

# Local decisions: a fairer future for social housing

## Consultation response Haringey Council

17 January 2011



**Question 1: As a landlord, do you anticipate making changes in light of the new tenancy flexibilities being proposed? If so, how would you expect to use these flexibilities? What sort of outcomes would you hope to achieve?**

### **Flexible tenancies**

Although the Council appreciates the positive intention behind some of these changes there are significant areas of concern in terms of flexible tenancies.

Criteria for tenancy renewal based on a household's financial capacity or employment status would act as a significant disincentive to socio-economic advancement if a tenant believes that by getting a job or accepting promotion they will be putting their social housing at risk.

Introducing flexible tenancies would be resource intensive, especially if a range of tenancy periods for differing client groups or needs is introduced. The proposal includes a requirement on landlords to carry out a review and to serve notice on a tenant if minded not to renew a tenancy; the implications of missing this window are not made explicit but there would be cost implications both from conducting reviews and if households re-present as homeless. In the event no action is taken would the tenancy revert to a rolling periodic tenancy?

It is Haringey Council's view that the introduction of flexible tenancies would also have potentially negative impacts on social cohesion and sustainability in the long term – creating neighbourhood instability as people are churned through and out of the system. Equally basing the retention on a social housing tenancy purely on need or socio-economic status would further polarise our large estates creating ghettos of deprivation.

### **Affordable Rent Model**

Most of the people taking up any form of social housing tenancy (Council or housing association) are on full or partial housing benefit. This proposal would seem to have the effect of increasing the housing benefit bill in the short term whilst the longer term effect is likely to be shaped by proposed changes to the benefit system as a whole – particularly the proposals around Universal Benefit.

At its maximum 80% level the model does nothing to alleviate the effects of the housing benefit trap. If a household's 'affordable rent' is covered in its entirety by housing benefit, a client could be in a position where their security is jeopardised by getting a job.

What is unclear from the consultation document is whether the local area could hope to benefit from the increased rental streams generated by this product in terms of estate renewal or more social housing provision for example. **Will there be provision for ring fencing of generated surpluses to benefit the local community?**

More clarity is needed on whether affordable tenancies are up to 80% of market rent capped at LHA levels or are 80% of market rents.

The average household on mean gross income of approx £26k will be unable to afford family sized 'affordable rent' and the combination of the lack of affordability of larger units with the overall squeeze on funding for affordable housing will mean that it is unlikely that significant numbers of larger units will be built.

The £500pw benefit cap is a significant area of concern: families will be left with significantly less money to feed and clothe their children if they move into affordable rent properties. The impact on health, educational standards and other areas of social well being will be negative and there will be a knock on effect for better off households, as the general well being of London suburbs deteriorates.

The effect of funding future development through slow rental streams rather than capital outlay will force registered providers to borrow more to fund projects. As development becomes more expensive it is likely that fewer homes will come forward and in particular fewer family sized homes. The resulting backlog of those in housing need would be forced to consider unsuitable housing and HMOs.

The majority of tenants moving off full housing benefit do so into low paid jobs. It is entirely possible that tenants of the 80% rent model will be fearful of the financial consequences (i.e. not being able to cover their rent and living costs) of entering the job market.

Future regeneration project could be jeopardised if decanted tenants are faced with 80% rents on return to regenerated properties. This should be addressed through HCA regulations on the affordable rent model.

### **Question 2: When, as a landlord, might you begin to introduce changes?**

Haringey Council does not currently intend to introduce flexible tenancies. We are in dialogue with our partner registered providers but we have significant concerns about the impact of the introduction of the affordable rent model.

### **Question 3: As a local authority, how would you expect to develop and publish a local strategic policy on tenancies? What costs would you expect to incur?**

It is expected that the creation of a strategic policy on tenancies will be led by Haringey council but developed in partnership with relevant local stakeholders including Homes for Haringey, Registered Providers, voluntary sector organisations, community representatives and the North London Sub-Region.

There is no financial capacity to carry out a strategic policy on tenancies in the current climate with budget cuts of £47m in 2011/12.

### **Question 4: What other persons or bodies should local authorities consult in drawing up their strategic tenancy policy?**

ALMOs  
Registered Providers  
Voluntary Sector Organisations  
Existing tenants  
Neighbouring boroughs  
DCLG

**Question 5: Do you agree that the Tenancy Standard should focus on key principles? If so, what should those be?**

The Tenancy Standard should focus on key principles, such as landlord concerns about ASB. However, the standard should not be overly prescriptive and should be reflective of local priorities.

**Question 6: Do you have any concerns that these proposals could restrict current flexibilities enjoyed by landlords? If so, how can we best mitigate that risk?**

No comment

**Question 7: Should we seek to prescribe more closely the content of landlord policies on tenancies? If so, in what respects?**

As long as landlord policies on tenancies are reflective of a clear local tenancy strategy developed in partnership with relevant stakeholders the government need not prescribe the detail too closely.

**Question 8: What opportunities as a tenant would you expect to have to influence the landlord's policy?**

Not applicable

**Question 9: Is two years an appropriate minimum fixed term for a general needs social tenancy, or should the minimum fixed term be longer? If so, how long should it be? What is the basis for proposing a minimum fixed term of that length? Should a distinction be drawn between tenancies on social and affordable rents? If so, what should this be? Should the minimum fixed term include any probationary period?**

If fixed term tenancies are to be introduced there will be significant admin/costs etc on Local Authorities if the period is as short as 2 years. Although Haringey Council does not currently support the introduction of flexible tenancies per se we believe that where introduced the tenancy term should be no shorter than 5 years.

**Question 10: Should we require a longer minimum fixed term for some groups? If so, who should those groups be and what minimum fixed terms would be appropriate? What is the basis for proposing a minimum fixed term of that length? Should a distinction be drawn between tenancies on social and affordable rents? If so, what should this be?**

No comment

**Question 11: Do you think that older people and those with a long term illness or disability should continue to be provided with a guarantee of a social home for life through the Tenancy Standard?**

No comment

**What about households with a disabled child? What about mental health issues?**

No comment

**Question 12: Are there other types of household where we should always require landlords to guarantee a social home for life?**

No comment

**Question 13: Do you agree that we should require landlords to offer existing secure and assured tenants who move to another social rent property a lifetime tenancy in their new home?**

To not grant a tenancy on the same basis would significantly stifle tenant mobility including vacating of under-occupied properties. Proposals for pan-London mobility schemes could also be stifled by different landlord policies on flexible tenancies.

**Question 14: Do you agree that landlords should have the freedom to decide whether new secure and assured tenants should continue to receive a lifetime tenancy when they move?**

Without protecting the rights of existing tenants to retain a secure lifetime tenancy when they move, mobility within the housing stock will be stifled. In the case of under-occupied or specially adapted homes a non-transferable lifetime tenancy would act as a powerful disincentive.

**Question 15: Do you agree that we should require social landlords to provide advice and assistance to tenants prior to the expiry of the fixed term of the tenancy?**

No comment

**Question 16: As a landlord, what are the factors you would take into account in deciding whether to reissue a tenancy at the end of the fixed term? How often would you expect a tenancy to be reissued?**

Not applicable

**Question 17: As a local authority, how would you expect to use the new flexibilities to decide who should qualify to go on the waiting list? What sort of outcomes would you hope to achieve?**

Operating closed housing registers could have beneficial implications in terms of the resources required to manage waiting lists. However, allowing councils the freedom to decide who can apply for social housing will create inequality across London as council's begin operating under different criteria. The resulting postcode lottery would be open to abuse as people try to apply/move to those authorities with the most favourable criteria.

**Question 18: In making use of the new flexibilities, what savings or other benefits would you expect to achieve?**

Haringey Council does not anticipate operating a closed housing register. Through our new Allocations Policy we will shortly be moving to a transparent banding system and undergoing a period of re-registration; we expect that the number of applicants currently on our housing register will fall as a result.

**Question 19: What opportunities as a tenant or resident would you expect to have to influence the local authority's qualification criteria?**

Not applicable

**Question 20: Do you agree that current statutory reasonable preference categories should remain unchanged? Or do you consider that there is scope to clarify the current categories?**

Haringey Council agrees that the current statutory reasonable preference categories are fit for purpose.

**Question 21: Do you think that the existing reasonable preference categories should be expanded to include other categories of people in housing need? If so, what additional categories would you include and what is the rationale for doing so?**

Not applicable

**Question 22: As a landlord, how would you expect to use the new flexibility created by taking social tenants seeking a transfer who are not in housing need out of the allocation framework? What sort of outcomes would you hope to achieve?**

The proposal assumes a restrictive allocations framework is in place. Haringey's new Allocations Policy will ensure that priority is given to households that need to transfer under the reasonable preference regulations as well as prioritising tenants moving from under-occupied properties.

There is a lack of clarity in the consultation document on how the proposed Home-swap scheme will operate. If landlords are legislatively required to subscribe to the home-swap service it is essential that a cost effective system is introduced.

How the proposed home-swap scheme will fit in with the proposals for pan-London mobility is unclear. Further clarity is needed on this point.

**Question 23: What are the reasons why a landlord may currently choose not to subscribe to a mutual exchange service?**

Haringey Council supports in principle increasing mobility for social housing tenants. Beyond resource implications for smaller landlords we do not see any significant barriers to supporting mutual exchange.

**Question 24: As a tenant, this national scheme will increase the number of possible matches you might find through your web-based provider, but what other services might you find helpful in arranging your mutual exchange as well as IT-based access?**

No comment

**Question 25: As a local authority, how would you expect to use the new flexibility provided by this change to the homelessness legislation?**

The proposed change to the regulations governing discharge of duty is at odds with the forthcoming changes to the Local Housing Allowance rates which will reduce access for housing benefit claimants to the private rented sector.

Through the implementation of Haringey's Homelessness Strategy we have a solid history working with clients to discharge duty into the private rented sector. During 2009/10 Haringey Council discharged duty to 1,026 households through moves to private rented accommodation without the legislative freedom to do so without client consent.

If this legislation is passed it should include significant safeguards to prevent local authorities discharging duty to other boroughs without notification – particularly in the case of vulnerable clients. Statutory underpinning of the NOTIFY system would at the very least guard against vulnerable clients falling under the radar.

**Question 26: As a local authority, do you think there will be private rented sector housing available in your area that could provide suitable and affordable accommodation for people owed the main homelessness duty?**

We have experienced a reduction in private sector housing supply in the last few months following the announcement of changes to the LHA rates and the proposals for a Universal Credit. The move to LHA rates based on the 30% percentile will reduce the pool of private sector accommodation available to us, particularly in those Wards which fall in the Inner North London BRMA.

**Question 27: Do you consider that 12 months is the right period to provide as a minimum fixed term where the duty is ended with an offer of an assured shorthold tenancy? If you consider the period should be longer, do you consider that private landlords would be prepared to provide fixed term assured shorthold tenancies for that longer period to new tenants?**

A longer period than 12 months would be preferable but this could have a negative effect on market supply if private landlords are not prepared to provide this for new tenants. This is something that requires local flexibility and needs to be responsive to market conditions.

**Question 28: What powers do local authorities and landlords need to address overcrowding?**

Haringey's new Allocations Policy addresses the issue of overcrowding, further powers as such are deemed unnecessary. However, our capacity to manage overcrowding is hampered by the lack of suitable larger family sized homes.

The introduction of the Universal Credit is likely to further exacerbate overcrowding in Haringey which will hit larger households hardest. Families will be increasingly forced to remain in accommodation that is too small for their needs because benefit levels will not allow moves to larger accommodation.

**Question 29: Is the framework set out in the 1985 Housing Act fit for purpose? Are any detailed changes needed to the enforcement provisions in the 1985 Act?**

The existing framework relating to overcrowding is no longer fit for purpose. Any criteria set for measuring overcrowding should be reviewed on a regular basis in relation to the social and economic contexts that evolve over the years, a

consideration which was implicit in setting the 'room' and 'space' standards in 1935, but was subsequently neglected. The same definition of overcrowding should apply to all providers.

The fact that most local authorities find the above statutory overcrowding standard as outdated and unacceptable is evidenced by the fact that the majority of their allocation policies are much closer aligned to the Bedroom Standard than the criteria set out in the 1985 Housing Act. However, this does not alter the fact that the current system legally allows local authorities to refuse to award priority to a family clearly suffering from chronically overcrowded housing as they are not overcrowded under the terms of the 1935 definition as used in the 1985 Housing Act.

The provisions for enforcement set out in the 1985 Act are clearly defunct as they currently stand, as they are so rarely used due to the fact that a local authority landlord cannot take legal action against itself without the consent of the Attorney General, whom in turn has never agreed to let a case of overcrowding by an local authority proceed to court. Any updated provisions for enforcement need to be consistent in their resulting impact to challenge cases of statutory overcrowding between all housing sectors.

### **Question 30: Should the Housing Health and Safety Rating System provide the foundation for measures to tackle overcrowding across all tenures and landlords?**

The inspection criteria of the HHSRS does recognise the subtleties that make up different degrees of the severity of overcrowding, and in those terms is more thorough than the bedroom standard. In addition to acknowledging size, composition and number of rooms required, the HHSRS also considers other important factors, such as whether there is sufficient space for separation of different household activities, the size of rooms, layout of the accommodation and the availability of indoor and outdoor recreation space.

However, although the criteria for inspection within HHSRS is thorough, the current scoring system allows too much scope for variation and subjective judgement to be used on its own, which would lead to an inconsistent baseline measure of statutory overcrowding across local authorities. Whilst the inclusion of some aspects in the HHSRS assessment framework are beneficial to be used in the measure of statutory overcrowding, it would not be suitable for use as a stand alone measure.

Another factor that should be taken into consideration is that HHSRS inspections require the intervention of trained Environmental Officers, which in turn has resource implications for local authorities.

#### **Further comments**

##### **Empty property funding**

We believe that our ability to remain pro-active in bringing homes back into use will be significantly affected by the Government's decision to not award funding direct to local authorities from April 11. The allocation of £100 million under the CSR to the HCA/housing associations effectively separates authorities' current key tools of providing grants ('the carrot') and using enforcement powers ('the stick'). The potential offer of funding acts as a powerful incentive in bringing owners of empty properties to the table. Without this tool, authorities are not so well placed to work with owners. In addition, the lack of direct government grant funding, coupled with

local authority budgetary cuts also places dedicated teams/posts at risk, meaning that there will be limited, possibly no resources available to promote work in this area. Critically, expertise will be lost to the sector, and authorities may not be in a position to assist RPs in taking up their allocations.

It is our experience, having spent several years trying to engage housing associations in tackling empty properties, that the task of bringing empty homes back tends to be far too time consuming and labour intensive to make the exercise worthwhile for them. Most boroughs and sub-regions have examples of housing associations' lack of response to invitations for greater involvement in empty homes work.

The current arrangement of funding being distributed directly to Local Authorities also ensures that value for money is achieved. Housing association renovation costs often exceed private sector renovation costs by a considerable margin. A recent survey conducted by LB Ealing indicated that the average cost of a private renovation was between £150- £250 per sq metre, compared to £1,500 to £2,500 renovation costs for a housing association. Private sector costs also compared favourably with housing association development Purchase and Repair. If housing associations become the primary agents for returning empty properties back into use, fewer properties are likely to be delivered within available financial resources.

In Haringey the use of letters written to empty properties 8 out of 10 cases results in owners taking action to bring properties back into use without the use of further enforcement action. Without the financial resources to do this our ability to tackle the empty property blight will be severely hampered.

**END**