

Decent Homes Evaluation Evidence

29th January 2010

1. A summary of what we think

- 1.1 We fully support the National Housing Federation's (NHF) submission and agree with its financial analysis and conclusions;
- 1.2 The g15 has achieved significant progress in meeting the Decent Homes Standard and, in common with other housing associations, has done this almost entirely without Government funding.
- 1.3 Whilst the g15 members have fully engaged with the programme and (in many cases) gone beyond the national standards, Government needs to recognise that the economic context has changed and that the historic model no longer works;
- 1.4 Members would not support the continuation of a mandatory national standard - or any proposal for a mandatory environmental retrofit standard - where the costs are expected to be fully absorbed by landlords because of the detrimental financial impact this would have on housing associations;
- 1.5 The current social housing rent regime must be made more flexible, enabling Housing Associations to recover the ongoing cost of upgrading existing stock or delivering improvements agreed locally with residents;
- 1.6 The lack of Government funding has meant that some g15 members have had no choice but to sell properties in order to fund the timescales of the Decent Homes Programme, leading to loss of much needed affordable housing stock in London;
- 1.7 Our approach has been to integrate investment programmes, so as to widen the range of works we undertake and increase the value for money offered. At the same time, we have tried to achieve locally agreed standards and deliver wider social and economic outcomes. However, the current economic conditions will have a substantial impact on this approach.
- 1.8 Members will continue to place a high importance on the quality of our homes - even without the mandatory requirement of decent homes. However, as independent social businesses, we must balance competing demands to ensure that we protect homes and services in the longer term.

2. Who we are

- 2.1 The g15 is a group of independent London housing associations who collaborate at a number of levels to create balanced and sustainable communities throughout London; communities where people are proud to live, now and in the future. The g15 comprise of the following members:

A2 Dominion Group	Metropolitan Housing Trust
Affinity Sutton	Notting Hill Housing
AmicusHorizon Group	Network Housing Group
Catalyst Housing Group	Peabody
Circle Anglia	Southern Housing Group
East Thames Group	The Hyde Group
Family Mosaic	The L&Q Group

3. Context and facts

- 3.1 The g15 makes a significant contribution to London life. Collectively, g15 associations house around one in ten Londoners and manage around 410,000 homes. Members build between 14,000–15,000 new homes every year and invest over £25m annually in economic and community development to create thriving, sustainable neighbourhoods across the capital.
- 3.2 Since 2000, the g15 has made significant progress in delivering against the Decent Homes Standard, despite the fact that it is not a statutory requirement for Housing Associations. Since 2004 we have seen the average decency failure rates across the g15 reduce from 12.3% to 5.7%.

	04-05	05-06	06-07	07-08	08-09
g15 average DHS failure rate ¹	12.3%	12.7%	9.9%	6.0%	5.7%

4. Funding

- 4.1 The g15 recognises the value of a minimum quality threshold for housing and welcomes the aspiration to have decent homes across all housing sectors. We would reiterate members' impressive progress in meeting the Decent Homes Standard (DHS) (despite receiving no additional major repairs funding) whilst continuing to contribute to significant local authority stock transfer activity and regeneration.
- 4.2 In the absence of Government funding, some g15 members have had no choice but to sell properties in order to fund the Decent Homes Standard. This is highly regrettable and has led, we feel, to an avoidable loss of much needed stock in London.
- 4.3 Like the National Housing Federation, the g15 members believe that they cannot continue to meet an enforced demand for expenditure if they are to keep the supply of new social house building on track, maintain expenditure on day-to-day management and maintenance and provide neighbourhood services. This is particularly the case given the current economic climate whereby Government's decision to allow rent reductions – combined with the continued downturn in shared ownership sales – has led some housing associations to seriously review their ability to fully meet the DHS by the end of 2010. The current social housing rent policy does not allow the additional investment in homes to be recovered and this is a serious issue.
- 4.4 The g15 believes that Government needs to recognise that housing associations can no longer continue to self-fund either a mandatory Decent Homes Standard or one that seeks to universally increase environmental performance. Indeed, whilst relaxing the rent regime within the social housing sector would *help*, it would not (by itself) be the answer. In reality, additional Government funding would be necessary to implement any such standard.

5. Standards and value for money

- 5.1 Generally, the g15 has exceeded the Decent Homes Standard, undertaking a broader range of improvements agreed locally with residents. This has included activity such as:

¹ Housemark
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- Creating economies of scale by combining previously identified planned maintenance work;
- Delivering value for money by also targeting future repair or replacement issues;
- Improving noise and thermal insulation levels, where possible;
- improving access to properties for those with disabilities; and
- Improving the external environment, particularly in communal areas...

6. Assessing viability

- 6.1 As stated above, members of the g15 have needed to dispose of assets as a result of the universal requirement to achieve the Decent Homes Standard by 2010. All g15 members have Asset Management Strategies in place that set out their approach to disposals. As independent social businesses, our approaches may differ from association to association but, generally, members will consider the future of individual properties against a range of factors (of which the Decent Homes Standard is part).
- 6.2 Others factors include demand patterns, property layout, the cost of improvement works, lettings refusal patterns and resident satisfaction levels. Generally, strategies focus on balancing the cost of improvement against the potential cost of re-provision. With Government funding, the need to dispose of such housing would be reduced considerably.

7. Social and community benefit

- 7.1 Generally, g15 members require partners to achieve wider social benefits for the local community when undertaking works. Examples include:
- A specified proportion of the contracted workforce coming from the local community;
 - The requirement for a specific number of trainees or apprentices to be established per million pound of expenditure; and
 - Setting of specific diversity targets within the workforce and the supply chain.
- 7.2 In many cases, members supported the achievement of these targets through partnership programmes developed between internal social regeneration teams, education and training providers and the successful contractor. The current economic conditions are putting pressure on some providers in this regard and ongoing investment in this area may need to be reduced if external funding continues to reduce.
- 7.3 In addition to the employment and training outcomes the supply chain requirements on diversity have helped sustain small and medium enterprises (SMEs) in the community but, again, the current economic conditions may affect this approach without some proactive intervention.