





Impact of Localism Bill and Local Decisions consultation on Housing

CSR 2010



- Provides the level of spend for the next four years (2011-12 to 2014-15)
- Based on overall spending levels set in the June 2010 budget
- Average loss of grant of 7.25%, in real terms, in each of the next four years for local councils.
- 60% cut in social housing budget
- Context of cuts

Housing Package



- £2bn Decent Homes
- £2bn for more social homes
- £900m New Homes Bonus
- £100m empty homes back into use
- £200m mortgage rescue scheme
- £400m homelessness grant

Localism Bill



- Themes of Decentralisation and the Localism Bill
- Lift the burden of bureaucracy
- Empower communities to do things their own way
- Increase local control of public finance
- Diversify the supply of public services
- Open up government to public scrutiny
- Strengthen accountability to local people

Localism Bill



- **Council provisions**
- general power of competence
- choice to return to committee system/referendums for elected mayors in some authorities
- abolition of Standards Board/model code of conduct - introducing local accountability and a criminal offence of deliberate failure to declare a personal interest in a matter
- power to residents to instigate local referendums and veto excessive CTAX increases
- allowing councils more discretion over business rate relief
- providing new powers to help save local facilities and services threatened with closure, and giving voluntary and community groups the right to challenge local authorities over their services.

Localism Bill



- **Planning and regeneration provisions**
- abolish Regional Spatial Strategies
- abolish the Infrastructure Planning Commission and return to a position where the Secretary of State takes the final decision on major infrastructure proposals of national importance
- amend the Community Infrastructure Levy - allows councils to charge developers for infrastructure - some of the revenue for local community
- provide for neighbourhood plans, which would be approved if they received 50% of the votes cast in a referendum
- provide for neighbourhood development orders to allow communities to approve development without requiring normal planning consent
- give new housing and regeneration powers to the Greater London Authority, while abolishing the London Development Agency.

Localism Bill



- **Housing provisions**

- abolish the requirement to have a Home Improvement Pack
- reform the Housing Revenue Account system
- provide for a new form of flexible tenure for social housing tenants
- allow local authorities to discharge their duties to homeless people by using private rented accommodation
- give local authorities the power to limit who can apply for social housing within their areas
- abolish the Tenant Services Authority and provides for a transfer of functions to the Homes and Communities Agency
- amend the way in which a social tenant can make a complaint about their landlord
- improve the ability of social tenants to move to different areas.

Local Decisions – fairer future for social housing consultation 1



- Tenure reform
- lifetime tenancies of existing council/HA tenants (when law is changes) will not change
- freedom to grant fixed term tenancies, as well as lifetime tenancies.
- at either social rent or affordable rent (up to 80% of local market rate)
- Looking at duration - 2 years?
- Succession – made same for HA & council tenants – for new tenancies, spouse/partner will succeed as long as they aren't a successor
- Landlords can give additional local rights of succession
- Succession rights for existing and joint tenants remain as they are
- new 'Affordable Rent' to be offered by HAs to new tenants from 04/11
- Affordable Rent properties - shorter term, landlords able to set rent between current social rent levels & up to 80% of local market rents

Local Decisions – fairer future for social housing consultation 2



- Allocating social housing / Mobility
- Councils to set the rules for who qualifies to go on the waiting list
- Rules determining who should get priority for social housing will continue to be set by central government
- Nationwide social home swap scheme - all council and HA tenants wishing to move have the best chance of finding a suitable match.
- Tenants (council and HA) taken out of the allocations process

Local Decisions – fairer future for social housing consultation 3



- **Empty homes**

- 300,00 privately owned empty homes more than 6 months
- Considering if empty homes brought back should be part of new homes bonus scheme
- £100m - HAs to refurbish 3,000 empties, manage them for up to 10 years

- **Overcrowding**

- Mismatch between those overcrowding and those under occupying
- No real solutions but looking for answers

Local Decisions – fairer future for social housing consultation 4



- **Homelessness**

- Councils will be able to bring the homelessness duty (owed to people homeless through no fault of their own and in priority need) to an end with an offer of suitable private rented housing.
- At the moment, they can only do this if the person agrees
- The tenancy offered will have to be for at least 12 months and if person becomes homeless again within 2 years through no fault of their own, the council has a duty to house them again. Councils can still offer social housing if they choose.

Local Decisions – fairer future for social housing consultation 5



- Reform of social housing regulation
- Tenant Services Agency disbanded – some functions to Home and Communities Agency and Ombudsman
- Local arrangements to solve most problems, regulator only to handle serious failures against standards – drawn up by the regulator
- Enhanced role for elected councillors, MPs and tenant panels
- New standard on tenant involvement

- Reform of council housing finance
- Replacing national subsidy system with a new self-financing arrangement that will enable councils to keep all the rent money they raise
- Spend it locally on their services.
- Enable tenants and local taxpayers to hold their landlord to account for the cost and quality of their housing.

Issues 1



- Tenure reform
 - Strategic tenancy policy – another policy
 - 2 years – is this long enough
 - Likelihood of person being homeless again at end of short term tenancy
- Empty homes
 - supply
 - access to private properties and owners
 - resources
- Allocating social housing / Mobility
 - criteria of most in need may stigmatise further
 - impact on sustainable, mixed communities
 - reduce the waiting list but masks the problem – back to supply
 - PR offer to end the 'duty' relies on supply of PR properties
 - duration of tenancy in PR accommodation -12 months minimum
 - impact of housing benefit changes will reduce number of PR properties

Issues 2



- Homelessness
 - Cut in support service at odds with aims to reduce homelessness
- Overcrowding
 - Issues around the definition of overcrowding – needs updating
- Reform of social housing regulation
 - Tenant involvement - local issue – good practice in place
- Reform of council housing finance
 - Rents retained locally rather than going to central pot for redistribution
 - Allowances for management , maintenance and major repairs will increase on average by 2%
 - Local take on of debt over 30 years
 - Increase in Accountability and transparency, better planning
 - Come into effect in April 2012

Issues 3



- Localism
- Need for change in housing policy
 - finance
 - waiting lists
 - tenant engagement
- Supply
 - tinkering at the edges
 - big numbers needed to deal with current demand and future aging population

Savings – where from?



- Context of more from less
- Local innovation
- Elimination of waste
- Better productivity to drive through savings
- Better procurement
- Shared services
- Controlling 'excessive' senior pay levels
- Drawing on expertise from the community and voluntary sector

APSE's approach



- **Effective benchmarking costs** in frontline services which allow sharing of best practice and cost comparisons between local authorities which helps in the delivery of efficiencies through promoting and sharing best practice on costs, quality and service delivery mechanisms and approaches.
- **Income generation:** through the promotion and sharing of case studies on using trading and charging to generate income into services to help offset service costs and improve the ratio and distribution of overheads as well as more productive use of resources
- **Service improvement planning:** APSE has assisted many authorities carry out service reviews including exploring business processes, stripping out unnecessary processes to help manage more effectively service delivery, use of 'lean HR' to better match resources to need and minimize the need for overtime and other unplanned payments.
- **Developing green initiatives:** APSE has explored with a number of authorities the potential income generation and carbon efficient methods of developing waste to energy schemes and use of greener energy to minimize utility costs to the public sector.

LOCAL SERVICES

LOCAL SOLUTIONS



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