

Social Housing (Regulation) Bill – Public Bill Committee Written Evidence submitted by Shelter November 2022

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1. <u>Summary</u>

- 1.1. Shelter welcomes the opportunity to submit evidence to the Public Bill Committee for the Social Housing (Regulation) Bill.
- 1.2. Shelter is the UK's biggest housing and homelessness charity. We exist to defend the right to a safe home and fight the devastating impact the housing emergency has on families and communities across the country.
- 1.3. Shelter support the campaigning of Grenfell United; the Grenfell Tower fire is an example how poorly managed and under-regulated social housing can have devastating consequences. Grenfell United the bereaved and survivors of the fire are determined to ensure their 72 loved ones are remembered for meaningful change to the system of social housing regulation, to ensure another Grenfell never happens again.
- 1.4. A new generation of social housing is the answer to the housing emergency. But the Government need to make sure our social homes are good quality and well-managed.

1.5. The Government have introduced the Social Housing (Regulation) Bill, which represents a once in a generation opportunity to deliver fairness and accountability for people living in social housing. Consequently, it is vital that Public Bill Committee members seek to ensure the Bill is as robust as possible.

1.6. Key recommendations

- 1.7. Shelter strongly supports the introduction of the Social Housing (Regulation) Bill and are campaigning alongside Grenfell United to ensure that the Bill is as robust as possible. The priority for the Bill must be to allow the Regulator of Social Housing and other relevant bodies to design and implement a robust, effective system of regulation in social housing.
- 1.8. In particular Shelter welcomes:
 - 1.8.1. Clause 22: The introduction of new consumer standards on information and transparency
 - 1.8.2. Clause 26: The complete removal of the serious detriment test for intervention by the Regulator.
 - 1.8.3. Clause 29: A duty for the Regulator to develop and implement a system of routine inspections.
 - 1.8.4. Clauses 9, 31 and 35: Tougher enforcement powers for the Regulator
 - 1.8.5. Clause 39: An Ombudsman complaint handling code of practice and duty to monitor compliance
 - 1.8.6. Schedule 5, paragraph 17: A power for the Regulator to set consumer standards on the safety of accommodation, facilities or services provided by social housing providers.
- 1.9. However, in order to truly deliver on promises outlined by the Government in the Social Housing White Paper, the Bill must deliver on the following areas.
 - 1.9.1. Clause 29: Shelter is calling for routine inspections of all social landlords, which get to the heart of the service a landlord is providing. This must include seeking the views of tenants directly. The introduction of Clause 29, on inspection plans, is welcome. But **this must come alongside firm assurances from the Government that the Regulator of Social Housing will use its new powers to conduct routine inspections of all social housing landlords**.

- 1.9.2. Clause 21: Shelter recommends that the Government strengthens Clause 21 (standards on competence and conduct) to ensure senior housing management staff meet clear and objective expectations on professional training, professional qualifications and continuous professional development. While introduction of Clause 21 is welcome, it does not guarantee that that this aim will be met. **Clause 21 should be strengthened to ensure that senior managers in social housing are properly qualified and trained to manage social housing.**
- 1.9.3. New Clause (preceding Clause 21): Shelter welcomes the introduction of new consumer standards on safety (Schedule 5, paragraph 17), transparency (Clause 22) and competence and conduct (Clause 21). But there are other matters of great importance to tenants on which the Regulator should also have the power to set consumer standards. These include the need for an urgent move ('transfer') to escape risk to life from domestic or neighbourhood violence. **The Government should amend the Bill to extend the scope of the consumer standards to other areas of housing management important to tenants.**

2. Background

- 2.1. The 2017 fire at Grenfell Tower showed that badly managed and poorly regulated social housing puts lives at risk. 72 people were killed in the fire, including 18 children.
- 2.2. A year after the fire, the Government's Green Paper promised a 'new deal' for social housing: "We have listened, and we agree major reform of social housing is needed".
- 2.3. But, almost five and a half years since the fire, too many families who rent their homes from social landlords are living in unsafe, substandard conditions, with no proactive regulation of the consumer standards. The homes they rent are putting lives, health and well-being at risk. 448,000 social homes fail to meet the Government's Decent Homes Standard.¹
- 2.4. Since the fire, Shelter has supported Grenfell United, the bereaved and survivors' group of Grenfell Tower, in their calls for meaningful improvements to the regulation of social housing as a legacy of those who died.

¹Brown, M. and Booth, R. 15 November 2022, <u>Death of two-year-old from mould in flat a 'defining moment', says</u> <u>coroner</u>, The Guardian

2.5. The 2020 Social Housing White Paper set out a detailed vision for the improvements needed in the way social housing is managed and tenants are treated.

3. Where are we now?

- 3.1. We support the Social Housing (Regulation) Bill as the first step towards implementing these much-needed changes. Reform is now long overdue. As the Secretary of State recently admitted, the government has *"been too slow to toughen regulation of social housing"*.²
- 3.2. This Bill is vital in introducing the tough legislation that's clearly urgently needed to protect tenants. Shocking cases of tenants living in wholly unacceptable conditions continue to come to light. In 2021, ITV News Political Correspondent, Daniel Hewitt, spent six months travelling the country uncovering the shocking conditions endured by individuals and families living in social housing, owned and run by both local councils and housing associations.³ Campaigning by Kwajo Tweneboa has also shown tenants facing appalling conditions and difficulties in getting complaints resolved.⁴
- 3.3. This triggered a damning report by the Housing Ombudsman Service for England, which investigated 142 social housing providers and spoke to hundreds of tenants. The Housing Ombudsman, Richard Blakeway, accused landlords of blaming tenants and not taking responsibility for disrepair, calling for "changes in culture, behaviour and approach; from being reactive to proactive, and from inferring blame to taking responsibility".⁵
- 3.4. This November, Rochdale coroner Joanne Kearsley, said the death of two-yearold Awaab Ishak, from prolonged exposure to mould in his family's flat, should be a "defining moment" for the UK's housing sector. Awaab's case has again shown how poorly managed and maintained social housing can kill. Awaab's family complained to their landlord many times, but there was no effective system to ensure their complaints were heard and the disrepair tackled.
- 3.5. It shouldn't take news reports and further tenant campaigning to trigger a response to conditions in social housing. For example, in a 'Regulatory Notice' to the London Borough of Croydon, the Regulator of Social Housing found the

² ibid.

³ Hewitt, D. <u>Britain's Housing Shame: A story of shocking conditions and tenants' despair at a lack of action, 12</u> <u>September</u> 2021, ITV

⁴ Geraghty, L. <u>Kwajo Tweneboa wants his new documentary to make you angry about the housing crisis</u>, 2022, Big Issue

⁵ Housing Ombudsman Service, <u>Spotlight on Damp and Mould: It's not a Lifestyle</u>, October 2021

council in breach of the home standard and the tenant empowerment standard. However, the landlord only came to the Regulator's attention after ITV coverage revealed the extremely poor conditions many tenants were facing. This triggered the council to produce an independent report and self-refer to the Regulator finding "staffing and cultural issues, issues in how the council responded to tenants' concerns and complaints and weak performance management"⁶

- 3.6. Examples like this show that the current system of regulation is wholly insufficient to uncover and tackle problems before they become a threat to the safety and wellbeing of residents.
- 3.7. The Social Housing (Regulation) Bill must lay the foundations for a strong, proactive system of regulation that has the safety, wellbeing and voice of tenants at its heart. We owe it to the bereaved and survivors of the Grenfell Tower fire, the family of Awaab Ishak and the many other social tenants still living in substandard homes to must make use of this rare opportunity to deliver tough new legislation which truly holds landlords to account.
- 3.8. This evidence submission focuses on three areas that are central to delivering an effective system of regulation in social housing: **regulatory inspections**, **professional standards and the consumer standards**.
- 3.9. However, we will never solve all of the challenges social renters face without a step change in Government investment and supply of social housing. Government funding for social housing was cut by 60% in the 2010 Emergency Budget and remains unacceptably low if we're to solve the nation's housing emergency.
- 3.10. Government must commit to investing in the social homes we have now, as well as a new generation of decent social homes to both safeguard the health, safety and well-being of existing residents and the thousands of homeless families and individuals spending months, and years, stuck in insecure, unsuitable and substandard 'temporary accommodation'.

4. Regulatory Inspections (Clause 29)

4.1. Why routine inspections are needed

4.2. In the 2021 Social Housing White Paper, the Government committed to: "work with the Regulator of Social Housing to strengthen its oversight by introducing a

⁶ Regulator of Social Housing, Regulatory Notice: London Borough of Croydon, May 2021

system of routine inspections to obtain assurance from landlords that they are complying with the consumer standards".⁷

- 4.3. When the Government introduced the Social Housing (Regulation) Bill, it announced the Bill would deliver regular, 'Ofsted-style inspections' of social housing providers by the Regulator of Social Housing.⁸
- 4.4. Routine, proactive, inspections of social housing landlords should be a central plank of the future system of social housing regulation. 79% (383) of respondents to the Social Housing Green Paper (85% of individuals and 75% of organisations) agreed that the Regulator should adopt a more proactive approach to regulation on consumer standards.
- 4.5. We welcome the removal of the 'serious detriment test' (Clause 26), legally allowing the Regulator to adopt **proactive** approach to monitoring and enforcement of consumer standards.
- 4.6. Proactive monitoring must mean a well-designed regime of routine, short notice, in-depth inspections to investigate whether social housing providers are meeting the consumer standards. Crucially, this would act as a deterrent to breaches of the consumer standards, driving culture change and uncovering breaches before they become a threat to tenants' health and wellbeing.
- 4.7. Inspections should aim to be rigorous. For example, on complaints handling, inspectors should be expected to pull out and assess case files at random, rather than looking solely at landlord data. In the same way that Ofsted contacts parents as part of its inspection of a school, we would expect the Regulator to contact tenants ahead of an inspection, to be steered by tenants on where a landlord may be falling short of the consumer standards. This should help the Regulator to focus its inspection on those areas.
- 4.8. We recommend that all registered providers of social housing (large or small) should be subject to regular inspections on the consumer standards. However, we agree that it would make sense for the frequency and rigour of inspections to be linked to the size of the landlords and risk level of its homes/neighbourhoods. While landlords managing over 1,000 homes should be the priority focus, if a smaller landlord fails to meet the consumer standards, this could still mean tenants lives are at risk.

4.9. **Shelter's view on routine inspections and recommendations**

⁷MHCLG, 22 January 2021, <u>The charter for social housing residents: social housing white paper</u>

⁸ DLUHC, 8 June 2022, <u>'Ofsted-style' inspections and unlimited fines for failing social landlords</u>

- 4.10. Shelter strongly supports the removal of the 'serious detriment test'. The Bill removes the serious detriment test in its entirety, enabling a newly proactive approach to enforcing the consumer standards by the Regulator of Social Housing.
- 4.11. Shelter welcomes the introduction of Clause 29 (Inspection plans) to the Social Housing (Regulation) Bill. This amends s.201 (inspections) of the Housing and Regeneration Act 2008 to require the Regulator to make a plan for regular inspections. However, Shelter and Grenfell United supported an amendment laid in Lords Committee by social housing expert Lord Best (amendment 17 at Report Stage), which put a legal duty on the Regulator to conduct inspections. This amendment would have given tenants confidence that the Regulator's inspection regime would be robust.

4.12. Therefore, the Government must give firm assurances to Parliament and tenants that the Regulator of Social Housing will use its new powers (Clause 29) to conduct routine inspections of *all* social housing landlords

4.13. In doing so, the Government should be clear on the minimum expectations for the Regulator's 'inspection plan' in line with the vision outlined above.

5. Professional standards (Clause 21)

5.1. Why better professional standards are needed

- 5.2. The Government recognised the need for a professionalised social housing sector in its Social Housing White Paper. The Grenfell Tower fire, and the case of Awaab Ishak, are stark reminders of why social housing must be professionally managed.
- 5.3. Ministers have described social housing as the 'first social service'.⁹ Therefore, as we expect in other key services (health, education and social services), professional standards and continuous professional development should be expected in social housing management.
- 5.4. Indeed, professionally managed social housing, offering adequate levels of support to residents, takes pressure off health and social care services, as well as Early Years and school support services.
- 5.5. Legislation governing health professions (including social work) and school teachers establishes requirements for mandatory qualifications, training, registration and development for professionals in those sectors.

⁹ MHCLG, August 2018, <u>A New Deal for Social Housing: Social Housing Green Paper</u>, page 7 (foreword)

- 5.6. We fully support Grenfell United in demanding that a professionally managed social housing sector, with a tenant-centred ethos, must be a key pillar of the legacy of the 72 victims of the fire.
- 5.7. Social housing is let to those most in need and vulnerable to poor housing conditions. Half (50%) of social renters are in the lowest income quintile compared to 22% of private renters and 12% of owners.¹⁰ Over half (55%) of households have one or more household members with a long-term illness or disability.¹¹ Over a quarter (26%) are 65 or over.¹² Shelter's services also see tenants in need of urgent moves within social housing to escape domestic abuse, racial harassment, youth violence or harassment by criminal gangs.
- 5.8. Due to the acute shortage of social housing, tenants have few options to move to an alternative landlord if they receive an unprofessional service. Consequently, they need guarantees that those managing their homes are properly qualified to do so – just as those receiving a state education and social care should expect.
- 5.9. Legislation for professional standards would ensure housing management staff take an up-to-date, professional and person-centred approach to letting, managing and maintaining social housing, as well as supporting residents with problems, such as domestic abuse, disability, poor physical and mental health or impacts of discrimination.

Shelter's view on professionalisation

- 5.10. Shelter welcomes the introduction of Clause 21 (Standards relating to competence and conduct) which amends s.194 of the Housing and Regeneration Act 2008, to allow the Regulator to set new consumer standards on the competence and conduct of social housing managers, including compliance with specified rules on knowledge, skills and experience. **However, this clause could be made stronger as there is no requirement to meet objective professional standards.** This risks setting too low a bar for registered providers in the professional training they implement.
- 5.11. Shelter, alongside Grenfell United, supported Baroness Hayman's amendment in the House of Lords stages of the Social Housing Regulation Bill (amendment 23 at Report Stage). This amendment set the basic expectation for mandatory qualifications and continuous professional development in social housing management roles, and granted the Secretary of State a power to introduce regulations to set out objective requirements.

¹⁰ DLUHC, <u>English Housing Survey 2020 to 2021: social rented sector</u>, Annex Table 3.1

¹¹ DLUHC, <u>English Housing Survey 2020 to 2021: social rented sector</u>, Annex Table 1.9

¹² DLUHC, <u>English Housing Survey 2020 to 2021: social rented sector</u>, Annex Table 1.2

- 5.12. We recognise the current challenges the sector faces in recruitment and retention of housing management staff. Clearly, requirements on professional qualifications must be introduced in a way which doesn't make matters worse.
- 5.13. We believe this is possible. For example, regulations on professional standards could be implemented with adequate lead-in times, to allow the Chartered Institute of Housing to develop and deliver a programme of qualifications. They could also be implemented on an incremental basis, starting with mandated qualifications for senior managers of social housing. Baroness Hayman's amendment enabled this as it allows for regulations to define the different types of work for which the requirements to be qualified or experienced apply.
- 5.14. We believe that, in time, recruitment and retention in social housing management should improve as a result of requirements for professional standards, with social housing management increasingly regarded as a valued profession, attracting dedicated individuals to a rewarding professional career.
- 5.15. Shelter also recognises that professional standards must not act as a barrier to encouraging diversity in social housing management, so that managers reflect the tenants they serve. Social landlords are of many different sizes, structures and types of service provision. Regulations on professional standards can account for this by providing multiple pathways to becoming accredited or qualified, as is currently the case in other sectors, such as teaching.
- 5.16. The Chartered Institute for Housing, the main training and accreditation body in the UK, argue "in relation to direct housing management functions, including resident involvement and anti-social behaviour work, there is a case for setting certain expectations of skills, knowledge and behaviour to ensure that staff provide good services and work well with and in response to residents"¹³
- 5.17. Ministers have stated that Baroness Hayman's amendment in giving the Secretary of State the ability to set mandatory qualifications in social housing management would lead to the reclassification of housing associations as public bodies by the Office for National Statistics (ONS).

5.18. **Recommendations**

5.19. The Government is yet to share evidence of correspondence with the Treasury or the ONS on this matter. Shelter recommends that the government seeks the views of the ONS on this matter directly. Alternatively, it should share evidence of the ONS's likely decision in the event that Baroness Hayman's amendment or similar is added to the Bill. If the ONS confirms that reclassification is not an

¹³ https://www.cih.org/media/llrniklv/social-housing-regulation-bill-second-reading-hoc-4nov22.pdf

issue, we recommend that the Government strengthens the Bill along the lines of Baroness Hayman's amendment.

- 5.20. Even with confirmation from the ONS, Shelter believes that (at the very least) Clause 21 should be significantly strengthened .
- 5.21. Clause 21 should be strengthened to set clearer expectations for what the Regulator's standard on 'conduct and competence' may include.
- 5.22. Shelter suggests that Clause 21 outline the expectation that Regulator's Competence and Conduct Standard may include requirements for senior managers in social housing to
 - 5.22.1. be registered with professional bodies,
 - 5.22.2. have relevant qualifications and/or experience,

5.22.3. be subject to continuous professional development.

5.23. This would bring Clause 21 closer to the vision set out by Grenfell United and Shelter, whilst retaining the Regulator's ability to consult on and set a robust and effective standard.

6. Consumer standards

- 6.1. Shelter welcomes the proposed introduction of new consumer standards on safety (Schedule 5, 17), transparency (Clause 22) and competence and conduct (Clause 21).
- 6.2. The Social Housing Regulation Bill is an important opportunity to ensure that the fundamental objectives of the Regulator (Clause 1) and the consumer standards it sets are strong and cover all the issues that matter to tenants.
- 6.3. We believe **the Regulator should consult with tenants on the consumer standards**, with the aim of getting a clear picture of what matters to tenants.
- 6.4. However, through Shelter's services we see a number of key issues arise frequently. There are a number of consumer standards that the committee might consider. Given the opportunity presented by the Bill, **Shelter recommends that the committee consider small amendments sections 193 and 194 of the Housing and Regeneration Act, via a clause in the Social Housing Regulation Bill, to enable standards to be set on the key areas such as:**
 - 6.4.1. Urgent moves for residents at risk of domestic and other violence (e.g. youth violence)

6.4.2. Homelessness prevention and advice

6.4.3. Service charges

6.4.4. Estate regeneration

6.4.5. Major works

6.5. These simple amendments would enable the Regulator to set standards on these topics. Work could be done following the passage of the Bill to consult, develop and introduce such standards – however, these changes to the Bill will be important to ensure that the Regulator has the scope to do so.

7. <u>Contact</u>

7.1. For further information please email <u>public_affairs@shelter.org.uk</u>