

Item No. 6.	Classification: Open	Date: 9 March 2020	Meeting Name: Housing Scrutiny Commission
Report title:		The council's relationship with housing associations	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Kieron Williams - Cabinet Member for Housing Management and Modernisation	

RECOMMENDATION

1. The Housing Scrutiny Commission is asked to note the contents of this report.

BACKGROUND INFORMATION

2. There are about 17,000 housing association properties in Southwark, compared to about 37,000 council rented properties. There are close to 60 housing associations that have stock in Southwark but many of these have very small stocks. There are 18 with stock over 100 units as per the table below. There are also about 3,000 shared ownership properties across the borough. In 2019 Peabody Trust was the largest housing association with a stock of 3,036 low cost rental units. Many of these housing associations have significant stock in other boroughs so we are not the only local authority trying to influence and communicate with these housing associations.
3. The council works closely with housing associations as it has many similar aims and objectives, and responsibilities. The council does not manage or regulate housing associations but there are a number of ways the council can influence housing associations in the borough. There are a variety of formal powers the council can use, but in most cases the influence is through the council's working relationships with housing associations.

Housing associations with over 100 units of low cost rental accommodation) in 2019, from the Statistical Data Return (SDR)	Total low cost rental accommodation (owned)	Rank	Shared ownership (less than 100% ownership)
Peabody Trust	3,036	1	489
London & Quadrant Housing Trust	2,288	2	495
Hyde Housing Association Limited	1,729	3	461
Hexagon Housing Association Limited	1,428	4	87
Optivo	1,425	5	363
Wandle Housing Association Limited	1,175	6	235
Clarion Housing Association Limited	1,047	7	135
Notting Hill Genesis	1,035	8	4
Southern Housing Group Limited	636	9	164
The Guinness Partnership Limited	618	10	
Metropolitan Housing Trust Limited	533	11	115
The Riverside Group Limited	335	12	
Habinteg Housing Association Limited	178	13	

Lambeth & Southwark Housing Association Limited	158	14	
Paragon Asra Housing Limited	157	15	34
Housing For Women	120	16	
Sanctuary Housing Association	120	17	1
New World Housing Association Limited	114	18	

KEY ISSUES FOR CONSIDERATION

Section 1 – Joint strategic work with housing associations

Working together to develop a joint strategic vision

4. The council works closely with housing associations in developing and agreeing the strategic vision for housing in Southwark.
5. The Housing Strategy to 2043 (agreed in 2015) was developed in partnership with housing associations that play a key role in the delivery of all four of the overriding principles of the Housing Strategy. They have also been firmly involved in developing the Southwark Housing Strategy 2020. In June 2019 the council held a stakeholder event which was attended by a large number of housing associations along with staff from the GLA, the Ministry of Housing and Local Government and voluntary agencies. Following this event we have refreshed the principles and updated the actions for how we will deliver the housing strategy together. This is currently being consulted on via the council's consultation hub at: <https://consultations.southwark.gov.uk/housing-community-services-department-community-engagement-team/shs20/>
6. The New Southwark Plan is the new borough-wide planning and regeneration strategy up to 2033. The council submitted the NSP to the Secretary of State on 16 January 2020. Housing associations have been involved in the developing the plan and shaping the vision. Housing associations are also consulted on other planning policies and supplementary planning documents.

Working together on regeneration schemes

7. The council is working on some major regeneration projects in the borough such as at Old Kent Road, Canada Water, Aylesbury and Peckham and Nunhead. The council is working closely with housing associations and house builders in long term partnerships to both shape the vision for the area but also deliver the new homes. In key regeneration partnerships, a housing association is the development partner. The Council has a formal development agreement with that partner and has regular strategic meetings.
8. The Council is also involving housing associations as key stakeholders in the development of Social Regeneration Charters such as in Walworth where L&Q and Notting Hill Genesis have an increasing amount of homes.

Working together on new development

9. The council works closely with housing associations to increase the supply of affordable housing in Southwark. The Housing Regeneration and Delivery Team and the planning division works together with housing associations on their pre applications, and planning applications to maximise affordable housing and

achieve policy compliant schemes, making best use of the various funding opportunities. The CIL/S106 team provide advice and assistance to housing associations who are applying for CIL relief to help further increase the provision of social housing.

10. The council monitors the completion of new housing association development in the borough, and keeps a record of development activity in the borough. The council holds two development lists of all housing associations in the borough. The first details associations with a significant development and housing management role in Southwark. They have an established relationship with the council in terms of nomination agreements and a local management presence. There is also a second list which details registered providers with smaller stock holdings in Southwark and/or providing specialist housing.
11. The following is the current schedule of development by each housing association between 2019/20 to 2024/25 based on current plans. This regularly changes as new schemes are added or as phasing of schemes change. This shows that Notting Hill Genesis will play have significantly more social rented stock in the borough in future years.

Provider	Social Rent	Affordable Rent	Intermediate	Grand Total
Notting Hill Genesis	579	162	616	1,357
L&Q	35	209	191	435
A2 Dominion	287		125	412
Peabody	160	6	131	297
Optivo	38	90	53	181
Hexagon	9		69	78
Pocket			57	57
United St Saviours	57			57
Viridian	8		6	14
City of London	13			13
Guinness	8		4	12
Affinity Sutton	8		2	10
Grand Total	1,202	467	1,254	2,923

12. Housing associations should take account of the Borough Tenancy Strategy in deciding whether to offer fixed term tenancies or lifetime tenancies. In summary, this strongly recommends the use of lifetime tenancies, but where there are specific issues, that a fixed term tenancy could be used, in line with guidance to maximise security of tenure as far as possible.

Option to engage with housing associations

13. The council has a number of formal structures it can use to engage with housing associations. These include:
 - SOUHAG (Southwark Housing Association Group) Development Group - This discusses issues around increasing the supply of affordable housing
 - SOUHAG Management Group - This discusses more day to day housing management issues such as fire safety, tackling anti social behaviour etc. The council is currently reviewing how often this group meets and the best way to discuss and communicate issues with housing associations.

- SOUHAG Communities Group - This is a newly emerging SOUHAG to look at how housing associations and the council can work better together around improving the health and wellbeing of residents. The SOUHAG Communities subgroup will bring together key partners including representatives from the council, housing associations, and NHS Southwark CCG. Engagement with the ten key housing associations operating in the borough identified their health and wellbeing priorities in Southwark as follows:

1. Training, employment, education, and skills
2. Financial inclusion
3. Tackling isolation and loneliness
4. Engaging young people
5. Tackling low-level mental health issues

14. The council also regularly meets with housing associations outside of these formal structures.
15. Resident Services organises meetings between key managers in the council and directors of the largest housing associations to provide an opportunity to discuss overall key priorities and issues.
16. The council also sets up wider meetings to discuss specific issues as required. This can provide an opportunity to meet with a particular set of staff with the organisation. A key example of this was an event held in January 2020 to discuss issues and challenges related to fire safety, and to share best practise. This event was attended by most housing associations in the borough, London Councils and the London Fire Brigade. This meeting resulted in housing associations being invited to join the London Councils Fire Safety Group, and agreement for a joint response led by London Councils to some of the key issues in the Grenfell Stage One Recommendations. The group will meet again to discuss the Stage Two Recommendations when these are published.
17. The council also works with London housing associations through London Councils and their relationship with the G15 (a grouping of large London housing associations). This can provide an excellent opportunity to allow both the council and housing associations to speak together on particular areas of concern. A good example of this is the joint work by the G15 and London Councils into housing supply issues and the need for further funding for affordable housing in London. The report will be published towards the end of March and will provide an excellent lobbying tool to get more funding for London.

Housing Association Boards

18. Some council staff may sit on housing association boards in a personal capacity in their own time. Staff members are required to declare this interest, as all interests that could be seen as creating a possible conflict of interest should be disclosed. Sitting on a board can provide an opportunity for staff to gain a better understanding of issues in the housing association sector and to share expertise.

Section 2 - Working together to resolve issues with individual properties or schemes

19. There are occasions where the council needs to work with housing associations to address specific issues with properties or blocks as they arise. The council can assist as follows:

Building control issues

20. Building control can provide assistance where a development has been found to not meet building regulations.

Planning issues

21. The Planning Enforcement team can use legal powers to ensure that buildings have been built as agreed. An enforcement notice could be issued if a building was found to not contain the required numbers or specific types of affordable housing, or possible breaches of planning control. An enforcement officer will offer advice and guidance about how to resolve a breach informally, avoiding formal action, and will look to have early discussions with housing associations if any problems arise.
22. To assist with increasing the supply of affordable housing, under the New Southwark Plan, developments that creates 10 or more homes must provide the maximum viable amount of social rented and intermediate homes. The minimum amount should be 35%. This should be provided on site where possible, and offsite in exceptional circumstances. Where social and intermediate housing cannot be provided on site or off site a cash payment towards the delivery of new council homes will be required. Developers are also required to pay a community infrastructure levy (CIL) to contribute towards improving community infrastructure.
23. The CIL/S106 team act in a regulatory role monitoring the provision and retention of affordable housing as set out in the legal agreement (S106). Recently the council took court action against a developer (at the Jam Factory site) who sold off social housing within a development. The Planning division is currently working on developing a digital tool to monitor affordable housing provision secured via S106 Agreements to ensure that this is implemented in perpetuity. This work has involved working with Housing Associations to understand the housing stock within the borough. More information on this project can be found here: <https://www.southwark.gov.uk/innovate/collabrative-project/affordable-housing-monitoring>

Property condition issues

24. On 20 March 2019 a new law came into force to make sure that all rented houses and flats are 'fit for human habitation', which means that they are safe, healthy and free from things that could cause serious harm. If rented houses and flats are not 'fit for human habitation', tenants can take their landlords to court. In addition, the Housing Enforcement team have powers under the Housing Act 2004 to require landlords, including housing associations, to carry out works to properties where hazards exist (as specified by the Housing Health and Safety Rating System). There are also a number of miscellaneous provisions that allow

the team to require landlords to take action to remedy statutory nuisance or issues that are considered to be prejudicial to health. In the case of housing association properties, residents will usually be referred to their housing associations formal complaints process. Where enforcement officers are concerned about a particular issue they will speak to the housing association informally. They will take enforcement action where someone is in immediate danger or if the housing association has not responded to repeated requests for action. Housing Associations are exempt from any mandatory, additional or selective licensing provisions under Part 2 and part 3 of the Housing Act 2004.

Nominations

25. The council has nomination rights to housing association properties. Where the Council has provided funding or land or some other subsidy, the council will receive 100% of nominations on such properties for the first 2 years of the scheme from the date of the first tenancy. Otherwise where housing has been delivered as a result of a Section 106 development or provided with other public funding housing associations will offer nomination rights to the council of 50% of one bed units and 75% of two bed+ units. In 2018/19 there were 265 council nominations to housing association properties. Occasionally there may be issues where a household who has applied for a housing association property will be turned down based on affordability issues. The council discusses issues such as this broadly with housing associations at SOUHAG and also intervenes in individual cases as required.

Section 3 – Areas covered by the Regulator of Social Housing and the Housing Ombudsman

Regulation

26. The council does not have a direct role in the regulation of housing associations but the local authority could refer an issue to the regulator to investigate if it had a particular concern.
27. The Regulator of Social Housing regulates registered providers of social housing (including local authorities) to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs. All local authorities are regulated, including those whose stock is managed by an Arm's Length Management Organisation (ALMO) or a Tenant Management Organisation (TMO).
28. The objectives of the Regulator of Social Housing are set out in the Housing and Regeneration Act 2008. In summary, their role is to:
- protect social housing assets
 - ensure providers are financially viable and properly governed
 - maintain confidence of lenders to invest into the sector
 - encourage and support supply of social housing
 - ensure tenants are protected and have opportunities to be involved in the management of their housing
 - ensure value for money in service delivery
29. The regulatory standards for social housing in England are at the core of the regulatory framework requirements. Each standard sets out required outcomes

and specific expectations of registered providers. Where relevant, they reflect the Secretary of State's directions on specific regulatory standards.

30. They proactively regulate the 3 standards which are classified as 'economic'. These are:
 - the Governance and Financial Viability Standard
 - the Value for Money Standard
 - the Rent Standard
31. The remaining 4 standards are classified as 'consumer'. These are:
 - the Tenant Involvement and Empowerment Standard
 - the Home Standard
 - the Tenancy Standard
 - the Neighbourhood and Community Standard
32. For consumer standards their role is reactive in response to referrals or other information received. Their role is limited to intervening where failure to meet the standards has caused or could have caused serious harm to tenants.
33. In the guidance on the regulator's approach to intervention, enforcement and use of powers it states the regulator recognises that local authorities in whose areas a registered provider operates may have various levels of interest in the provider's affairs. Where a local authority is a secured creditor its position is the same as other secured creditors. In other situations, the regulator does not have a legal duty to consult or inform local authorities, but the regulator will endeavour to keep local authorities informed as appropriate to the particular circumstances of each case.
34. From 1 October 2018, the Regulator of Social Housing was made a stand-alone 'non departmental public body' of government. It was previously part of the Homes and Communities Agency (HCA) which administers grants to social housing providers. Initially this resulted in a more light touch approach to regulation with focus on the economic standards, but these consumer standards have gained more attention since the tragic Grenfell Tower fire.

Complaints

35. If a housing association tenant wants to complain about their landlord, they need to initially contact their landlord. If this fails to resolve the issue the resident can try to escalate the complaint through a designated person. This could be an MP, councillor or a tenant panel. The designated person can try to help resolve the issue. If they don't succeed they can refer this to the housing Ombudsman. If the designated person does not agree to pursue the case the resident has to wait eight weeks before the complaint goes to the Housing Ombudsman. The government have consulted on removing this "democratic filter" in the social housing green paper.
36. There may be cases where a housing association resident will want to complain about services provided by the council. The council's complaint process is detailed on the Southwark Council website.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Member	Councillor Kieron Williams, Cabinet Member for Housing Management and Modernisation	
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CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
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Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Cabinet Member	Yes	-
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