

News reporter of the year – Pete Apps

Changing Focus, 31 July

Pete's scoop revealing housing association Genesis would no longer build homes for low-cost rent provided one of the defining moments of a turbulent summer for the social housing sector.

Pete learned of the organisation's plans from chief executive Neil Hadden, and persuaded him to do a full interview explaining them.

The skilfully-written piece immediately sparked an intense debate on social media, and quickly became one of *Inside Housing's* best read stories of the year.

The following weeks saw a flood of comment and opinion written about the interview. The Guardian followed up the story twice, with one feature – which quoted Pete's work heavily - posing the question: Is this the beginning of the end for social housing?

Pete was able to follow up his scoop by contacting a disgruntled director at Genesis – who agreed to publish an open letter in *Inside Housing* announcing her resignation from the business in protest.

Right to buy to let, 14 August

This investigation – which generated some of the most significant national press follow up *Inside Housing* has ever received – was based on meticulous Freedom of Information research carried out by Pete over a number of weeks.

Based on responses from 91 councils, Pete was able to reveal almost 40% of Right to Buy homes have ended up in the private rented sector, undermining the government's aim of boosting home ownership and enriching private landlords at the taxpayer's expense.

Coming as the government prepares to extend the policy to 1.3m more tenants, the research made the front page of the Independent – which wrote a powerful leader attacking the policy based on the findings. The Times and the Daily Mirror also covered it, with BBC London News leading their 6pm TV bulletin on the story, with Pete providing an interview. The phrase "Right to Buy" trended nationally on Twitter when the story broke.

Landlords in talks to form giant association, 24 July

Pete was leaked a document revealing merger negotiations were underway between two of the largest housing associations in the sector.

He was able to quickly stand up the story, and break it exclusively; revealing Affinity Sutton and Circle were considering joining forces in what would be the largest merger in the history of the social housing sector.

The joint organisation, Pete revealed, would turnover £650m annually, make a surplus of £120m, house 500,000 people and build 20,000 homes in just five years.

Pete led all his competitors in breaking the business story of the year for the sector, with the top secret talks previously unknown even to senior staff in both organisations. His story was also richest in detail with other reporters forced to rely solely on the organisations' public statements when following the story up.

INSIDE HOUSING



Under wraps

We uncover the secret and mysterious world of estate management boards
Feature, page 26



Brum deal

Birmingham's tussle with neighbouring boroughs over the location of new homes
Feature, page 22



Right to Buy to Let: scale of re-lets revealed

40%



Right to Buy Exclusive research by *Inside Housing* reveals full extent of re-let problem

Pete Apps

Nearly 40% of all council flats sold under the Right to Buy in England are now being rented out privately, according to exclusive research by *Inside Housing*.

Figures released by 91 councils under the Freedom of Information Act

(FOIA), in the most comprehensive piece of nationwide research on the issue, show 37.6% of ex-council flats are likely being rented privately at market rents. It comes as the government prepares to extend Right to Buy discounts of up to £100,000 to a further 1.3m housing association tenants - a policy it estimates will cost £4.5bn.

The councils revealed they have sold a total of 127,763 leasehold properties, with 47,994 leaseholders living at another address, a strong indication that the home is being sub-let.

The National Housing Federation (NHF) said the figures demonstrate why it is keen to "explore with government other ways housing associations

can help more families get on the path towards buying their own home" apart from extending the Right to Buy.

The research showed more than half the ex-council flats in six areas are now being let privately, with the highest - 69.6% - in Milton Keynes.

→ Continued on page 2

→ PRS developments of the year. See page 30

In this week's magazine

News



10 Analysis Ex-council homes sold under the Right to Buy are now in the PRS. We consider the impact

Comment

14 Tom Murtha Housing association boards and social purpose

15 Jeremy Swain How we can make rough sleeping a thing of the past

Features



22 The battle for Birmingham The argument over where new homes should be built in the second city



26 All change please Why do estate management boards want to transfer landlords?



30 Top 60 Developments This week, we focus on private rented sector developments

And 4 pages of jobs

Regulation

Late accounts culprits named

Notices issued on smaller providers which miss reporting deadlines

Carl Brown and Chloe Stothart

The English social housing regulator is now naming smaller providers which have missed financial reporting deadlines as part of a new transparent approach.

The Homes and Communities Agency (HCA) this week issued nine regulatory notices to small landlords which failed to submit their accounts to the regulator within six months of their latest accounting period as required.

For providers with 1,000 homes or less, the HCA does not produce full regulatory judgements and relies on information submitted in accounts to gain assurance that the landlord complies with regulatory standards.

In the past, the HCA would have dealt with the missed deadline by having a private correspondence with the provider, but it is now naming providers which have missed their reporting deadline by publishing regulatory notices on its website.

The notices were issued because

the regulator “does not have adequate assurance” of financial viability.

Bronwen Rapley, deputy director for investigation and enforcement at the HCA, said: “The submission of accounts by smaller providers gives us evidence of viability. It is about transparency.”

Ms Rapley said a continuing failure to submit information could lead to enforcement action from the regulator, but stressed the HCA has a duty to be proportionate.

Bill Hitchens, a trustee of one-home association Dame Bertha Lopes Almshouses, which failed to submit accounts to the HCA on time, said the organisation was having difficulty changing the signatories to its bank account - and therefore getting information for its accounts - having lost its treasurer and secretary.

The other eight landlords are Almshouses of William & Rebecca Pearce, Brent Community Housing, Charity of Sarah Jane Wood & Mary A Garnett, Harman Atwood for Almshouses and Curates House, Joseph Chariott's Charity, the Abbeyfield Dorcas Society, the Abbeyfield Wallasey Society, and the Butlin & Elborow Housing Trust.

Right to Buy

40% of Right to Buy flats now in PRS

→ Continued from front

Many councils rent back their former properties sold through the Right to Buy at market rates to provide temporary accommodation to homeless families. Some ex-local authority homes in London are advertised on Zoopla for more than four times the average social rent.

Pat Callaghan, cabinet member for housing at Labour-led Camden Council - where 36% of the 8,922 leasehold properties are sub-let - said: “Over the years, I have seen many of our estates become virtual honey pots for estate agents and [private] landlords.”

Conservative Gary Porter, chair of the Local Government Association, said the research demonstrated why councils should be allowed to keep Right to Buy receipts to build replacement homes.

Inside Housing's research is the first major national study - following a similar survey of 13 authorities by the *Daily Mirror* in 2013, and a London-wide survey by Assembly member Tom Copley last year. Brandon Lewis, housing minister, said extending the Right to Buy was “part of our wider efforts to help anyone who works hard and wants to own their own home achieve their dream”.

→ For more, see analysis, page 10

From the web

www.insidehousing.co.uk



● Five most read

1. Open letter: Genesis manager quits in protest
2. HCA seeks big players to rescue strugglers
3. Second association mulls ditching sub-market rent
4. NHF complains to TV watchdog over Channel 4
5. Affordable Homes Programme renegotiated as rent cuts bite

● Five most commented

1. Open letter: Genesis manager quits in protest
2. Second association mulls ditching sub-market rent

3. Bordering dire straits

4. Affordable Homes Programme renegotiated as rent cuts bite
5. NHF complains to TV watchdog over Channel 4

● Blog

Is it time for social landlords to move to monthly rent collections? asks Chris Deery



● Blog

Wales is setting an example on homelessness prevention, but can it escape the UK-driven logic of austerity in housing? asks Jules Birch



INSIDE HOUSING

Knock them down

Why has a recently built development been condemned in Scotland?

Analysis, page 12



Home comforts

How the support of a 'home skills coach' can help tenants who hoard

Feature, page 28



Landlords in talks to form giant association



Merger Circle Housing and Affinity Sutton consider creating largest housing association in Europe

Pete Apps

Two of the biggest housing associations in the UK have entered the 'early stages' of talks to create a 127,000-home landlord in the most significant merger deal the sector has ever seen.

Affinity Sutton and Circle Housing

are discussing joining forces to create the largest housing association in Europe, which the organisations believe could 'set the agenda' for change in the sector. The organisations, in a statement on Wednesday, said the cut to social rents in the recent Budget had provided a 'catalyst' to consider consolidation.

Mark Rogers, chief executive of 70,000-home Circle Housing, said: 'It is very early days while we model the potential that this could have... but we passionately believe that the sector needs to transform and this is one potential way to make that change.'

The new landlord would own 5% of sector homes, house 500,000 people

and could turnover £650m annually, producing a surplus of £120m.

In a joint document seen by *Inside Housing*, the organisations said: 'Only the initiative of individual associations will drive better value, greater capacity and enhanced output.'

→ Continued on page 2

→ The crisis hitting the care sector. See page 22

In this week's magazine

News



12 Analysis The story of Newbyres Crescent, which turned from a dream into a nightmare for residents

Comment

17 IH50 Carol Matthews explains how landlords are looking to help residents by tackling loan sharks

Features



22 The care worker crisis Why recruiting skilled care workers is a sector-wide challenge



28 Home economics for hoarders How a home skills coach can stop tenants hoarding



34 Top 60 Developments Our pick of the best extra care developments of the year

And 4 pages of jobs

Right to Buy

Right to Buy plan hindered

Peers vote for amendment to Right to Buy extension

Heather Spurr

The House of Lords has hindered the government's plan to extend the Right to Buy to housing associations by voting in favour of an amendment on Monday.

A total of 257 peers voted for an amendment to the Charities Bill, which would prevent many housing associations from being forced to use or dispose of 'their assets in a way which is inconsistent with their charitable purposes'. A total of 174 peers voted against. Although the amendment refers to charities and does not specifically mention housing associations, it extends protection to much of the housing sector, as many associations have charitable status.

Lord Kerslake, chair of Peabody, who backed the amendment, said in the House of Lords: 'One wonders what George Peabody would have made of this. In 1866, he said that his donation would "act more powerfully in future generations than in the present; it is intended to

endure forever".'

'Far from enduring forever, the sequestration of property built with private philanthropic money would seriously undermine the charitable foundations and ongoing objectives of Peabody and other charitable housing associations like it.'

The House of Lords vote would potentially lay a roadblock for the government on the Right to Buy extension, before it even publishes the Housing Bill, which will extend the eligibility for enhanced Right to Buy discounts to housing association tenants.

However, the Charities Bill has yet to go back to the House of Commons, where MPs could vote down the House of Lords amendment. The government would not say if it would seek the support of the House of Commons to overturn it.

Housing minister Brandon Lewis said: 'We are determined to help anyone who works hard and aspires to own their own home to turn their dream into reality. That's why we are committed to extending the Right to Buy to give Right to Buy-level discounts to over a million housing association tenants, with the homes sold replaced with new affordable homes.'

Merger

Landlords in merger talks

→ Continued from front

It said regulatory action 'has had barely any impact' on consolidation.

The document also said the new organisation could have capacity to build 20,000 new homes in just five years.

Prepared in January, it set out plans to 'roll out an investment programme in all major cities'.

'Together, Circle and Affinity Sutton could lead the transformation of the [housing] association market and fundamentally change the lives of many,' it said.

The document outlined plans to merge the two organisations into a new structure with a 'holding company' above separate subsidiaries for commercial activity, housing management and charitable work.

However, the plans are understood to be at a very early stage and will have to be reviewed in the light of many recent policy changes announced by the government, including the rent reduction and Right to Buy extension to housing association tenants.

The document said the new organisation could consolidate by selling off stock in 100 local authority areas where it owns fewer than 500 homes to other social landlords.

This would raise an estimated £1bn to fund development.

From the web

www.insidehousing.co.uk

● Five most read

1. Rent cut will not stop conversions to affordable rent
2. Peers vote to hinder Right to Buy extension
3. Government to roll out universal credit email change
4. Deep dive assessments planned as landlords warn of cutbacks
5. DCLG continues to block secret Right to Buy analysis

● Five most commented

1. Pay to stay will be 'headache' for landlords, lawyers say
2. Tottenham Hotspur put affordable housing back in plans

3. Lifetime tenancies 'only for those in long-term high need'
4. Associations 'could build 120,000' homes per year
5. Tenants will be made to reveal income under 'Pay to Stay'

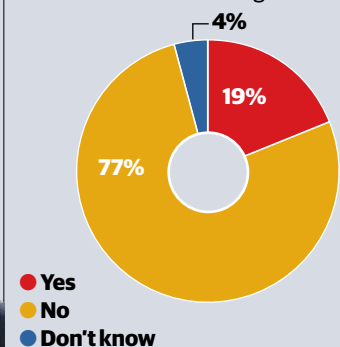
● Blog

DCLG figures show the country's residential land market is in a shocking state, says Colin Wiles at www.insidehousing.co.uk/debate/expert-opinion



● Web poll

Can social landlords find the savings required to cover George Osborne's rent cut without sacrificing service?



Poll respondents: 52

INSIDE HOUSING

Playing at home

How football clubs are helping deliver a new generation of social housing
Feature, page 18



Overcoming hurdles

Why track legend Kriss Akabusi is now working with a housing association
Feature, page 24



Genesis stops building cheap rented homes



Development Budget pushes landlord to axe affordable and social rent from development plans

Pete Apps

A major London housing association has ditched affordable and social rent from its development plans, in a response to George Osborne's 'watershed' budget.

Genesis Housing Association has revealed it will now build only for shared ownership, market rent and outright sale after concluding that the government is 'no longer interested' in low-cost rented housing.

The Budget introduced measures to reduce social housing rents, alongside the planned Right to Buy extension and a forthcoming 'refocusing' of government housing budgets towards

homeownership products.

Neil Hadden, chief executive of Genesis, said: 'We are not able, or being asked, to provide affordable and social rented accommodation to people who should be looking to the market to solve their own problems. I do think [the Budget] is a watershed in all sorts of ways.'

The 33,000-home landlord will also review its general needs rented accommodation as it becomes vacant - with a view to selling it or changing its tenure. It comes as other landlords consider developing more shared ownership in place of cheap rental products, although none have yet gone as far as Genesis in ruling out new sub-market rented homes.

→ Continued on page 3

PHOTOGRAPHY: JONATHAN GOLDBERG

→ Best market sale developments. See page 30



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Regulation

Landlords seek advice on deregistration after cuts

Lawyers and consultants receive queries from landlords post-Budget

Pete Apps

Housing associations have sought legal advice on deregistering as social landlords, as they consider their options following the Budget's rent cut.

Lawyers and consultants have told *Inside Housing* that they have fielded queries in recent weeks from tens of landlords mulling deregistration.

The move - which would likely require the repayment of historic social housing grant - would see organisations no longer bound by social housing regulations, such as the four-year rent reduction, and be free to act as private bodies.

However, such a move would require the approval of the Homes and Communities Agency (HCA), which would assess any bid for deregistration against rigorous

Guide to deregistration

According to regulatory guidelines, a housing association can deregister if:

- It no longer is or intends to be a provider of social housing in England
- It is subject to regulation by another authority whose control is likely to be sufficient
- Or it meets any relevant criteria for deregistration, defined as providing satisfactory arrangements for protecting tenants and ensuring no misuse of public funds

Source: Homes and Communities Agency

published guidance.

Andrew Cowan, a partner at Devonshires Solicitors, said: 'We have been approached by a handful of clients, but it's very early days - all they are doing is asking for scoping advice.'

Catherine Hand, a partner at Trowers & Hamlins, added: 'A lot of people have contacted us to see if deregistration is an option.'



Jonathan Walters: Case-by-case

Under HCA guidance, an association can deregister if it is no longer providing social housing, is adequately regulated by another body or able to demonstrate that arrangements are in place to protect tenants and prevent misuse of public funds (see box). Affordable Homes Programme rules also stipulate that grant

must be repaid if an organisation deregisters, although this can be waived by the HCA.

Jonathan Walters, deputy director of strategy and performance at the HCA, said: 'We would have to see evidence about how they meet our published criteria, and we would look at it on a case-by-case basis.'

Ms Hand said the criteria meant it was 'unlikely' that a large mainstream provider could deregister, although specialist organisations may have more chance if regulated by another body such as the Care Quality Commission.

Neil Hadden, chief executive of Genesis Housing Association, said: 'I would hope that [in a year's time] we were a long way down a path which would lead to a more sensible relationship between us, government and the regulator. If that led to deregistration, would I be upset? No.'

However, Rod Cahill, chief executive of Catalyst Housing Group, said Catalyst did not have any plans to deregister.

Development

Genesis cuts cheap homes

→ **Continued from front**

Genesis was aiming for a third of its development programme to be for market rent and sale, a third for shared ownership and a third for affordable and social rent. It will now aim for a 50/50 split between shared ownership and market products.

'I also happen to believe that this government is not particularly interested in producing affordable rented accommodation... and I think that's a big paradigm shift,' Mr Hadden added.

The landlord plans to negotiate with the Greater London Authority (GLA) over schemes it has committed to under the 2015/18 Affordable

'Government is not particularly interested in producing affordable rented accommodation.'

Neil Hadden, chief executive, Genesis Housing Association

Homes Programme.

Paul Phillips, finance director at Notting Hill Housing - another large London landlord - added: 'The options [for us] are to reduce the development programme, or reprofile it away from affordable rent and

towards shared ownership.'

He said this would not mean an end to developing for affordable rent. Other landlords have told *Inside Housing* they are considering increasing shared ownership provision.

But Tony Stacey, chief executive of South Yorkshire Housing Association and chair of Placeshapers, said: 'It depends what you're about as an organisation, and it depends on your ethics as an organisation... I would be very, very surprised if any Placeshapers members took that view.'

→ **See analysis, page 12, and leader, page 16**

Development

Approvals rise by 27%

The Home Builders Federation (HBF) has said there is a continuing 'recovery' in the number of planning permissions to build social homes.

Data on the number of approvals in the first quarter of 2015 across the UK show an increase of 27% compared to the previous quarter to more than 6,800.

But there is a small drop in the number compared to the first quarter of 2014, largely down to a fall in the number of approvals in Wales and Scotland over the past year.

In England, approvals were up by 26% over the last quarter and by 7% over the same quarter last year.