

**MAIDSTONE BOROUGH COUNCIL**

**RECORD OF DECISION OF THE CABINET MEMBER FOR  
REGENERATION**

Decision Made: 17 January 2011

**REFERENCE FROM THE STRATEGIC HOUSING ADVISORY  
COMMITTEE - RESPONSE TO THE CONSULTATION ON THE FUTURE  
OF SOCIAL HOUSING**

**Issue for Decision**

To consider the observations made by the Head of Housing and Community Safety to the consultation paper and agree the response from Maidstone Borough Council.

**Decision Made**

That the response to the consultation as contained in Appendix A attached to the Report of the Director of Regeneration and Communities be agreed.

**Reasons for Decision**

The coalition government released, at the end of November 2010, the '**Local decisions: a fairer future for social housing**' consultation document, which set an 8 week consultation period ending on 17<sup>th</sup> January 2011.

The document considers that the previous government has left a system that is 'broken, centrally controlled and in need of urgent reform'. The intention of the document is to review 'the way social housing is provided, at the way people access social housing and the terms on which it is granted'. The document covers 8 key themes:

- Tenure
- Empty Homes
- Social housing allocations
- Mobility within social housing
- Homelessness
- Overcrowding
- Reform of social housing regulation
- Council housing finance (relating to existing council housing stock)

Flexibility and identifying local solutions are words used frequently in the document. Some alterations will be made through the authority derived from the wording of existing legislation but those changes requiring statutory amendments will be delivered through the Localism Bill.

## Tenure

<b>Proposed change</b>	<b>Comment</b>
Flexible tenancy - minimum 2 years, with the option to extend	<p>Broadly speaking this proposal is welcomed as it provides a new way of providing state-funded housing and intends to make housing more accessible to a wider range of household.</p> <p>An alternative to life-time social housing tenancies; landlords can still offer assured tenancies.</p> <p>Tenancy can be granted for any fixed term but not less than 2 years. Can be extended at the discretion of the landlord</p> <p>Intended to provide flexibility with the suggested ability to provide affordable housing to those who need a period of stability before being able to move either into homeownership or the private rented sector</p>
Existing tenants unaffected unless they transfer	This may prove to be a disincentive to tenants seeking to move to downsize
Rent level equivalent to 80% of market rent	<p>Likely to be the only form of tenure to attract HCA funding on new build</p> <p>Clarity required as to how this impact on special needs housing</p> <p>Additional rent accrued to be reinvested in new homes or refurbishment</p> <p>Housing Benefit will remain available, which could increase the housing benefit burden; potential increase in discretionary HB claims</p> <p>Clarity required as to the effect of Part VI Housing Act 1996 which requires nominations to be in accord with the allocation scheme, which is needs lead</p> <p>Landlords may reject nominations on the basis that the applicant may not now or in the future be able to pay the rent</p> <p>There does not appear to be a ring-</p>

	fence to require the additional rent accrued to be reinvested in the same area
One right of succession, landlord discretion to grant further successions	Clarifies the current position, which can be confusing as landlords can interpret differently – this clarification is welcomed
New tenure can be offered on new build and existing property as they become empty	Unclear from the consultation document how this ties in with the duty on the local authority to produce a policy on tenancies  Intended to be determined locally, even where the landlord may have property in more than one local authority area  Clarity required as to the relationship between existing nomination agreements where tenure is stipulated and landlord's ability to designate a property for affordable rent
Duty on all local authorities to publish a strategic policy on tenancies	This policy will determine how affordable tenure should be applied, in what circumstances, what type of property, circumstances under which tenancies will not be renewed etc.  Applies equally to for non-stock holding authorities; which is applauded due to the links with the Local Development Framework and its associated documents  Clarification required as to compunction on landlords to comply with the policy
Secretary of State to produce a tenancy standard	Unclear whether this will follow the TSA standards or seek to lessen or extend what was previously consulted on

### Empty Homes

<b>Proposed change</b>	<b>Comment</b>
Empty homes brought back into use will attract the New Homes Bonus	More detail required to understand what type of intervention to bring back empty homes will then attract the NHB; however this offer is a positive move  Funding will come from the existing new affordable housing pot

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### Social Housing Allocations

<b>Proposed change</b>	<b>Comment</b>
Remove transfers from the requirement to appear on housing lists	This will have little or no impact to Maidstone as transfer cases currently have their own quota of empty social housing e.g. 25% for Golding Homes  Consideration to be given as to whether the council maintains transfer lists for landlords
Preference categories for priority remain unchanged	Officers have lobbied for local authorities to determine locally the preference categories but government states this should be determined centrally
Greater freedom for local authorities to determine who can appear on their housing list	Acknowledgment that open housing lists required by Homelessness Act 2002 has resulted in large number of applicants who have little or no prospect of receiving an offer of accommodation  Suggestion that maintaining these lists is inefficient and the proposal is to allow local authorities to be more restrictive as to who can join the housing list but with the proviso of enhanced housing advice for those applicants who are excluded

### Mobility

<b>Proposed change</b>	<b>Comment</b>
Provision of a national database for mutual exchanges	This can be supported
Review what barriers exist to mutual exchanges	Currently tenants of housing associations do not have an automatic right to assign their tenancy by way of mutual exchange. This proposal provides an opportunity to give equity across social housing providers and clarify the grounds for refusal

### Homelessness

<b>Proposed change</b>	<b>Comment</b>
More coordination across	Welcomed - Government recognises the

Government to address the needs of the single homeless	need to address the issue of single homelessness and the links with certain client groups such as former service personnel and ex-offenders, however, some of the changes to benefit entitlement may make this role more difficult e.g. raising the age of single person HB entitlement to 35 years old
Priority needs groups unchanged	<p>This does appear to be a missed opportunity to fundamentally tackle who is entitled to social housing; e.g. potentially perverse incentives that may contribute to teenage pregnancies</p> <p>The impact of the other changes may result in less housing being available for those clients the council has a statutory duty to secure accommodation for; this could lead to an increase in B&amp;B or other temporary accommodation</p>
Greater flexibility to end the homeless duty into the private rented sector	<p>This welcome amendment will enable the council to secure accommodation for applicants in the private rented sector</p> <p>A minimum requirement of a 12 month tenancy is proposed but this may prove difficult to achieve with landlords who offer 6 month assured shorthold tenancies</p> <p>When coupled with the other benefit changes there is no incentive for landlords to participate in this initiative</p>
Duty remains for 2 years to those housed via the private rented sector	Clarity is required. The duty to secure accommodation remains for two years but should this be the case if the applicant's circumstances change and they no longer have a priority need?

### Overcrowding

<b>Proposed change</b>	<b>Comment</b>
Review the statutory definition of overcrowding	<p>The current definition dates back to 1985 and is set quite high.</p> <p>A review is required as the more recent Housing; Health &amp; Safety Rating System introduces a different test.</p> <p>However, changing the definition will</p>

	<p>not provide larger housing and this issue can only be tackled using a holistic approach</p> <p>The document assumes that a number of measures will improve the prospects for overcrowded social housing tenants to move. All these measures are currently in place in Maidstone; unlikely therefore to see any impact from these proposals</p>
Explore how tenants under occupying larger homes can be encouraged to move	Suggested mechanisms are available in Maidstone. Fixed term tenancies will help to encourage movement but the impact of this is a generation away

### Reform of Social Housing Regulation

<b>Proposed change</b>	<b>Comment</b>
Removal of the Tenant Services Authority	The reduced regulatory role will now be fulfilled by the Homes & Communities Agency.
Role of regulator to set clear standards that are monitored locally	The consultation anticipates a greater role for tenants to perform a consumer protection function through tenant panels set up by their landlord; together with a new standard on tenant involvement
Review dispute-resolution mechanisms through local solutions involving elected councillors and MPs	The document suggests a resolution mechanism provided locally and involving elected members but no detail is provided. The regulator will only become involved in <i>serious</i> failures against the new standards

### Reform of Social Housing Finance

<b>Proposed change</b>	<b>Comment</b>
The current system of local authority rents being pooled centrally and then redistributed to be revised	Maidstone Council closed its Housing Revenue Account following stock transfer and this part of the document is not relevant to MBC

### Background

Maidstone Borough Council holds a housing waiting list of over 3,500 applicants that consists of both home-seekers (2,900) and transferring tenants (755) of social landlords with stock in Maidstone. A broad range

of affordable housing is offered in addition to social rented accommodation. This includes intermediate rent (similar to affordable rent) and low-cost homeownership products such as shared and equity stake ownership. There were an additional 645 applicants seeking affordable housing other than social rent on the list maintained by our Zone Agent, Moat Housing, for low cost homeownership products.

During 2009/10 a record number of households were housed into social housing – 718. The increased availability of affordable housing at that time played a key role in reducing the need for expensive and unsuitable temporary accommodation at a time of increased demand because of the recession. In the first 2 quarters of 2010/11 the number of households provided with housing is 316; of these 95% of applicants had a direct connection with Maidstone.

The recent Strategic Housing Market Assessment identified a shortfall of 1,081 affordable dwellings a year, of which 850 per annum were required for acute housing need. Shortages of affordable housing of all sizes were noted but larger homes in particular are required. The need relative to supply is by far the greatest for 4-bed accommodation and the SHMA evidence suggests a split of 40% smaller (one/two bedroom) dwellings and 60% larger (three or more bedrooms).

### **Alternatives considered and why rejected**

The council could decide not to respond to the consultation, however, there are a number of significant changes that will affect the duties Maidstone Borough Council is required to perform in relation to housing. Some of these proposed changes require further clarification whilst others may have unintended negative impacts that should be highlighted. Therefore not responding is not thought appropriate.

### **Background Papers**

Allocation Scheme – MBC January 2009  
Housing Acts 1985; 1996  
Homelessness Act 2002

The Cabinet Member determined his decision was urgent because the deadline for submission of the consultation responses is 17 January 2011. In accordance with paragraph 18 of the Overview and Scrutiny Procedure Rules of the Constitution, the Mayor, in consultation with the Head of Paid Service and the Chairman of the Leisure and Prosperity Overview and Scrutiny Committee agreed that the decision was reasonable in all the circumstances and should be treated as a matter of urgency and not be subject to call in.

