



Briefing 11/05 January 2011

'Local Decisions - a fairer future for social housing'.

To: Chief Executives and housing contacts in England
For info: Contacts in Wales, Scotland and Northern Ireland

Key issues

Fundamental review of housing policy including tenure reform, allocations, regulation and finance.

Issue of 'localism' runs through the paper with councils having much greater flexibility about how the service is managed.

1. APSE's response to the consultation paper

APSE has responded to the Department for Communities and Local Government Consultation 'Local Decisions – a fairer future for social housing' on behalf of its membership. APSE has been vocal on issues of council housing for a number of years and this response follows the pattern of the arguments made over that period. Individual APSE member authorities will have forwarded their own detailed responses direct to you.

The Association for Public Service Excellence (APSE) represents council officers and members involved in the management and provision of quality public services. APSE's mission statement positions the organisation as "networking organisation which consults, develops, promotes and advises on best practise in the delivery of public services". APSE is currently working with almost 300 authorities within the United Kingdom. APSE members are local authorities and a small number of housing associations.

2. General comments

APSE welcomes the review of social housing as an opportunity to fundamentally review this vital area of public policy. The consultation paper rightly notes that 'Social housing is of enormous importance' for both those who live in it now and those who will do so in future.

As such a social housing policy must address two linked, but separate, elements – first of all the tenants and residents of such housing and secondly the asset itself. Investing in the property involves maintaining the assets as individual properties and as an entire countrywide asset. If the asset is not maintained future tenants will have no option but to look to the private sector. This is an unrealistic option as the capacity does not exist. Therefore there is an ongoing need to invest heavily in the existing stock on top of the need to invest in new social housing to meet

increased demand. Government's plans for future social housing are not adequate in terms of resources to maintain the asset or new provision.

Without significant investment it is likely that in 10 years time the same debate will be ongoing and the ideas in this Paper will have had little or no impact upon the major issue – increasing supply. Better management of existing properties will have a much smaller impact on the availability of supply than new build can potentially have.

APSE recognises the benefits of putting more responsibilities, powers and resources into the hands of local authorities as the democratically elected, local community leaders. Local discretion is fundamental to an effective housing policy which meets local needs and circumstances and this element of the Paper is welcome.

The paper highlights the government's wish to avoid creating bureaucratic structures and as such the duty to publish a statutory tenancy policy must be carefully considered. Rather than establish an extra policy on top of existing policies, a strategic tenancy policy should be part of a strategic housing policy for the locality which includes policies on homelessness, private sector housing, housing renewal, aids and adaptations and other related documents. The intention should be to streamline the range of documents strategic housing authorities need to publish.

3. Key issues

3.1 Tenure reform (Questions 1- 16)

APSE supports the retention of lifetime tenancies for existing tenants including those who move from one to another social rented property. We also welcome the introduction of flexible tenancies as a further tenancy management option and the discretion given to housing organisations over whether to use them or not. There may be people who do not require a lifetime tenancy and while it is good to have flexibility within the system, that flexibility should not come at the price of all experiencing a reduction in rights. There is also a need to avoid a split within local communities between those that have lifetime tenancies and those that do not.

Households comprising children clearly require stability in their lives to ensure consistency in terms of schools, friends and familiarity with their neighbourhood and surroundings. Families who regularly change address and school have far more difficulty reaching their potential especially their educational potential. It is hard to see circumstances where families would benefit from living with the uncertainty of a fixed tenancy. Ensuring stability for tenants was one of the reasons statutory lifetime tenancies were introduced in 1981 and it remains just as valid a reason today. There may be other groups of people with greater need for lifetime tenancies such as some people with a disability or some elderly people.

As well as providing optional tools to manage tenancies, Government should also be encouraging councils to put in place effective arrangements and incentives that mean those tenants that can move on, do so without the need for fixed term tenancies.

The duration for fixed term tenancies should be decided by local authorities in a local context but the issue of stability, as well as the cost of reviewing a large number of tenancies would point towards a minimum duration of more than 2 years.

Government should listen to the number of councils who intend to use short term tenancies to gauge the level of interest.

A further problem concerns the workload needed to re-assess a growing number of tenants on a regular basis. This will become significant whatever the duration of fixed tenancies and may be seen as unnecessary if tenants are simply given a further fixed term tenancy.

The duty to produce a strategic tenancy policy will put demands on councils to go through consultation exercises with local housing associations, partner organisations and other public service providers as well as tenants. There will clearly be a cost to this in terms of time and resources and this must be balanced against the benefit to be gained from such a document. Those local authorities with well developed relationships with other organisations will have little difficulty producing such a document and one outcome of the exercise will be the development of relations in those areas where there is room for improvement. As noted above (under 'General comments') the emphasis must be on reducing the number of policies and strategies produced.

There will be local factors which will influence the decision about renewing tenancies such as retaining the skills of a tenant within the local area or the likelihood of the person re-presenting as homeless. Landlords will want to avoid increased levels of turnover purely as a result of a requirement to review tenancies.

Councils should be free to make their own decisions based on local circumstances with regard to support when or if flexible tenancies will be introduced, the content of landlord policies on tenancies, suitable arrangements for tenant consultation on landlord policies, which groups flexible tenancies might apply to (if any), tenancy arrangements for new tenants when they move and the provision of advice and assistance to tenants at the point of expiry of a fixed term tenancy.

3.2 Empty homes

The lack of supply of social housing has been growing for a number of years with a growing population, reduced new build and increased household formation. The position now is unacceptable and APSE welcomes any new initiative to encourage empty properties back into use.

There are a small number of empty properties in the social sector which have been empty for a long period of time as a result of expensive refurbishment costs or complete lack of demand. APSE welcomed the change to regulations by the previous administration which meant that funds from the sale of unoccupied properties were kept by the council.

In order to retain the number of units in the social sector, councils would much rather refurbish their properties than sell them on even if they are able purchase other properties with the funds from sale. Current market conditions mean the return will be poor. Furthermore there are significant cost in the disposal and purchase of properties which is lost to the council.

The Paper notes the New Homes Bonus as a powerful and transparent incentive for local authorities to support housing growth. However the amount of support that this initiative will provide is extremely limited and not enough to make a local authority initiate a process without a whole range of other factors being in place – in other words it does not work as a factor intended to prompt house building.

3.3 Allocating social housing (Questions 17- 22)

The main issue which APSE has continually flagged up over recent years is the lack of supply. Flexibility in terms of managing the waiting list is welcome in some areas of lower demand but

they will have little impact on the balance between supply and demand because the issue of lack of supply applies to such a significant proportion of the total units.

The Paper notes that some councils are managing the unrealistic expectations of those who are not likely to be successful in accessing social housing and should be commended as such. APSE feels this approach is not addressing the real problem. Although we appreciate there may be some people attempting to get on to the waiting list who do not need social housing, we feel it far more likely that the great majority of people who apply are in need and would benefit significantly from gaining social housing. Simply managing expectations because there are not enough units is addressing the symptom not the cause. The point about lack of supply is again relevant here.

3.4 Mobility (Questions 23- 24)

Increased mobility for tenants would be beneficial but relies on properties being available. The Paper notes that not enough lets go to existing tenants. APSE would argue that one contributing factor is tenants' concerns that they are in some way putting the security they have in their current home in jeopardy if they were to move.

Flexibility within allocation schemes is welcome if it enables more tenants to access properties they wish to live in but those properties must be available.

The point made under 3.1 is relevant here as it is very unlikely that a tenant with a secure or assured tenancy will exchange property when they will end up with a fixed term flexible tenancy.

3.5 Homelessness (Questions 25- 27)

Where a private rented tenancy is offered to terminate the main homelessness duty to an end, the duration should be equivalent to that offered to a new tenant offered a flexible tenancy in similar family circumstances. The intent is the same i.e. to provide a safe and secure home to someone in need and therefore the duration should also be the same. This duration should be left up to the local authority to decide depending on local circumstances but Government guidance should not recommend a period of 12 months for a private rented tenancy as it is too short to provide a stable environment from which to avoid becoming homeless again.

With regard to the likelihood of private rented accommodation being available to offer to terminate the homelessness duty, it is likely that measures from the housing benefit review will result in a substantial reduction in private sector vacancies. If this does occur then the option may be available but there will be no properties to offer. Again the issue of supply arises and the impact of housing benefit changes are likely to limit supply further both in terms of increasing rents (which are already expensive in some areas) and reducing overall numbers of private rented properties.

3.6 Overcrowding (Questions 28- 30)

Overcrowding can be as harmful to those suffering from it as homelessness is to the homeless and the Paper notes as much. The number of under-occupied properties quoted does highlight an issue which needs to be addressed. The Paper also notes that "it is clear that tenants are more likely to move if they can be offered suitable alternative properties or practical support to arrange a move". However the point remains that there is a lack of alternative properties and that budget cuts experienced by councils mean there is virtually no funding to provide new

ones or to put in place support schemes. The encouragement, support and properties needed to reduce overcrowding require resources which are not currently available.

All statutory standards must be reviewed on a regular basis and overcrowding standards are no exception.

4. APSE Contact details

If you wish to discuss this response further please contact Phil Brennan at pbrennan@apse.org.uk or on 0161 772 1810.

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