Tower has renewed attention on how to give social housing tenants a stronger voice in how their homes are managed, both in shaping policy and planned maintenance or improvements, and, when they complain when things go wrong, in getting prompt and effective responses from their landlord.
31. The way forward on this issue should take full account of the findings of the Grenfell Public Inquiry, when published. The Independent Review of Building Regulations & Fire Safety is examining how tenants and residents can be better assured that there are effective systems in place to maintain safety in their homes and establish clear, quick and effective routes for residents’ concerns to be addressed. The final recommendations of the Independent Review, when available, should likewise be given urgent consideration and implemented as a matter of urgency. Meanwhile, ARCH believes the following points deserve consideration.
32. Both councils and housing associations are expected to follow the Tenant Involvement and Empowerment (TIE) Standard set by the Social Housing Regulator. This includes requirements for social landlords to make arrangements to enable tenants to be effectively involved in all significant decisions about their housing, to offer a range of ways for tenants to complain and have clear service standards for responding to complaints. The requirements of the Standard are clear and comprehensive, and describe well what a good landlord should strive to do. We do not see a case for amending them. However, there is no systematic evidence to show how well landlords, are performing against the Standard, hence no comparative data on which to benchmark performance or show whether it is improving or deteriorating over time. The evidence that is available, including the experience of Grenfell Tower tenants, suggests that

performance is variable, with some landlords falling well short of the requirements of the Standard.

33. ARCH remains committed to the principles of co-regulation; councils should treat the TIE standard as something they “own” not something imposed on them by the Regulator. The onus is on them to mobilise tenants locally to scrutinize performance against the Standard. We do not see a major extension of the powers of the Regulator as the answer, rather steps that will strengthen the capacity of landlords to compare their performance with others and encourage sharing of experience and exchange of good practice, and enable tenants and their representatives to do the same. These should include investment in developing good practice in handling and responding to complaints and in particular in the use of complaints procedures to identifying service failures and improving services would bring dividends. There is a potential role for an appropriately funded regulator in promoting, disseminating and monitoring and such good practice.
34. Consideration should be given to a requirement on all social landlords to undertake and publish the outcome of an annual survey of tenant satisfaction along the lines of the HouseMark “Star” survey and to report the outcome of such surveys to the Regulator for national publication. This would provide a common basis, albeit crude, for comparing performance, to act as a “can-opener” for further investigation.
35. A renewed focus on the landlord’s responsibility under the TIE Standard (paragraph 2.1.2) to report publicly on the number and nature of complaints received, and how they have been used to improve performance, may help improve organisational focus on learning from complaints. A requirement on all landlords to report annually to the housing regulator on the issues raised by tenants and how their landlord has responded might be useful and would enable the regulator to identify issues of concern and consider support and intervention where necessary
36. ARCH supports the call from the major national tenant organisations for reinstatement of a “National Tenant Voice” at the heart of government policy making; the form & nature of which should be subject to wide consultation with tenants and social landlords.

### **Social housing we can all be proud of**

37. In his speech launching the Green Paper, Sajid Javid described the 1950s as a time when social housing was treasured, when living in it “carried no stigma, no shame, quite the opposite, in fact. For many it was the gold standard of accommodation, not a final safety net for the desperate and destitute but something you could genuinely aspire to, housing you would actively choose to live in; and as a country we were all rightly proud of it.” And he called for a return to a time when social housing is something we could all be proud of whether we lived in it or not.
38. In the 1950s, the Government’s primary objective was to build new homes to replace those lost or damaged in the war, and, increasingly as time went on, to replace slums. It did not see either the demand for new homes for sale nor the capacity of private builders to supply them as sufficient to deliver the number of new homes that were needed. Councils were given the job of ensuring the success of the housebuilding drive.
39. While there were some notorious examples of poor council housing – most notably the system-built high rise blocks exemplified by Ronan Point – the fact is that many more were of a quality of design and construction at least as good as those of the volume housebuilders. Standards were often higher, with private builders criticized for skimping on space standards and building uninspiring “little boxes”. Equally important to public perception of the new council homes was the difference from what they replaced. For many thousands, a new council home was their first experience of an indoor bathroom and toilet and a front and back garden.

40. From the 1950s to the 1970s, lettings were not restricted to the poorest families but made to a much broader range of households – in some cases, as the debate leading up to the passage of the Housing (Homeless Persons) Act in 1977 illustrated, at the expense of those in most need of help. Council housing was thus seen, not as “social” or “welfare” housing - the province of the poorest alone - but a resource for the broad mass of the population, embracing skilled workers as well as unskilled, the “respectable” working class as much as those on the edges of society.
41. Much has changed. Because councils have built relatively few new homes since the 1980s, most of the council housing stock is now 30 years or more old. It has been depleted by over a million Right to Buy sales. During the 1980s and 1990s not enough was spent on maintaining it. And the demographic profile of council tenants has changed. According to the 2011 Census, only half of social tenants are either working (41%) or unemployed (8%); of the rest, 28% are over 65, and the remainder either full-time carers or have a long-term sickness or disability.
42. Nevertheless, council housing and council tenants have a poorer reputation than they deserve. Although it is seldom recognised, council housing is, on average, in a better state of repair than privately-owned homes; 93% of council homes meet the Decent Homes standard or better. Media comment and public debate about council tenants are too heavily dominated by unfair stereotypes based on ignorance and prejudice. Government, councils and policy-makers should do more to promote the value of social housing and the contributions that social housing tenants make to society. To this end ARCH is a supporter of the “Benefit to Society Campaign”.
43. The council housing drive of the 1950s was founded on the principle of that low income should not prevent a household from having a home meeting the same modern standards as everyone else; in other words, a rejection of the idea that poorer people deserve only poorer accommodation. That same principle should underpin the action we now take to make social housing once again something we can all be proud of.

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<sup>1</sup> Holmans, A (2012) *Interim Revised Estimates of Future Demand and Need in England in 2006-2026*, Cambridge CCHPR

<sup>2</sup> NHPAU (2008) *Meeting the housing requirements of an aspiring and growing nation: taking the medium and long term view*, London: DCLG

<sup>3</sup> Capital Economics (2016) *Building new social rent homes*, SHOUT  
[https://d3n8a8pro7vhm.cloudfront.net/4socialhousing/pages/1/attachments/original/1475255900/SHOUT\\_Building\\_New\\_Social\\_Rent\\_Homes\\_V3.pdf?1475255900](https://d3n8a8pro7vhm.cloudfront.net/4socialhousing/pages/1/attachments/original/1475255900/SHOUT_Building_New_Social_Rent_Homes_V3.pdf?1475255900)

<sup>4</sup> John Perry and Glenn Smith (2016) *Investing in Council Housing: the impact on council business plans*, London, CIPFA and CIH

**ITEM 7: Benefit to Society update**

**Author: Carole Halfacre**

**1. Purpose**

To update members of the Group on the Benefit to Society Campaign

**2. Recommendations**

2.1 The Group are asked to note the paper

**3 Background**

3.1 ARCH are sponsors of the Benefit to Society campaign which launched its research report 'overcoming the stigma of social housing at the House of Commons on the 28 February 2018. A copy of the summary report is attached to this paper for members of the Group.

**4. The launch**

Despite the snow over 100 people attended the launch including four members of the ARCH Tenants Group. Jenny Hill, ARCH Tenant Group chair is a member of the steering group and attended the event.

Those attending included tenants and those working in social housing as well as MPs. The Housing Minister and Shadow Housing Minister pledged their support to the campaign. Media attention was attracted locally (radio and local press) and nationally during the build up to the launch (Inside Housing and 24 housing) as well as social media. John Bibby was interviewed too.

The press release is attached for information which provides a useful summary.

This DROPBOX link provides photographs from the event including some of the ARCH Tenants Group who attended to fly the ARCH flag

[https://www.dropbox.com/sh/rqignucebsqi8x4/AACALc4rOMtt2hCApQ\\_ugBaZa?dl=0](https://www.dropbox.com/sh/rqignucebsqi8x4/AACALc4rOMtt2hCApQ_ugBaZa?dl=0)

**5. What next**

Members of the ARCH Tenants Group are asked to raise awareness of the report. More information about next stages of the campaign are awaited.

## ITEM 7: Benefit to Society Press Release

### Housing Minister and Shadow Housing Minister pledge their support to end social housing stigma



This week saw 100 people attend the launch of 'Benefit to Society' at The House of Commons. Tenants from across the country called on politicians to back the campaign and actively challenge negative stereotypes about social housing tenants.

Nine in ten (91%) social housing tenants say they are portrayed negatively by the media reveals a new report published today. The report, commissioned by the tenant-led campaign '[Benefit to Society](#)', exposes a huge gap between perception and reality with regard to social housing tenants.

Housing Minister Dominic Raab and Shadow Housing Minister Melanie Onn, spoke at the launch of Benefit to Society, pledging their support to help put an end to the stigma afflicting so many in social housing.

Melanie Onn, Shadow Housing Minister and MP for Great Grimsby said: “We’ve seen serious issues arise in the last few years; we see poor doors being used in new developments to segregate social tenants and mean they enter by the bins, we’ve seen the children of social renters having less rights to communal areas than other tenants pets and we’ve seen tenants complain about having Grenfell survivors being rehoused in their housing block.”

“This segregation and mistrust prevents cohesive neighborhoods from developing.”

“Stable, cohesive and happy neighborhoods are vital to stopping this stigma, but understanding neighborhoods is complex. Tenants’ voices are vital in this, they are the people who understand the complex relationships that form and know how to improve cohesion.

“I am pleased that tenants will lead this campaign, and pleased to pledge my support for this campaign.”

The tenant led campaign comes as new research, ‘Overcoming the Stigma of Social Housing’ by Professor Anne Powers of London School of Economics, is published.

Evidence shows that the British public overestimate the number of social housing tenants who are unemployed by three times. This reinforces the fact that unjust and unfair, negative stereotypes of people in social housing do exist.<sup>2</sup> Britons on average estimate that almost one in four (24%) of people living in social housing are unemployed, when in fact one in 14 (7%) are.<sup>3</sup> Now tenants say they want to “set the record straight”.

This stigma is harming people’s lives. Many social housing tenants say they feel judged by where they live rather than who they are.

Carole Burchett, a retired Senior Archives Assistant for the BBC who lives in Soha Housing, a housing association Oxfordshire says:

“I can’t understand why it’s acceptable for the media and politicians to present tenants as constantly taking something from society. It’s just not true. I’ve worked all my life and always lived in social housing with all kinds of different people. Many are working, retired or volunteers and many others are caring for loved ones.

Leslie Channon, Campaign Organiser, tenant and Director of Tpas, tenant engagement experts says:

“The reality is there are almost four million households in social housing in Britain and most are comprised of people in work or retired, living in a home they are proud of. That’s why we’re launching a campaign to challenge the stigma and discrimination.”

A social media campaign, promoting real stories and facts about social housing will run for two weeks from 28 February and campaigners say they aim to change the narrative around living in social housing.

The Benefit to Society campaign calls on journalists to follow their [tenant written guide](#). MP’s, organisations and individuals who have signed up and pledged their support can be viewed on the campaign website’s pledge page: <http://benefittosociety.co.uk/pledge/>

For more information about the ‘Benefit to Society’ campaign visit [BenefitToSociety.co.uk](http://BenefitToSociety.co.uk) and follow the campaign on Twitter @2benefitsociety or using the hashtag #benefittosociety

-ENDS-

**For further information, please contact: [communications@soha.co.uk](mailto:communications@soha.co.uk) or call David Reynolds on 07741 306482**

### **Notes to editors**

<sup>1</sup>Overcoming the Stigma of Social Housing. Can social housing rebuild its reputation? February 2018, Professor Anne Power and Bert Provan

<sup>2</sup>YouGov online survey of 2,075 adults carried out on behalf of Soha Housing. Fieldwork was undertaken between 16th - 19th February 2018. The figures have been weighted and are representative of all GB adults (aged 18+).

<sup>3</sup>English Housing Survey 2016 to 2017: headline report. Annex table 1.3

<https://www.gov.uk/government/statistics/english-housing-survey-2016-to-2017-headline-report>

<sup>4</sup>Overcoming the Stigma of Social Housing. Can social housing rebuild its reputation? February 2018, Professor Anne Power and Bert Provan

### **About the ‘Benefit to Society’ Campaign**

Common misrepresentations of social housing tenants in the local and national media often include inaccurate perceptions such as tenants being associated with exploiting the benefit system and living in run down estates.

We've united 30 housing organisations across the country to challenge the way the public think and tackle the stigma associated with social housing tenants.



# Overcoming the stigma of social housing

## Summary Document

Based on research by Professor Anne Power and Dr Bert Provan  
With thanks to those tenants involved in the Trafford Hall Think Tank



Housing and  
Communities



# Executive Summary



## Background

This report was commissioned by the Benefit to Society campaign to explore the causes and impact of an increasing stigma around social housing.

It draws together findings from The London School of Economics and Political Science (LSE) research, using long-term government surveys and tenant thinktanks, together with new qualitative data from a tenant thinktank on the topic of stigma and social housing. This is underpinned by new findings from public polling and a survey of 450 tenants.

## Findings

- Social housing is increasingly a residualised sector. A reduction in numbers of properties, together with changes in housing policy, have led to the sector housing more vulnerable households.<sup>1</sup>
- Fewer people now have direct experience of social housing and increasingly it is seen as a tenure of last choice and as a safety net. The public over-estimate the number of people in social housing who are unemployed.<sup>2</sup>
- This view of social housing is reflected in pejorative media programming, recognised in 'poverty porn' and moralising broadcasting such as *Benefits Street* and *Council House Crackdown*, which specifically link tenure and benefits status together, also drawing links to perceptions of unacceptable behaviours.<sup>2</sup> 90% of tenants say the media portrays a stereotype of social housing tenants.<sup>4</sup>
- Social housing tenants have a very different perspective and their narrative shows the value of community in their local area and of their volunteering, caring and work roles.<sup>2</sup>
- This narrative is supported by the English Housing Survey which shows that 70% of social housing tenants are in work or retired, with just 7% unemployed. The remaining 22% are unable to work due to caring responsibilities or disability with 1% in full time education. Tenants recognise the contributions made to society by all these people.<sup>1</sup>
- Social housing tenants view an increase in stigma as being one of the major challenges to the tenure and to their wellbeing.<sup>2</sup>

**“ People look down on you and your communities if you are a social tenant, and I believe that this has a negative effect on children growing up, who come to believe that they are not worth as much as other people. ”**

Social housing tenant

- Many tenants have negative experiences of policy changes under welfare reform and service cuts, and feel indignant about how they see vulnerable tenants being treated.<sup>2</sup>
- Tenants also cite as a major issue the lack of care and property maintenance invested in private rental properties in their local neighbourhoods. Often these are ex-social housing, sold on to private landlords through the Right to Buy scheme.<sup>2</sup>
- As the government has increasingly withdrawn grant funding from social landlords and cut benefits to tenants, so social landlords have been forced to become more ‘commercial’ and more private finance driven. This has reduced or diluted the ethical purpose of social landlords in the public eye, making it harder to win public support for their increasingly marginalised role.<sup>1</sup>
- Social housing is of itself a huge asset, is valued by the 4 million households living in it, offers good rental services, and contributes significantly to the benefit of society.<sup>1</sup>
- By recognising the role social housing plays in providing homes for lower income households across the country, and in turn the valuable contribution made to society by those households, it has the potential to contribute even more.<sup>1</sup>

## Recommendations

**1**

To create a fairer, more representative narrative around social housing, the Benefit to Society campaign needs to reach:

- People without direct experience of social housing to share the narrative from tenants; and
- Journalists and media workers to ask them to present a more balanced portrayal of those living in social housing.

**2**

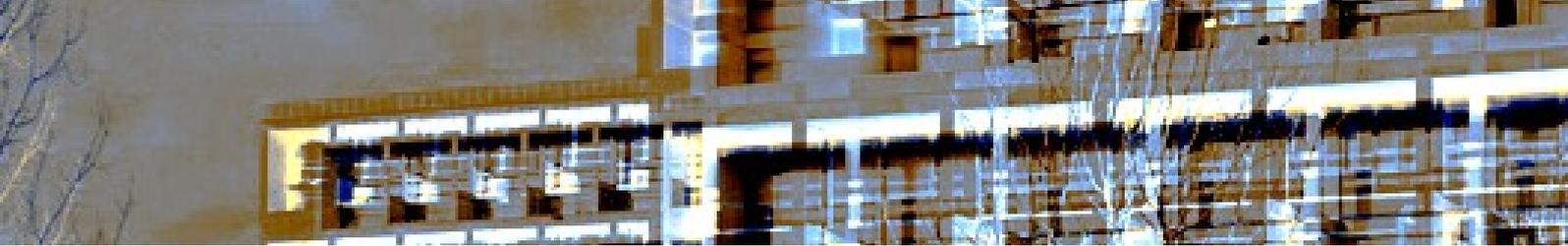
See the increasing stigma in the context of policy changes and service cuts.

**3**

Learn the lessons of the past. Quality must be at the heart of the housing we provide and the management of housing must pay attention to the voices of the people living in it.

**4**

As well as working with media, politicians and others, those housing providers seeking to dispel stigma must take action in their own organisations to develop a narrative that is positive and respectful about the tenants they serve.



Social housing has moved from being a popular and well-regarded solution to poor housing conditions and a housing shortage, providing accommodation for a large section of the working class population, to becoming a residualised tenure, stigmatised as a safety net for more vulnerable households.

The main factors that caused this decline were:

- Poor quality design, construction, and management of the rapidly built, over-sized new council housing estates.
- Highly visible events like the collapse of Ronan Point and the Broadwater Farm riots which had a large public impact on how social housing was viewed.
- Change in the post war consensus about the role of government, leading to “rolling back” the state including withdrawal of support for council housing.
- The impact of Right to Buy in reducing the proportion of high quality homes available for rent.
- The impact of Homelessness legislation on the proportion of vulnerable households who became social housing tenants, in the context of reducing numbers of social housing.



Prime Minister Margaret Thatcher hands over the keys to the first Right to Buy household in Romford, Essex in 1980. (Photo source: The Telegraph)



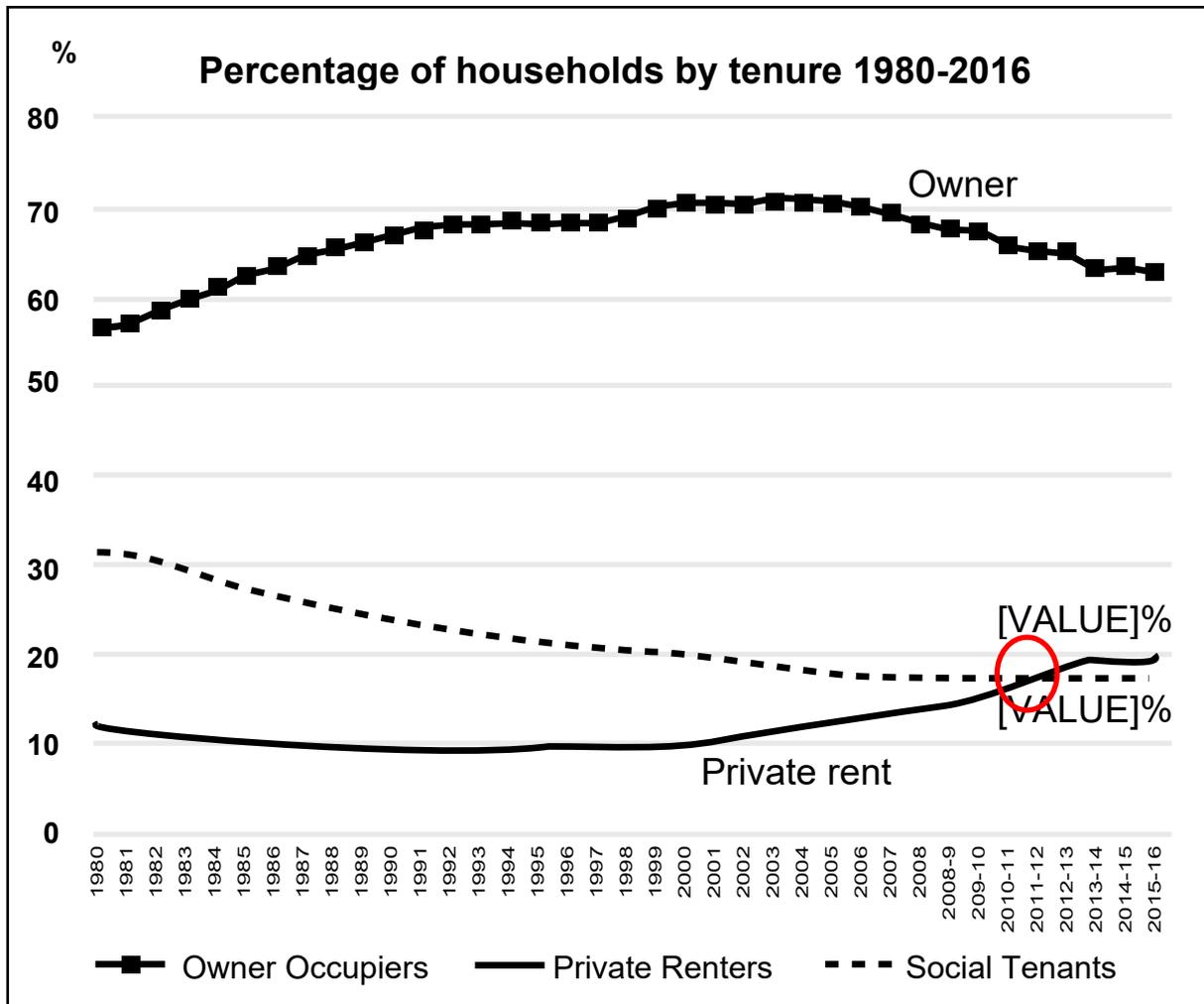
Large concrete panel buildings, a popular form of post-war construction, fell out of favour after the Ronan Point disaster in east London in 1968, when a gas explosion caused the panels to slip and collapse, killing four people. (Photo source: Wikipedia)

## A shrinking tenure

Over the 20<sup>th</sup> century, tenure changed dramatically from private renting dominating, to owner occupation becoming the biggest tenure. Meanwhile, council housing grew throughout the century up to the 1980s and housing associations expanded rapidly from the 1980s, as council housing began its steep decline. Overall, social housing (council and housing association rented homes) lost ground to private renting, which re-expanded from the early 1990s. This leaves social housing as a shrinking tenure, overtaken by private landlords.



**Fig 1**  
 Social renting peaked in 1981 at 32%. Private renting's market share revived from 1994 and overtook social renting in 2012.



The economic policies of the 1980s, with strong support for home ownership led to an even greater polarisation of social housing, driven by privatisation and a shift in subsidies in favour of owning.

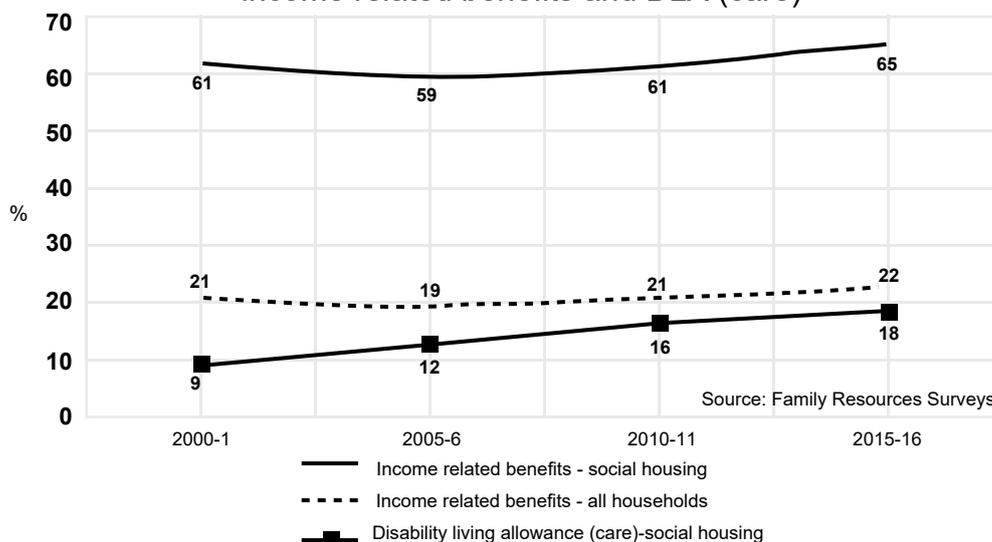
The schism between tenures and the decline of council housing intensified this polarisation. Overall the high level of sales of more popular houses in more popular areas through Right to Buy has greatly increased the residualisation of council built homes, whether owned now by councils or housing associations.

The public perception of social housing tenants is that they are unemployed and in receipt of benefits. 72% of the public over-estimate the number of people in social housing who are unemployed.<sup>2</sup>

Yet the English Housing Survey shows that around 70% of social housing tenants are in work or retired, with only 7% of tenants unemployed. 30% of social housing tenants in receipt of housing benefits are also in work. The remaining 23% are unable to work due to caring responsibilities or disability. The Disability Living Allowance has risen from 9% in 2001 to 18% in 2018. This reflects both the much higher level of disability in social housing and the wider impact of ageing. (See Fig 2 next page)

Fig 2

Increasing proportions of social housing tenants on income related benefits and DLA (care)



However, long before the decline in social housing numbers, stigma had started to develop around social housing in the 1960s, 70s, 80s and 90s, due to a growing perception that council estates were often badly constructed and managed, and was increasingly used to house low income households from slum clearance areas.

The reality is that major improvements have been made to the management, state of repair, thermal efficiency and levels of tenant involvement in social housing since the 1980s.

A Think Tank to gather tenants' views of social housing in October 2017 found an overwhelmingly strong message that tenants like living in social housing, they value their landlord and their local community. This does not mean that they live trouble-free lives. But it does mean that their experience of where and how they live and who they are does not match the negative images and stereotypes seen in newspapers or television programmes. Nor do they recognise as valid the pejorative phrases used by politicians such

as 'sink estate'.

When asked what they value about social housing, most tenants said they value security of tenure, closely followed by their repairs service and sense of community. They expressed pride in their local area, particularly around community spirit and neighbourliness.

By far the worst feature of social housing is what other people think of tenants, giving them a negative image of themselves. A survey of 450 tenants showed that 9 in 10 feel the media portrays a stereotype of tenants, that they are unemployed, in receipt of benefits, are younger and have children. Whilst not individually pejorative, this view is exploited by 'poverty porn' programming which links social housing and receipt of benefits to difficult lifestyles and behaviours.

Poor housing management is also an issue for some tenants. In thinking about what made them feel bad about their lives, the most significant answers were around neglect of their local area, particularly through private landlords (ex-RTB) not keeping their properties in good conditions.

It was notable that, as well as seeing the media as a main source of negative stereotypes about social housing, a significant number of tenants said they had been made to feel uncomfortable about their tenure by someone in an 'official' position, including statutory and housing association staff.

These responses fit with headline findings from Housing Plus Academy Think Tanks held by the LSE over five years. The evidence shows clearly that people living in social housing value their local communities and are particularly positive when they are involved directly in community action and generate their own activities to improve things locally. It also reveals the negative experiences of social housing tenants, especially under the impact of welfare reform and service cuts. Many feel alienated and denigrated by the harsh system that now seems to be in place. They are indignant about how they see vulnerable tenants being treated.



## Conclusions

The Benefit to Society campaign aims to change the way people living in social housing are portrayed and thought about. It is clear that this aim strikes a chord with many tenants across the country.

This research will help us to reach those without direct experience of social housing, but who have an awareness of the negative media representations.

Our research demonstrates that negative media portrayals of social housing tenants are far more common than any positive coverage. There is an ongoing negative impact from this on individuals and communities.

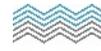
However, it also shows the need to view the increasing stigma in the context of policy changes and service cuts. There is work to be done by social landlords with staff, as well as partners, to recognise the huge value added by those living in social housing. As with other tenures, a whole section of society should not be judged by the perceived actions of a small minority. The benefits of social housing and its tenants to neighbourhoods, and society as a whole, are immeasurable.

There are also lessons to be learned about the way housing is developed and managed. Quality must be at the heart of the housing we provide and the management of housing must respond to the voices of the people living in it.

As well as working with media, politicians and the public, housing providers must listen, and respond to, the tenants they house and ultimately depend upon.

## References

- 1 *Overcoming the Stigma of Social Housing. Can social housing rebuild its reputation?* February 2018, Professor Anne Power and Dr Bert Provan – available on [www.benefitstosociety.co.uk](http://www.benefitstosociety.co.uk)
- 2 *Overcoming the Stigma of Social Housing: Findings from Tenant Think Tanks* February 2018, Professor Anne Power – available on [www.benefitstosociety.co.uk](http://www.benefitstosociety.co.uk)
- 3 YouGov online survey of 2,075 adults carried out on behalf of Soha Housing. Fieldwork was undertaken between 16-19 February 2018. The figures have been weighted and are representative of all GB adults (aged 18+).
- 4 Online survey of 450 social housing tenants, carried out by the Benefit to Society campaign, June 2017.



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NATIONAL HOUSING FEDERATION



## NATIONAL CONVERSATION – Roundtable Meeting with Housing Minister(then Alok Sharma)

7<sup>th</sup> December 2017 at Radisson Bloomsbury Street Hotel, London

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The meeting with the Housing Minister (then Alok Sharma) was rescheduled from Wednesday 1 November to Thursday 7th December 2017 and took place on Thursday 7 December 2017 at the Radisson Bloomsbury Street Hotel, in London.

It was a well-attended event, although I found the seating rather 'congested' – could have done with a larger room.

The session started with an introduction by the Housing Minister and deputy, re-iterating these nationwide sessions were born out of the unfortunate Grenfell Disaster and are being held to listen to the concerns of residents in social housing.

Roundtable discussions took place after the introduction and these were facilitated by officers from Department for Communities and Local Government (DCLG) and the hosts, Shepherds Bush Housing Group- with the Minister listening in to as many tables as he could get around. My table, for one, was facilitated quite efficiently, with some of the concerns being: too much 'lip service' when issues get reported, Anti-social behaviour, tenant's not given a 'voice' on major decisions, landlords not embracing tenant participation, to name but a few.

After the roundtable discussions, the 'convenor, got delegates to paste post-it's from the sessions on the wall whereupon the Minister and his deputy summarised the common themes – the recurring themes were residents' concerns being

ignored, Anti-Social behaviour, social tenant's being referred to as 'those people'.

The housing minister then took to answer questions from the floor. Some of the questions centred on why there was lack of accountability for Fire Safety – why responsibility was not in the hands of the Fire Service.

Concerns were also expressed by a few delegates that the outcomes from the 'National Conversation and the preceding Round-Table event hosted by Dame Judith Hackitt will not be another tick-box exercise(*reference was made to the recommendations from the Lakenhall Fire in 2009 which happened in Camberwell –London*).

I asked a question about whether Central Government was going to 'fund' works needed to be done by social landlords (like retro-fitting sprinklers); to which the minister answered "*landlords should come and have a conversations with us*" – I'm paraphrasing! I planned to raise my questions again with the minister via email after the event only to find out there had been a change of personnel in the department(my quest for answers still goes on).

All in all, it was an enjoyable packed day with a nice buffet at the end. The Minister confirmed a letter summarising his findings/thoughts from the event was to be sent out, I'll forward my copy to ARCH Members when I can locate mine (*in amongst my mound of documents*)!

## ARCH Tenants Group Meeting

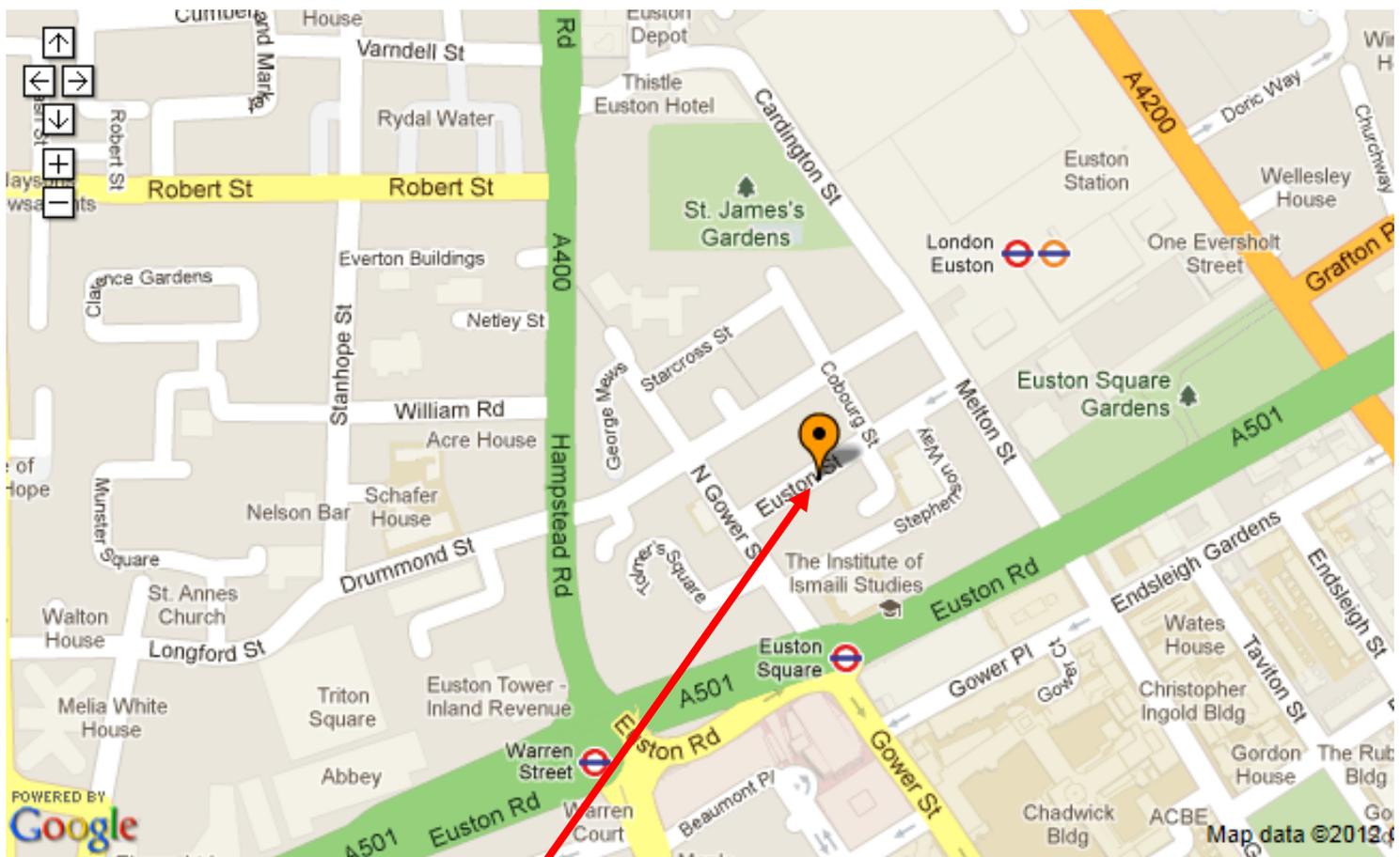
**Meeting Location:** The Wesley Hotel and Conference Centre,  
 81-103 Euston Street, London, NW1 2EZ.

**Telephone No:** 0207 380 0001

**Web-site:** <https://www.thewesley.co.uk/contact>

**Railway Stations:** **London Euston.** - Turn right and follow signs for Metropolitan & Circle lines. Walk along colonade to Melton Street. Cross zebra crossing into Euston Street. The Wesley is 50m on left.

**Underground:** **Euston Square Underground** - Take the right hand exit, once on street level turn right and walk down North Gower Street. Second right into Euston Street. The Wesley is 50m on right



**The Wesley Hotel and Conference Centre**