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# Poorly performing large landlords should outsource their management to local providers

**COMMENT** 22.06.22 **BY PAUL EASTWOOD**

Recent stories of disrepair have damaged the reputation of the entire sector, writes *Paul Eastwood*. It is time to ask: if the main priority of an association is to constantly get bigger, can it also deliver excellent customer service?

Five years after Grenfell we have the Social Housing Regulation Bill, which at its core will give the English regulator additional powers to ‘name and shame’ landlords that fail their tenants.

Which begs the questions: after a gestation of five years, will it work? How did we reach this position in the first place? And what other measures may be needed to drive up management standards? Some of my personal thoughts on each of these are below.

If landlords are to be subject to unlimited fines, this may cause them some discomfort in the short term, but in itself this will not be enough to prevent further mismanagement occurring. To be effective and to have a long lasting impact, there has to be a 'carrot' as well as a 'stick'.

It is no coincidence that most of the landlords that were named and shamed in ITV News reports last autumn were large organisations.

In 2012, research by the Chartered Institute of Housing (CIH) showed there was no correlation between size and the quality of services that were delivered – ie bigger did not always mean better.

Given the fact that these large landlords have a responsibility to protect the good reputation of the whole sector, the negative news affected all housing associations and began to reinforce old stereotypes about social landlords being out of touch and unaccountable.

Many large landlords do deliver good services. However, is it time to ask the questions: can associations be effective as both developers and as managers? And, if the main priority of an association is to constantly get bigger, can it also deliver excellent customer services?

How did we arrive at the position of tenants living in properties that are prejudicial to their health?

The answer is a philosophical one. If a landlord genuinely cares about its tenants and responds to their views and concerns, it is hard to see how such bad conditions could exist.

The issue should have been anticipated, known about and responded to. It is a failure of management, a failure of governance and a failure of regulation – the three things that led to the avoidable tragedy at Grenfell.

The sector has been leaden footed and is now having change imposed from above.

A few years ago, a large landlord that I knew believed that achieving an 85% “good” score on tenant satisfaction was a rating that was acceptable. But as the landlord had nearly 100,000 properties, this meant that 15,000 tenants were probably not getting the service they deserved.

To improve standards, I believe the following have to take place:

- A commitment to excellent customer service has to come from the top in any association – from the board and chief executive. This commitment cannot be delegated. There has to be a restlessness to make things the best, and have reporting methods in place to measure this.
- Associations that provide poor service should not receive funding for future development. At present, poorly performing associations are still being rewarded with millions in public subsidy. Would this happen in any other sector? I think not.
- Third, poorly performing landlords should be encouraged to outsource their management services to proven good, local managers. In extremis, the regulator should have the power to enforce this.

I know the argument is that the larger associations cannot be allowed to fail, as the government relies on them to deliver its building targets.

But a final question has to be: given that mergers in the sector were often justified on the basis that bigger landlords were supposed to deliver better services, who was checking that this promise was being honoured?

In other times and other sectors, empires ran their course, broke up and life went on – from the Greeks and Romans through to Woolworths and Blockbuster.

A final word from Winston Churchill, who said: “My tastes are simple, I am easily satisfied with the very best.” If we apply this to housing management and all commit to it, we can all move forward with confidence and our tenants can feel valued and safe.

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