



VIEWS

Summer 2017

Mr Sharma – you’ve got your work cut out in the government’s toughest job

– *Sam McGrady, Director, DTP*



Recent years have seen no shortage of momentous events which have prompted pundits to declare that “things will never be the same again”. Whether on the UK or global stage, things have certainly been sent to try us. In the case of Brexit and the election of President Trump, the hyperbole may not turn out to have been misplaced.

And as we headed into 2017, who could have predicted what lay ahead? Firstly there was the snap General Election and the landslide that didn’t happen. A government with a reasonable working majority has been replaced by a far from “strong and stable” minority administration, propped up in parliament by less than a dozen MPs from Northern Ireland’s unionist faction.

Then within a week of the poll, came the first terrifying images of the burning Grenfell Tower. First came the horror and the grief. Then the anger. And only now are we beginning to wake up to the long-term consequences.

For the housing sector these consequences are going to be immense. Talking to senior executives for our latest Weather Forecast Group survey of the sector, it’s clear this is going to dominate the next few years. Its ramifications will be far reaching, and probably more impactful on our sector than the election outcome. We now face uncertainty piled on top of uncertainty.

My initial sense is that the public inquiry into Grenfell won’t look at the wider lessons of Grenfell for social housing. That will be left for the sector itself – and possibly the regulator – to consider. But reflect it must and change it will.

Firstly, there will be the technical changes which will surely follow – the changes to building regulations and health and safety requirements. This won’t just cover cladding and refurbishment projects but will take in other issues and questions. Why, for example, do many older social housing blocks of flats still have exposed gas pipes? Inspections of blocks in Camden, which led to the evacuation of residents, also threw up issues such as the absence of fire doors. More will come to light, I expect.

But then there are the wider changes to how we have delivered social housing in recent years, which Grenfell will throw under the spotlight.

The “digital channel” shift of the last decade, while necessary and beneficial in many ways, is reducing the number of boots on the ground which providers can call upon. Whether it’s the removal of wardens or concierge staff from tower blocks or reductions in housing officers, Grenfell has highlighted the lack of basic, on-site housing management being provided in many places. Most in the sector I speak to expect this now to change.

One chief executive I spoke to recently also highlighted the shift in responsibility for fire safety checks from 2005 onwards from the fire service to landlords. This has only weakened regulation – with the responsibility being placed on non-technical people for a highly technical task. This highlights an important point – regulation of housing providers in recent years has focused on their financial robustness and governance excellence (both extremely important issues), to the detriment of regulating service provision. Again, Grenfell could well turn out to be a catalyst for change on that.

Grenfell is also likely to force unexpected consequences for housing policy generally – especially what does or doesn’t make it through parliament in the coming years. That’s also a consequence of the General Election result and the fact the government will only bring to parliament what it is likely to win.

So what limited parliamentary time will focus on housing, is most likely going to be dominated by Grenfell.

That will mean a number of the issues which have come to dominate the sector may well be kicked into the long grass. For some of those policies, that might not be a bad thing. For others, the consequences could be less positive.

On the future funding of supported housing, will we see the promised response to last September’s consultation? The government may now lack the will and the capacity to get change through. Will the sector’s lobbying around the shared room rate being applied to Housing Benefit for under-35s bear fruit and result in changes? Probably or possibly not.

Voluntary Right to Buy proposals could suffer a similar fate, as could plans to reduce homelessness. The latter had seen a Homelessness Reduction Act passed which did make some headway on the issue by making local authorities responsible for reducing homelessness. But the election result and the corresponding focus on Grenfell could see this falling off the radar, especially when it comes to allocating resources to tackle the problem.

On housing supply, there was no mention in the Queen’s Speech on this crucial issue. This doesn’t bode well, and there is now a glaring lack of clarity on how the government plans to build 1.5m more homes by 2022. With the government’s focus on other things, there could be pressure on actors beyond central government to pick up the baton on this. In fact, this could be devolution’s opportunity to prove its worth.

For the construction of new social housing, Grenfell could, again, have an unexpected consequence. Many providers with tower blocks will be forced to divert potential new build resources into dealing with the cladding issue and whatever else emerges from the public enquiry. Money which could have gone on new homes will instead be spent on further investment in the refurbishment of existing properties.

The Queen’s Speech did at least include the government’s plans to end ‘unfair tenant fees’ for private rented tenants. With cross party support that should make it onto the statute book. And another proposal, to offer new council-built 15-year fixed term tenancies with a right to buy a social housing property at the end of it, also made it into the government’s legislative programme. There are many unanswered questions on this one, but it offers at least a glimmer of hope for young people looking to get on the housing ladder. My emphasis is on the “glimmer” at present.

All of which leaves a lot for the new housing minister, Alok Sharma to consider. His parliamentary ‘in-tray’ may not be bursting at the seams but he will still have much to occupy his thoughts. It’s illuminating that his appointment came a full four days after Theresa May had managed to fill other government posts. I can’t imagine it was a job Conservative MPs were queuing up to take on.

Whether the housing portfolio will turn out to be the poison chalice it appears to be, only time will tell. Mr Sharma’s lack of experience in housing doesn’t auger well. But it’s early days and it would be unfair to write him off just yet. I would certainly wish him luck. He may well need it.