

Meeting: Integrated Housing Board

Date: 31 January 2011

Report Title: Haringey's Consultation Response to 'Local Decisions: A Fairer Future for Social Housing'

Report of: Strategic and Community Housing Service

Purpose

The purpose of this report is to advise the IHB of Haringey's response to the government's recent consultation on social housing reform.

For the IHB to note the proposed changes.

Summary

The DCLG consultation document 'Local Decisions: A fairer future for social housing' sets out the Government's intention to change legislation governing the way social housing is allocated; how local authorities may discharge their main homelessness duty; and the types of tenancies granted to social housing tenants.

Haringey's consultation response is appended to this cover report which outlines the main government proposals.

Legal/Financial Implications

Service Financial Comments

The proposed changes are extensive and will have significant implications for Haringey. The majority of the changes are likely to have indirect financial implications that can not yet be foreseen.

The proposed incentives for bringing back empty properties into use through Council Tax initiatives are welcome.

The financial impact of these changes will continue to be assessed and monitored as they take place.

Legal comments

The Head of Legal Services has been consulted in the preparation of this report.

The majority of the Government's Social Housing reforms set out in this report

are to be implemented through the Localism Bill. The Bill received its first reading in Parliament on 13th December 2010 and, given that the Bill has been published before the outcome of the consultation, only fairly minor amendments can be expected following the consultation period. Significant changes to the Council's existing housing policies will be necessary as a result of these reforms and the proposed flexible tenancy regime with a mandatory right to possession is likely to be an area of significant legal challenge.

For more information contact:

Name: Rosie Green

Title: Housing Strategy and Partnerships Manager

Tel: 020 8489 4526

Email address: rosie.green@haringey.gov.uk

Appendices

Appendix 1 – Consultation response

Background information

This section outlines the government's proposals

Tenure Reform

- Proposed legislation will place a duty on authorities to publish a strategic tenancy policy after consultation with other social landlords and the local community. Haringey's Homelessness Strategy and Allocations Policy will need to be consistent with the approach taken through this policy. It will need to set out how we intend to utilise the proposed changes outlined below.
- Introduction of a new 'Affordable Rent' tenure from April 2011
 - This will apply to a proportion of housing association vacant properties initially and subsequently on new stock
 - Rents will be set at a maximum 80% of market rents and tenancies will be offered on a shorter term basis of at least two years
 - The tenure will be eligible for Housing Benefit and where appropriate will be offered through choice-based lettings
 - Local authorities will be able to discharge homelessness duty through the new tenure.
- Introduction of a 'flexible tenancy'
 - This will give authorities and housing associations the option to grant tenancies on a range of fixed periods at social rent levels rather than requiring council's to grant lifetime secure tenancies
 - A minimum fixed term of two years is likely to apply

- The rights of existing tenants will be protected including those currently in introductory tenancies and those who move to another social rent property

Empty Homes

- Proposal to expand the New Homes Bonus to include empty properties brought back into use to incentivise local authorities to take action. This could mean match-funding council tax receipts for six years on new homes brought back into use.
- A further £100m will be allocated through the HCA to enable housing associations to bring empty properties back into use at an affordable rent.

Allocating Social Housing

- Legislation is proposed to reverse the requirement for local authorities to operate open waiting lists brought about by the Housing Act 2002. Local authorities will be given the freedom to choose whether to continue operating an open system or whether to place restrictions on who should qualify for social housing e.g. those with financial resources sufficient to enable access to the private sector.
- Local authorities will still be required to give reasonable preference to those that are:
 - Homeless or owed a homelessness duty
 - Live in overcrowded, unsatisfactory or unsanitary conditions
 - Need to move on welfare or medical grounds
 - Need to move to a particular location to avoid hardship to themselves or others

Mobility

It is intended that tenants wishing to transfer should be removed from local authority allocation frameworks; that is that transferring tenants would not have to demonstrate priority and therefore be in a better position to transfer.

A new national home swap scheme is proposed to help tenants move locally and nationally. Legislation is intended that would place a duty on local authorities to subscribe to web-based home swap services to enable tenants to maximise choice.

Homelessness

Legislation is proposed to give local authorities more flexibility in bringing the homelessness duty to an end with suitable offers of private sector accommodation without requiring the applicant's agreement.

Reform of social housing regulation

- The Tenant Services Authority will be disbanded and its economic regulation and remaining consumer regulation functions will be transferred to the Homes and Communities Agency.
- A new standard on tenant involvement will be issued to ensure that tenants are able to hold landlords to account and better scrutinise service delivery to include;

In terms of **consumer protection**:

- Social housing is well managed and of appropriate quality
- Social housing tenants have an appropriate degree of choice and protection and have the opportunity to be involved in the management of their homes and to hold landlords to account; and
- Social housing provision makes a contribution to the social and economic well-being of the areas in which it takes place, including (for example) to broader environmental objectives.

In terms of **economic** outcomes:

- Taxpayers are protected – landlords operate efficiently, value for money is obtained from public investment in social housing, public investment is safeguarded and not misused and unreasonable burdens are not imposed on public funds; and
- Social housing supply – private sector investment in social housing is retained and expanded and housing associations remain financially viable and properly managed (consistent with their independent status).

Reform of social housing finance

- Self-financing will be introduced in April 2012 subject to parliamentary approval and will;
 - end the centralised subsidy system;
 - devolve local financing to local authorities allowing councils to retain rental income;
 - will be implemented through a one-off settlement payment determined by a valuation of each council's social housing business.
- The Government's intention is that Decent Homes Backlog programme funding should support its plans for reforming the Housing Revenue Account (HRA) subsidy system by enabling councils to achieve a sustainable, self financing business plan.
- A further policy document will be released in January 2011 detailing the methodology behind the financial settlement.