

## Introduction

London Councils represents London's thirty-two boroughs and the City of London; making the case to government, the Mayor and others to get the best deal for Londoners and to ensure that our member authorities have the resources, freedoms and powers to do the best possible job for residents and local businesses.

London boroughs welcome the new regulatory standard as an opportunity to refocus efforts on achieving high standards in the sector, and to work in partnership with the regulator to achieve this. The proposed changes set out in the Social Housing White Paper, that the Tenant Satisfaction Measures form a part of, have further placed a spotlight on quality within the social housing sector, rightly highlighting the need to drive up and maintain standards for tenants.

In order to be effective, the TSMs need to be deliverable and not pose a significant administrative burden to registered providers. Most London local authority landlords are already measuring many of the proposed TSMs but there will nevertheless be significant cost implication to ensuring compliance with the new framework. This comes in the context of intensifying cost pressures on London local authority landlords.

Due to the impact of the annual 1% rent cut implemented from 2016/17, in nominal terms London Councils forecast that Housing Revenue Account (HRA) income will not return to 2015/16 levels until 2022/23. HRA rental income across London is forecast to be £459 million lower this year than it would have been if CPI+1% had remained in place. At this time when available resources have been reduced, the demands on these resources have increased. There has been a further estimated £100 million hit to borough HRA's in London from the pandemic. £32 million impact forecast this year (2021/22), of which nearly half (42%) derives from residential rent arrears. Given these financial pressures we hope that the regulator will work with government to ensure any cost complications on local authorities of the new framework will be met in line with new burdens principles.

We recognise the engagement work undertaken by the regulator leading up to the publication of this consultation and note that many of the points raised by boroughs in these discussions are reflected in the proposed TSMs.

## Overall Tenant Satisfaction Standard

**Q1a** *Do you agree that the proposed TSM Standard: sets clear expectations for registered providers?*

Agree. The proposed TSM standard set out clear expectations for registered providers and creates a basis for the regulator to meet the objectives of the Social Housing White Paper.

**Q1b** *Supports the regulator in ensuring that the TSMs provide tenants with greater transparency about their landlord's performance (one of the aims of the TSMs in the White Paper)?*

Agree. The responsibilities for registered providers set out in the standard will support the work of the regulator in providing tenants with greater transparency. This is particularly the case of the requirement to annually publish performance against the TSMs.

## Theme 1: Keeping Properties in Good Repair

**Q2** *We are proposing to introduce two TSMs about timeliness of repairs (RP02 Repairs completed within target timescale and TP03 Satisfaction with time taken to complete most recent repair). Do you agree that both RP02 and TP03 should be used to measure timeliness of repairs?*

Agree. The inclusion of both measures is important to achieve a balanced view of a landlord's performance on repairs. While it is important to measure landlords' performance against their own targets, tenants will undoubtedly be more concerned with the general timeliness of repairs being completed rather than whether internal targets are met. As such the perception question TP03 is important to properly capture tenant satisfaction. We would however note that how a resident defines a repair versus the landlord's definition could produce a mismatch between the results of both measures. For example, a landlord would define a complex issue such as leak to consist of multiple different repairs (stop the leak, repair the damage etc.), each with their own associated target timeframe for completion, while the tenant would regard only the final outcome as completion.

While the proposed timescale measure is superior to a 'right first time' based question it is important to note that registered providers will have adopted different timescales, meaning RP02 may not provide a useful comparison of landlord performance if timescale differ significantly. We therefore support the requirement to publish target timescales as a means of providing greater transparency.

**Q3** *There are four proposed TSMs under the theme of Keeping Properties in Good Repair (RP01 Homes that do not meet the Decent Homes Standard, RP02 Repairs completed within target timescale, TP02 Satisfaction with repairs and TP03 Satisfaction with time taken to complete most recent repair). Overall, do you think they give a well-rounded view of performance under this theme?*

Yes, the combination of these measures add up to a well-rounded view of performance.

**Please tell us if you have any comments on any of the individual TSMs under the theme of Keeping Properties in Good Repair.**

It is currently unclear if TP02 and TP03 relate only to repairs within a tenants' property or also include repair issues in communal areas. This lack of clarity may lead to inconsistencies across responses and registered provider performance.

The Decent Homes Standard does not give a clear mandate or guidance on how it should be measured, with differing approaches taken, including 100% stock condition surveys and sample surveys. This will make it challenging for the Regulator to ensure a consistent level of accuracy in the data being reported by landlords. The Decent Homes Standard is likely to be reviewed in the coming period which could provide an opportunity for the Regulator to seek consistency on how it is measured.

## **Theme 2: Maintaining Building Safety**

**Q4** *Do you agree with the proposal to use the individual homes for which the relevant safety checks have been carried out as the basis for the following Maintaining Building Safety TSMs: BS01 Gas safety checks, BS02 Fire safety checks, BS03 Asbestos safety checks, BS04 Water safety checks and BS05 Lift safety checks?*

Agree. This approach is practical and more easily deliverable than the alternative. It will also provide transparency and facilitate comparisons across landlords. However, we understand that some London local authority landlord systems are not configured to monitor and report on the number/proportion of individual dwellings to which a communal safety check applies, as they currently report on compliance based on the number of assessments. The cost impact of amending

systems and reporting and reconfiguring existing system data is likely to be significant for these landlords.

**Q5** *There are six proposed TSMs under the theme of Maintaining Building Safety (BS01 Gas safety checks, BS02 Fire safety checks, BS03 Asbestos safety checks, BS04 Water safety checks, BS05 Lift safety checks and TP04 Satisfaction that the home is well maintained and safe to live in). Overall, do you think they give a well-rounded picture of performance under this theme?*

Yes. The proposed TSMs cover all the key safety compliance areas, with the exception of electrical safety and we would support its addition once government work in this area has concluded.

**Please tell us if you have any comments on any of the individual TSMs under the theme of Maintaining Building Safety.**

As currently phrased TP04 covers two separate elements, asking the tenant whether they believe their property is both 'safe to live in' and 'well-managed'. This could lead to answers based around maintenance issues rather than building safety. Given that this set of TSMs is focused on building safety, we would suggest that an amendment to the question as follows to make it clear that the measure relates to perceptions of safety: *"Thinking specifically about the building you live in ... How satisfied or dissatisfied are you that your landlord provides a home that is safe for you to live in?"*

### **Theme 3: Effective Handling of Complaints**

**Q6** *Do you agree with the proposal that TP11 Satisfaction with the landlord's approach to handling of complaints is measured by a perception survey?*

Agree. We accept the case made by the regulator that a perception survey on complaints is a preferable measure to transactional survey for reasons of both sample size and the need to take a wider view of tenant attitudes than just formal complaints. Most landlords will already conduct transactional surveys on complaints, using a perception method will therefore help arm landlords with a more complete view of tenants' views on complaints.

However, as the question is currently put we are concerned that the data gathered may not provide a well-rounded view as relatively few respondents will have recent experience of making a complaint. Given that the similar TSM on repairs has a qualifying question we would suggest that the same approach is taken with complaints for consistency. This could be done by adding a qualifying question along the lines "Has your landlord considered a complaint from you in the past 12 months?" prior to TP11. We appreciate the regulator's view that many tenants will have experienced issues with their landlord but fallen short of making a formal complaint and will therefore have a valid view on this question. As such complaint will be need to defined in a broader sense in order to captures these views

**Q7** *There are four proposed TSMs under the theme of Effective Handling of Complaints (CH01 Complaints relative to the size of the landlord, CH02 Complaints responded to within Complaint Handling Code timescales, TP11 Satisfaction with the landlord's approach to handling of complaints and TP12 Tenant knowledge of how to make a complaint). Overall, do you think they give a well-rounded picture of performance under this theme?*

Yes. We believe a balanced consideration across these four measures will be necessary to gain a well-rounded view of landlord performance on complaints. It is important to emphasise that the total number of complaints in isolation is not an indicator of poor landlord performance, especially where higher numbers are the result of a more accessible and transparent complaints process.

Considering the number of complaints in concert with the measures on tenant satisfaction and knowledge of the complaints process is essential for overcoming this.

**Please tell us if you have any comments on any of the individual TSMs under the theme of Effective Handling of Complaints.**

Local authority landlords offer a complex and diverse range of services to their tenants, including homelessness services, housing allocation and support services, all of which can be subject to complaints. To ensure the regulator is comparing like with like we suggest a definition of a consistent set of service areas relating only to those complaints that would fall under the remit of the Housing Ombudsman Service.

**Theme 4: Respectful and Helpful Engagement**

*Q8 There are three proposed TSMs under the theme of Respectful and Helpful Engagement (TP05 Satisfaction that the landlord listens to tenant views and acts upon them, TP06 Satisfaction that the landlord keeps tenants informed about things that matter to them and TP07 Agreement that the landlord treats tenants fairly and with respect). Overall, do you think they give a well-rounded picture of performance under this theme?*

Yes. We believe that taken together these are good suite of measures to capture landlord performance in relation to respectful and helpful engagement.

**Please tell us if you have any comments on any of the individual TSMs under the theme of Respectful and Helpful Engagement.**

No further comments.

**Theme 5: Responsible Neighbourhood Management**

*Q9 For the TSM relating to satisfaction with the neighbourhood, we have presented a lead proposal and an alternative option. Do you agree with the lead proposal that TP09 is Satisfaction that the landlord makes a positive contribution to neighbourhoods?*

No- I don't agree with either option (please explain and tell us your suggestion for an alternative TSM)

As local authority landlords London boroughs have a clear responsibility for neighbourhood management, and it is right that their performance in this area is measured. However accurately doing so presents significant challenges due to the complex role of landlords in managing neighbourhoods. Multiple organisations and agencies are responsible for separate aspects of neighbourhood management, meaning it can be difficult for a tenant to clearly understand what aspect of the neighbourhood is the landlord's responsibility and what is beyond their control.

The level of influence a landlord has over neighbourhood management also varies significantly, depending on the nature of the landlord's business (including whether it is a housing association, local authority, or other provider), the stock profile and the number of properties owned in an area. Equally the definition of a neighbourhood is likely to vary considerably across different geographies, making proper comparison of performance under this measure difficult.

The alternative option proposed by the regulator is likely to receive some support due to its familiarity as a question from the STAR framework for perception surveys. However, this question lacks any focus on the landlord's direct actions and therefor does not meet the aims of the White

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Paper and is likely to encourage response based upon a tenant's general feelings towards their neighbourhood, rather than their perception of landlord performance in this area.

Given these factors we believe it necessary for the question to not only provide a focus on the landlord's contribution but also a recognition that the landlord only has responsibility for and power over certain aspects of neighbourhood management. As such we propose the following amendment to the lead proposal put forward in the consultation document:

*'Thinking about the aspects of your neighbourhood as a place to live that your landlord has control over... How satisfied or dissatisfied are you with the extent to which your landlord makes a positive contribution to your neighbourhood?'*

**Q10** *Do you agree with the proposal that TP10 about satisfaction with the landlord's approach to handling of anti-social behaviour is measured by a perception survey?*

Agree. Anti-social behaviour is a key concern of tenants and as set out in the white paper greater transparency is necessary for accountability over landlord performance in this area. At the same time, it is important to note the difficulty in capturing an accurate picture of satisfaction with landlord performance from a perception survey.

Different types of registered landlords will have different roles and responsibilities in relation to anti-social behaviour that may influence tenant perceptions, making it challenging to gather comparable data. Many types of anti-social behaviour require a multi-agency approach to address and whether a tenant is satisfied by the resolution isn't always due to the landlord's approach to the matter. It is important therefore that the regulator takes steps to ensure that responses to this question focus on the landlord's approach to handling anti-social behaviour, rather than a tenant's general perception of it.

Similarly to the complaints and repairs TSM we would suggest the addition of a qualifying question, such as "Have you reported ASB to your landlord in the last 12 months?" to help ensure responses give an accurate measure of landlord performance rather than general perceptions.

In addition tenant interpretation of what constitutes anti-social behaviours may be inconsistent, for example ordinary household noise that is not considered to meet the anti-social behaviour threshold. For improved consistency it may be useful to define anti-social behaviour more clearly in the proposed TSM question.

**Q11** *There are four proposed TSMs under the theme of Responsible Neighbourhood Management (NM01 Anti-social behaviour cases relative to the size of the landlord, TP08 Satisfaction that the landlord keeps communal areas clean, safe and well-maintained, TP09 Satisfaction that the landlord makes a positive contribution to neighbourhoods and TP10 Satisfaction with the landlord's approach to handling of anti-social behaviour). Overall, do you think they give a well-rounded picture of performance under this theme?*

Yes.

**Please tell us if you have any comments on any of the individual TSMs under the theme of Responsible Neighbourhood Management.**

Regarding the question on keeping communal areas clean, we believe this is an important measure to include, however would raise concerns around tenant understanding of this term and what is included. We would also raise that landlord responsibilities may differ regarding communal areas, particularly where they may not own the freehold of a building, that there may be multiple parties

with responsibility for maintaining communal areas, and that tenants may not understand who ultimately owns the building. We are supportive of including a qualifying question on whether tenants live in a building with shared areas.

## **Theme 6: TSM Proposals General Approach**

**Q12a** *Please tell us your views on the number of TSMs by selecting one of the following options:*

There is the right number of TSMs in the suite. On balance the number is probably appropriate to ensure the key themes of the white paper are all incorporated.

**Q12b** *Do you think there are any TSMs that should be added to or removed from the final suite of TSMs?*

No. We believe that the proposed TSMs are necessary to properly reflect the spirit of the white paper.

**Q12c** *Overall, do you think the suite of TSMs works well as a whole in providing rounded information to tenants about their landlord's performance?*

Yes. The proposed TSMs are clear and, other than where we have highlighted concerns in our response for the potential for distorted perception (particularly in regard to responsible neighbourhood management), should amount to a balanced view of Landlord performance. Taken together the TSMs provide a view of landlord performance across the all the theme set out in the white paper.

**Q13** *Chapter 9 of the consultation document covers some general requirements that apply to all TSMs, which are addressed in more detail in Annex 2 Tenant Satisfaction Measures: Technical Requirements. These include how providers should collect and report the TSMs, the types of homes that should be included, as well as the time period over which data should be reported. Do you agree with these proposals?*

Agree. The property types to be included are within the scope of the regulator and are those where the registered provider has the greatest role. The proposed time period over which data should be reported is welcome as it aligns with the major of borough's existing reporting arrangements.

We understand the requirement for reporting to take place at a group level but we would suggest where the registered provider holds substantial levels of stock across different geographical areas that the regulator introduces an additional requirement for the publication of a regional breakdown. This is of particular concern for London and other urban areas. Satisfaction in London is typically around ten percentage points lower than in the rest of the country and this is true for all London providers (not just the councils). Without the provision of a regional breakdown the picture of performance in London for a registered provider that hold substantial stock outside of London will be distorted and will not enable their London based tenants to ascertain an accurate performance of their landlord.

**Q14** *We propose to allow providers to choose the most appropriate survey collection method (e.g., postal, by phone, online etc.) to obtain data for the tenant perception measures TP01-TP12. Do you agree with this proposal?*

Agree. Providing landlords with flexibility to select the most appropriate survey collection method for their tenants is essential to ensuring the broad range of tenant experience is captured. Different survey methods will be appropriate for engaging with different tenant types, for example response

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rates will be higher for younger tenants through online channels while older and vulnerable tenants tend to have a preference for telephone and face to face engagement.

We acknowledge that this flexibility does allow the potential for 'gaming' the system when certain survey methods produce more favourable responses but emphasise the importance of the requirement for providers to publish a summary of the methodology used. Where significant variation in Landlord performance amongst their peers becomes apparent we hope the regulator will closely scrutinise these methodologies to ensure they are comparing like with like.

**Q15** *Chapter 10 of the consultation document covers some requirements that apply to the TSMs which are tenant perception measures (TP01-TP12). These requirements are addressed in more detail in Annex 3 Tenant Satisfaction Measures: Tenant Survey Requirements. The requirements include survey type, survey timing, response options and who is to be surveyed. Do you agree with these requirements?*

Agree. Periodic perception surveys are more likely to be comparable between providers than transactional surveys and will generate better levels of statistical accuracy. The proposed survey timings are reasonable and the requirements regarding who is to be surveyed are aligned with existing regulatory requirements.

**Q16** *We propose to tailor our TSM requirements for registered providers that own fewer than 1,000 relevant homes. This includes not requiring them to submit TSM data to the regulator, allowing them to collect and report TSMs annually according to a reporting year other than 1 April to 31 March and allowing them to undertake a census tenant perception survey. Do you agree with this approach?*

Agree. Not requiring smaller providers to submit TSM data to the RSH is in line with other regulatory reporting requirements and is therefore appropriate and proportionate. Achieving statistical accuracy will be more difficult to achieve for smaller providers, making a census survey option appropriate in these cases.

**Q17** *Chapter 13 of the consultation document covers our proposed guidance about the submission of information to the regulator in relation to the TSMs, which is set out in more detail in Annex 4. This includes generally not using TSM information as a source of regulatory intelligence in isolation, but rather as information we may take into account alongside other sources. Do you agree with this proposed approach?*

Agree. The regulator should take into account the wider context within which social landlords operate. Considering the TSMs in isolation may not necessarily be indicative of a larger issue or failure to meet the regulatory standards and it is important that the regulator considers a range of information and sources in its regulatory activities.

**Q18** *Do you agree with our conclusions in the draft Regulatory Impact Assessment?*

We do not yet have any evidence of the genuine cost implications for London local authority landlords of the new regulatory framework as our members have not yet been able to conduct their own impact assessment. As such we are unable to answer whether we agree with the conclusions of the draft Regulatory Impact Assessment.

In order to be effective the TSMs need to be deliverable and not pose a significant administrative burden to registered providers. Most London social landlords are already measuring many of the proposed TSMs but there will nevertheless be significant cost implication to ensuring compliance with the new framework. This comes in the context of intensifying cost pressures on London local

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authority landlords. Due to the impact of the annual 1% rent cut implemented from 2016/17, in nominal terms London Councils forecast that Housing Revenue Account (HRA) income will not return to 2015/16 levels until 2022/23. HRA rental income across London is forecast to be £459 million lower this year than it would have been if CPI+1% had remained in place. At this time when available resources have been reduced, the demands on these resources have increased. There has been a further estimated £100 million hit to borough HRA's in London from the pandemic. £32 million impact forecast this year (2021/22), of which nearly half (42%) derives from residential rent arrears.

We therefore urge the regulator to work with government to ensure the new burdens principles are properly applied in meeting these costs. If the TSMs are to be effectively implemented it is essential that registered providers are properly resourced to meet their obligations.

**Q19** *Do you agree with our conclusions in the draft Equality Impact Assessment? The regulator particularly welcomes views on whether the proposals will have a positive or negative impact on people who share one or more protected characteristics (as set out in the Equality Act 2010).*

We are unable to comment on the conclusion of the draft Equality Impact Assessment as London local authority landlords have not carried out of their own assessments. We welcome further engagement with the regulator on this issue.

**Q20** **Finally, if you have anything else that you would like to tell us about the proposals relating to the TSMs, including the detailed requirements set out in Annexes 2 and 3, please tell us.**

No additional comments.