

Annex 1: Mayor of London's response to *A new deal for social housing* (the social housing green paper)

This response outlines the Mayor's vision and priorities, followed by a detailed response to each chapter and theme. Its development has been informed by six meetings with groups of social housing tenants and leaseholders in London, during which GLA officers gathered feedback on the contents of the green paper. Their views are noted throughout this document and they are referred to as "residents".

The Mayor's vision and priorities

The Mayor believes that social housing forms the foundation of London as a mixed city.

With a growing number of jobs in recent years putting even greater pressure on housing, social housing is more important than ever to the Mayor's vision of a city for all Londoners, in which all Londoners can play their part in the city's economy and society. Social housing helps to underpin London's unique status as a world city and economic powerhouse that is proud to be home to people from all backgrounds and incomes.

Having grown up on a council estate, the Mayor is very aware of the crucial role that social housing can play in supporting Londoners. Building more council, social rented, and other genuinely affordable homes is central to the Mayor's approach to tackling the housing crisis in London.

The overwhelming need in London is for homes based on social rent levels. The 2017 London Strategic Housing Market Assessment¹ indicates that to meet London's needs, substantially more affordable housing should be built, of which over two-thirds should be based on social rent levels.

The Mayor wants to see far greater, long-term funding for new social housing, and is disappointed the green paper includes no such commitments. This disappointment was universally echoed by those residents with whose help the Mayor's response was developed.

1. Ensuring homes are safe and decent

The safety of homes

The safety of residents must be the Government's and every landlords' top priority. The Mayor is concerned that, 18 months on from the fire at Grenfell Tower, Building Regulations remain entirely unchanged and the Government has not been clear about its plans for reform. The Mayor responded separately to the Hackitt review, urging the Government to publish its implementation plan. The Mayor welcomes Dame Judith's recommendation on resident engagement with landlords about safety issues and sees this as forming a critical part of a future fire prevention programme, so it is reassuring to see that this has been picked up in the green paper.

¹ [2017 London Strategic Housing Market Assessment, Greater London Authority](#)

Almost all residents said they felt that communication between landlords and tenants about safety issues was consistently poor. Although they welcomed moves to publish fire risk assessments, this was rarely followed up with updates on progress or mitigating actions. During conversations with tenants, it was broadly felt that those who had a single and accessible point of contact (e.g., a named Housing Officer) were better able to effectively raise concerns. A new programme of engagement between landlords and residents about building safety is potentially a positive step, but it is difficult to give firmer support as the green paper presents very little detail as to what such a programme would include.

Decent Homes Standard

Providing high quality and safe social housing is vital and an improved Decent Homes Standard could be an important step to ensure this. Tenants reported that the implementation of the current Decent Homes Standard could be patchy and delayed. They spoke about how the effective implementation of the Standard had been contingent on landlord's ability to finance it. Some residents stressed that local authorities were effectively forced into a stock transfer and residents were keen to avoid this in any review of the Decent Homes Standard.

This highlights the need to ensure that any updated Standard is backed up with appropriate resources. While the lifting of the local authority borrowing cap is welcome, investment in existing homes should not come at the expense of councils' new build ambitions. Additional, dedicated funding from central Government is needed to realise the full potential of a new Decent Homes Standard.

An updated Decent Homes Standard presents an opportunity to improve fire safety measures within individual homes. Recent challenges in requiring private building owners to remove unsafe cladding has highlighted the deficiencies of the Housing Health and Safety Rating System (HHSRS) in identifying fire safety hazards. Since HHSRS forms the basis of the current Decent Homes Standard, the Mayor would therefore support a separate category for fire safety within an updated Standard, including:

- automatic fire suppression systems, including sprinklers;
- building materials, in particular ensuring non-combustible materials on all buildings;
- fire doors;
- means of escape;
- firefighting lifts;
- ability of fire fighting vehicles to access the building; and
- firefighting apparatus such as wet risers.

The Mayor supports the proposal to introduce standards in the social sector that match new standards in the private rented sector, to create consistency across tenures. The Mayor also supports the upgrade of social homes to Energy Performance Certificate Band C by 2030. This would increase energy efficiency in buildings, helping to meet London's ambitious target to become a zero-carbon city by 2050 and combat fuel poverty.

2. Effective resolution of complaints

The Housing Ombudsman

It is currently unnecessarily complicated for residents to access the Housing Ombudsman. The Mayor is pleased to see that the green paper adopts the suggestion from his London Housing

Strategy to remove the ‘designated person’ requirement. The Mayor also supports the Government’s work to increase the speed at which the Ombudsman deals with complaints and would suggest that any future business plan includes a trajectory for decreasing the time taken for complaint resolution even further, to under six months. However, an expectation that the Ombudsman increases its service levels and takes on additional cases should be matched by additional resource from Government.

The Mayor is also supportive of the proposed measures to increase awareness of the Ombudsman and other advice and support services among social housing tenants and leaseholders, including supplying details of redress options at every new letting. During the engagement to inform this response, many residents were unaware of the Ombudsman or unclear on its processes. The Mayor supports proposals for the creation of a single ombudsman or redress scheme for people living in all housing tenures. As outlined in the GLA’s response to Government’s recent consultation on the issue², this scheme should offer consistent service standards across all tenures, and be predicated on distinct, tenure-specific, legally enforceable codes of practice.

Local complaint resolution

Residents should have a stronger voice to challenge their landlords to improve performance. The green paper presents very few ideas on how to improve local resolution processes by landlords. Many residents informing this response spoke of landlord complaint procedures which were consistently inaccessible and slow, with poor outcomes and a lack of transparency. The Mayor is therefore concerned by the lack of focus on how landlords can improve their local dispute resolution services. We heard from residents a number of different ways of dealing with complaints, such as tenant panels and tenant arbitration services. The Government should consider reviewing best practice examples from local authorities and housing associations around the country in order to produce guidance for landlords.

Housing association residents were particularly dissatisfied with complaint resolution, reporting that there was a lack of democratic accountability compared to local authority landlords who were directly answerable to local councillors. As mentioned above, those with a housing officer (or equivalent local, named person) felt that they were much better able to have their complaints and concerns listened to and dealt with. There was widespread support for the Government considering how it can support landlords to ensure that all residents have access to a local, named person who can deal with housing issues and be the first point of call for residents with concerns about the safety of their homes, as recommended by Dame Judith Hackitt.

3. Empowering residents and strengthening the regulator

Empowering the Regulator

The Mayor is encouraged to see the proposed changes to strengthen the role of the Regulator and supports the removal of the ‘serious detriment’ test, as he calls for in his London Housing Strategy. Whilst the Regulator’s current strong focus on economic issues is important, there must be a regulatory system in place to ensure consumer issues are addressed properly by landlords. The Mayor also agrees that the Regulator should be able to introduce further

² [Strengthening consumer redress in housing consultation, MHCLG](#)

enforceable documents such as Codes of Practice, to improve standards in the sector. It is of vital importance that the Regulator is properly resourced to carry out both its existing functions and any future expanded role.

With an enhanced regulatory focus on consumer issues, the delineation of responsibilities between the Ombudsman and the Regulator must be clear to residents. The purpose of the Ombudsman is to resolve individual complaints where a landlord has failed to reach a satisfactory outcome with the tenant and ensure that landlords are meeting their responsibilities and obligations to tenants. The Ombudsman should be public facing and marketed as the primary avenue for individual tenants seeking redress.

The Regulator should have two responsibilities: first, to ensure residents of social housing receive an adequate consumer service; and second, to protect public investment by ensuring social landlords are well managed. The Regulator should carry out these responsibilities through ongoing performance monitoring of landlords to encourage responsible behaviour, as well as more detailed investigations of potential organisational failure, if necessary resulting in enforcement action. Although direct contact from residents should not be prohibited altogether, individual tenants should be clear that their first point of contact should be the Ombudsman. In order to maintain the Regulator's focus on systemic issues, there could be three main avenues leading to an investigation and potential enforcement:

- a referral from the Ombudsman where there is evidence of a systemic problem;
- through the Regulator's performance monitoring and ongoing engagement with landlords; or
- a referral from designated groups representing social tenants. This should be part of a structured and formalised engagement programme with the Regulator, linked to the proposals for stronger representation of social tenants at a national level, and supported by a properly resourced system of resident representation at the local and regional levels.

With the removal of the serious detriment test, this model will require much closer working between the Ombudsman and the Regulator than is currently the case. The MOU governing this relationship will need to be revised to reflect this.

Measuring performance

The Mayor agrees that residents should have access to information on the performance of their landlord, but many residents questioned how they would use the performance data, given that their ability to exercise choice in this market is limited. Many felt that the use of league tables would oversimplify what are often complex issues, especially among providers with very different housing stock. One group pointed out that publishing performance information is not a replacement for full transparency, including the active publication of contracts and other important documentation. The Mayor supports greater transparency in the use of public money and he notes that residents overwhelmingly called for the Freedom of Information Act to apply to housing associations.

The Mayor believes that any key performance indicators (KPIs) should be informed by detailed consultation with residents and landlords. Given the breadth of social housing providers across the country, and the different management styles, stock types and structures in which they operate, KPIs should be used intelligently rather aggregated into a single league table. Where a landlord performs poorly, they should be obliged to provide an explanation. Residents felt KPIs

would only be useful where they are locally relevant and should be linked to clear penalties for poor performance.

The Mayor believes that the enforcement measures currently available to the Regulator in relation to housing associations should also apply to local authorities, taking into account the differences in governance structures between these two types of landlord. He welcomes the proposal to widen the Regulator's remit to include direct oversight of Arms-length management organisations (ALMOs) and Tenant Management Organisations (TMOs). This move will make regulation of the sector more consistent and easier to understand for residents. However, any expansion of the Regulator's remit in this regard will need to be managed carefully to ensure that direct regulation of these landlords does not undermine the role of local authorities in managing performance and ensuring accountability.

There were a range of views from residents regarding the proposal to link performance indicators to funding through the Affordable Homes Programme (AHP). Some felt it was right that underperforming landlords be held back from developing more stock, while others felt it may make bad landlords worse. The Mayor believes that any proposals to link performance to funding must consider that not all local authorities and housing associations receive funding; that new sanctions should not punish those in need of affordable homes; and that funding, but not regulation, have been devolved to London.

Resident engagement and scrutiny

The Mayor agrees that there is an urgent need for better representation of social housing residents at a national level. To truly give tenants and leaseholders a voice at the heart of Government, the Mayor is calling for the appointment of a Commissioner for Social Housing Residents. The Commissioner should be a social housing tenant and their role would be to champion the views and interests of social housing residents and make recommendations for future Government policy.

Residents we spoke to were supportive of the need for further representation of tenants at a national level and many welcomed the Mayor's proposal. However, they were keen to ensure that national representation was not at the cost of regional and local representation, and that engagement at a national level did not become seen by Government as tokenistic. Therefore, any proposal taken forward should ensure that structures are in place to use national representation to facilitate broader consultation with, and representation of, residents across the country.

The Mayor has also shown his commitment to resident engagement by introducing a new condition of City Hall funding for estate regeneration projects. This condition requires residents to have voted in favour of plans that involve the demolition of social homes. This is the first time such a policy has been introduced anywhere in the country, placing residents at the heart of decision-making about their homes.

The green paper's proposal for stock transfers to community-based housing associations lacks sufficient detail to provide comment at this stage. Residents we spoke to, both those whose landlords were local authorities and housing associations, were clear that they would not support further stock transfers. Residents of councils valued the democratic accountability and transparency of local authority structures, and some that had experienced both local authorities and housing associations as landlords suggested that they would wish to return to local

authority control. Further stock transfers could also impact on local authorities' borrowing capacity, which would limit their ability to build new homes.

Leaseholders

The Mayor believes that leaseholders need better access to advice and support. As the green paper points out, major works, including fire safety works, can often unfairly impact leaseholders, especially those in social housing blocks. Leaseholders we spoke to told us that communication about major works can sometimes be poor, which can lead to unexpected costs. Many residents, both tenants and leaseholders, said they preferred to be engaged with as a group of social housing residents, rather than separating neighbours based on tenures.

The Mayor has created a Shared Ownership Charter for Service Charges which aims to improve satisfaction among shared ownership leaseholders by providing a set of best practice principles for housing providers to adopt when managing service charges. The Mayor will be seeking to extend this to the wider leasehold sector in the future to improve the experience for leaseholders in London.

The Mayor is supportive of the Government's work to improve and reform leasehold as a tenure, informed by the work of the Law Commission. He supports the Government's aim to improve people's experience of leasehold and remove issues which can cause problems for leaseholders. Many local authority and housing association properties bought under the Right to Buy will soon be reaching 80 years remaining on their leases. Given the impetus to renew a lease before it falls below 70 years, to avoid issues securing a mortgage and a reduction in value, the Mayor is aware that many leaseholders will soon be seeking to extend their leases. The Mayor wants to ensure that local authorities are adequately equipped to deal with this process, and that they have the expertise to renegotiate these leases. He would ask the Government to look into this issue further to ensure that authorities are aware of this issue.

4. Tackling stigma and celebrating thriving communities

Almost all residents consulted felt that the Government's proposed policies to tackle stigma were woefully poor. Residents recognised that both the media and national politicians' rhetoric about social housing had contributed to the stigma they faced. Residents argued that Government social housing policy and wider austerity - through a lack of investment, a withdrawal of public sector services, and low levels of new supply - had contributed toward physical disrepair, poor living conditions, and social challenges. In addition, the changing focus of social housing, from supporting mixed communities to providing housing for only the most vulnerable members of society created less cohesive communities.

Many felt that the green paper's characterisation of social housing as a spring board into home ownership only served to reinforce stigma and would prefer social housing to be seen and promoted as a long-term tenure of choice.

When asked to consider the proposals in this section, residents found the suggestion of street parties patronising. They were clear that community events should arise organically and be driven by local residents. They also felt that a 'best neighbourhood' competition would inevitably mean there were both winners and losers, which would not produce the desired effect of bringing communities together.

The Mayor is clear that only through substantial, sustained investment into new social housing will stigma be tackled effectively, by placing social housing at the heart of Government plans to increase housing delivery and no longer treating it as a secondary tenure.

5. Expanding supply and supporting home ownership

Increasing supply

London is in the grips of a severe housing crisis, which can only be tackled by a significant increase to the current funding that the GLA receives. In London there are over 57,000 homeless households in temporary accommodation³ and more than 243,000 households on local authority waiting lists.⁴ By failing to provide any new funding for the delivery of social housing this green paper does not live up to its stated aim of increasing its supply. Even the additional £2 billion announced after publication falls far short of the levels required. Local authorities and housing associations cannot build at the scale required to make a serious impact on the housing crisis without a significantly larger funding settlement. For example, GLA analysis suggests that in order to build the level of social housing that the capital needs, London needs £2.7bn of affordable homes funding annually; four times what it currently receives from the Government.

The Mayor is pleased to see the green paper recognise the important role that local authority delivery should play in increasing the supply of affordable homes. If the ‘new generation of council homes’ that the Prime Minister alludes to in her foreword to the green paper is to become a reality, the Government must deliver meaningful change to make it happen. The Mayor welcomes the recent removal of the arbitrary cap on council HRA borrowing, responding to calls that he and others have long made. However, Government must not stop there – it is an essential step to help councils build more, but it is far from all they require. Reforms must continue, including to make significantly more investment available, and to give councils far greater capacity and ability to assemble land.

The Mayor is pleased to see the recognition of the importance of community-led housing in the green paper, but is concerned at the lack of ideas from the Government on how to boost supply. The Mayor has been championing the role of community groups in London and helping them to overcome barriers to delivering housing by funding a new London Community-Led Housing Hub. This provides the much-needed learning and expertise community groups require to develop their own homes. Work by the Government to explore the opportunities to roll out this approach on a national level would benefit communities and enable them to overcome any barriers encountered. In addition, the number of community-led homes could be significantly increased with a longer-term settlement for London, thereby giving certainty to the fledgling sector to plan for development beyond 2020.

Shared ownership, tenancies and allocations

The Mayor would welcome innovation in shared ownership homes that would allow leaseholders smaller increases in their equity stakes. However, this must be done sensitively, ensuring that conveyancing and other legal costs do not become burdensome. This could be overcome through the use of standard legal documentation appended to the shared ownership lease.

³ December 2017 ([Housing in London 2018, Greater London Authority](#))

⁴ December 2017 ([London Datastore, Greater London Authority](#))

MAYOR OF LONDON

Security of tenure provides families with the long-term certainty and security they need to thrive and contribute to their local area. The Mayor welcomes the decision not to implement provisions in the Housing and Planning Act 2016 to force the sale of higher value assets and to end lifetime tenancies. The considerable uncertainty caused by these policies has proven extremely damaging, as has the anxiety caused by the threat of the now-abandoned compulsory Pay to Stay, aborted proposals to change the funding regime for supported housing, and cancellation of various welfare reforms. The Mayor welcomes L&Q's recent decision to end the use of fixed term tenancies for its social tenants.

The Mayor is clear that boroughs are best placed to decide their allocations policies, based on local need and in line with national legislation. He does not believe that reviewing the current allocations process would be beneficial without a significant increase in the supply of new homes - the current system remains a reasonably objective means of allocating scarce housing. The biggest issue that authorities face when allocating social housing is a decreasing number of lets in recent years resulting from Right to Buy, insufficient new supply, and slow turnover. This has meant that a large number of households whose lives would be transformed by being able to live in social housing are not, and others are in properties that are too small or otherwise unsuitable to meet their needs.