

MAYOR AND CABINET			
Report Title	Mayoral response to the comments of the Housing Select Committee on key housing issues arising from the Localism Bill and other new initiatives		
Ward	All	Item No.	
Contributors	Executive Director for Customer Services & Regeneration		
Class	Part 1	Date	13 July 2011

1 Purpose

- 1.1 On 30 March 2011, the Housing Select Committee considered a report outlining the key issues arising from the Localism Bill white paper as well as information on the decent homes backlog funding/HRA settlement, new homes bonus and housing benefit changes. The Housing Select Committee agreed a set of recommendations for referral to the Mayor & Cabinet on the 20th April 2011. The report setting out the recommendations was presented by Councillor Ibitson. Mayor & Cabinet supported most of the recommendations made but not all, and requested a response from the Executive Director for Customer Services to the key issues raised. This report provides that response.

2 Recommendation

It is recommended that the Mayor

- 2.1 Notes the response from the Executive Director for Customer Services & Regeneration;
- 2.2 Agrees that the report should be forwarded to the Housing Select Committee.

3 Response to recommendations

The Housing Select Committee would like to make the following comments:

- 3.1 ***The Committee is opposed to any moves to remove lifetime tenancies in social housing in the borough and notes that in addition to making tenants feel very insecure, it might result in an increase in the numbers on the housing waiting list and the erosion of a sense of community on estates as populations become more transient.***
- 3.1.1 **Response:** From April 2012 local authorities will be required to publish a strategic policy on tenancies. Work has commenced on the development of this policy document for Lewisham, with a draft document planned for the autumn for implementation from April 2012. There will be an extensive consultation programme to support the development of this policy of all key stakeholders including Members, residents and existing tenants. Until that time, Lewisham is adopting a cautious approach and is reluctant to pull back from security of tenure until all the effects of the welfare benefit proposals and changes are better known and the final

agreements are signed between the Registered Providers and the Homes and Community Agency, due in July 2011. The current Lewisham position was agreed at Mayor and Cabinet in April 2011. If Lewisham is obliged to accept flexible tenancies then we would guarantee a lifetime tenancy for specific groups:

- All older people (aged 65+);
- Residents with serious permanent physical or mental vulnerabilities;

and possible flexible tenancies for:

- families occupying large family homes that are a premium within the locality (with review when youngest child 18);
- households occupying properties that have benefitted from major adaptations;
- those with health problems regarded as temporary;
- those who face a temporary crisis from which there is a good prospect of recovery.

3.1.2 Current indications are that most of our partner Registered Providers have little appetite for tenancies shorter than 5 years. Even then, housing providers report that only in exceptional circumstances would a tenancy not be automatically renewed, as now with introductory tenancies. We will continue to consult on this area and a final position will be set out on the strategic policy on tenancies.

3.1.3 Until the detail of the contracts between the housing providers and the Homes and Communities Agency are finalised and the consultation process is completed, Lewisham's position cannot be finally confirmed.

3.2 ***The Committee is opposed to any moves to introduce "affordable rents" set at 60% or more of market rent and would like rents to be set as low as possible to ensure that social housing remains affordable for all tenants and especially vulnerable residents.***

3.2.1 **Response:** The Council is keen for developers and associations to work in this Borough to ensure a good supply of new housing to meet the high level of demand. On the 20th April 2011 Mayor and Cabinet adopted the following position:

- Housing costs should be able to be met within 30 - 40% of net disposable income, especially for claimants in receipt of the new universal credit.
- The Council will work with providers on a scheme by scheme basis to minimise 80% rents and set a range of rents up to 60% but no higher unless agreed as an exception.
- The Council will not support schemes where all rents are at 80% of market rents.
- The Council supports parity of rent levels at a lower rate across a wider tenant group to minimise the high end impacts.
- Social or "target" rents will still be needed (for instance for decanting households from regeneration schemes and for under-occupiers). The Council will look at schemes on a case by case basis and planning permissions and section 106 legal agreements will refer to social or target rents as well as the new affordable rent models as necessary.

3.3 ***The Committee would like the Council to agree minimum criteria on individual schemes with all social housing providers before they develop new homes in the borough and would like officers to report back to the Committee on this criteria.***

3.3.1 **Response:** The strategic policy on tenancies and the Councils position statement on affordable rents and fixed term tenancies, attached at appendix 1, sets out the framework in which the Council expects all housing providers and developers to operate within the Borough. This has been agreed with Mayor & Cabinet, but will be regularly reviewed in line with any changes that come from this developing agenda.

The development programme which provides the breakdown of schemes including total units, mix of tenures, unit sizes and proposed rent levels can be regularly reported to the Committee.

3.4 ***The Committee supports all lobbying efforts to secure the best possible outcome for residents in the borough in relation to the new affordable rent regime and the new fixed term tenancies in the Localism Bill.***

3.4.1 **Response:** Every effort is being made to highlight the key issues of affordability and security of tenure including meetings with the HCA, GLA and through the work of the Mayor as the portfolio holder for Housing at London Councils. Information has been provided to Heidi Alexander MP to ask parliamentary questions. Lewisham has fed information to London Councils to support their lobbying on behalf of London boroughs. As more of the detail becomes available after development frameworks for the next four years are agreed with the Homes and Communities Agency in July/August 2011, further lobbying can be developed based on the specific details of the schemes. There also continues to be lobbying by other external agencies, like the Child Poverty Action Group, against the welfare reform proposals.

3.5 ***The Committee would like to maximise any funding achieved through the new homes bonus for social housing.***

3.5.1 **Response:** The Council will ensure that it maximises the funding available through the New Homes Bonus. Officers are currently drawing up options on how the New Homes Bonus might be used for consideration by Mayor and Cabinet. Housing has contributed to this process and has suggested that the money could contribute to:

- Increasing new supply of affordable homes. The Government has introduced a series of major changes to Housing Benefits, Rents, Tenure and reduced the subsidy they are prepared to pay for affordable or social housing developments;
- The increase in new housing developments has meant extra pressure on rents, the Bonus could be used to bring rents down in affordable homes;
- The NHB could help support investment in the decent homes programme;
- Provide additional funding for extensions and de-conversions to reduce overcrowding;
- Free up under occupied accommodation;
- Provide support to the sheltered housing project. The service currently pay for a lot of B&B accommodation, if more sheltered housing was brought to standard this would provide an ongoing revenue saving;
- Empty homes that are returned to use will qualify for the New Homes Bonus,

- therefore increasing these will mean qualifying for more bonus in the future;
- Investing in the Private Rented Sector, exploiting opportunities to use the PRS to accommodate affordable housing need;
 - Provision of an inspectors post to ensure accurate recording.

The final decision will be made by the Mayor.

3.6 *The Committee would like to request a report outlining possible options to enable the Council to build new social housing.*

3.6.1 Response: An initial report will be submitted to Housing Select Committee on the 6th July 2011 which outlines the current position of the Borough on building new social homes. It will, at this stage, be a difficult route to follow as the Council does not have the funding opportunities or an adequate supply of land to contribute to this process. However options are being looked at which may produce some small gains in the longer term. A series of good practice visits are being completed and will be reported on to Committee looking at the models used by other authorities.

4 Financial Implications

4.1 There are no financial implications arising from agreeing the recommendation of this report. Financial implications relating to the individual issues contained within the body of the report will be considered as they are progressed.

5 Legal Implications

5.1 The Constitution provides for Select Committees to refer reports to the Mayor and Cabinet, who are obliged to consider the report and the proposed response from the relevant Executive Director; and report back to the Committee within two months (not including recess).

5.2 Chapter 2, Clause 131 of the Localism Bill places a duty on every local housing authority to publish a Tenancy Strategy. All registered providers of social housing should then have regard to the tenancy strategy in framing their own tenancy policies.

5.3 The strategy must have regard to the Authority's Homelessness Strategy and its Allocations Scheme as well as the London Housing Strategy.

5.4 The Localism Bill, (as at 28th June 2011) is entering its Committee Stage in the House of Lords. The provisions of the Bill are expressed as being compatible with European Convention rights.

6 Background Papers and Report Author

6.1 The following are the background papers to this report:

- Key Housing Issues – Officer Report to Housing Select Committee (30.03.11)
- Comments of the Housing Select Committee on key housing issues arising from the Localism Bill and other new initiatives (20.04.11)

6.2 If you have any queries on this report, please contact Madeleine Jeffery, Strategy and Development Manager on 020 8314 9484.