

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET MEMBER

1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	6 February 2012
3.	Title:	Localism Act 2011 – Proposed Changes to Social Housing
4.	Directorate:	Neighbourhood and Adult Services

5. Summary

The Localism Act 2011 is the principal Act to deliver the Government's commitment to devolve power to the lowest level, enabling communities to make decisions as part of the big society.

The aim of this paper is to assist understanding on the proposals from Government around social housing policy which are covered by the Localism Act, and to agree a programme of consultation aimed at informing the development of local policy in the light of changes introduced through this act.

6. Recommendations

That Cabinet Member for Safe and Attractive Neighbourhoods:

- a) **notes the range of proposals which may affect RMBC's social housing**
- b) **supports the course of action towards implementation, including consultation, workshops, member seminars and further reports**

7. Proposals and Details

Localism Act 2011 Overview

The Localism Act is an extensive Act of around 500 pages. Most provisions of the Act will come into force on a date to be decided by the Secretary of State. It is expected that the Act will be in force by April 2012.

Greater detail on the provisions will be set out in Orders and Regulations that have not yet been published.

Housing

Homelessness – The Act provides that local authorities will be able to discharge their Homelessness Duty by providing accommodation in the private sector with a minimum 12 month, fixed term tenancy, without the applicant's agreement.

Before the duty is discharged the Local Authority will need to ensure that the offer is of good quality and suitable to the needs of the individual (ie accessible, where this is needed). However s. 149 provides that if an applicant becomes unintentionally homeless and re-applies for accommodation within two years of accepting an offer of a tenancy in the private rented sector, they will still be owed a duty under s.193(2) of the Housing Act 1996 (c. 52) regardless of whether they have a priority need.

Adopting this measure is likely to increase the number of council properties available for letting to other housing register applicants.

Allocations – The Act provides Local authorities with the option to set criteria to determine who qualifies for acceptance on to the housing register. Currently, Rotherham operates an 'open' housing register which accepts all applicants, regardless of their personal circumstances/need.

Tenure Reform - The 'lifetime' tenancies of existing social housing tenants will continue but there will be an option for Local Authorities to issue minimum 2 year, fixed term tenancies for new lettings.

The decision to issue fixed term tenancies should be informed by housing demand, the need to balance communities and the policies of Rotherham's neighbouring authorities.

The Council will need to develop and adopt a Tenancy Strategy setting out the matters to which all registered providers of social housing in the area should have regard when formulating their tenancy policies. The Tenancy Strategy will include:

- the circumstances in which the Local Authority will grant flexible tenancies, the term of the tenancy and the circumstances in which a further tenancy could be granted when a fixed term tenancy finishes, and*
- the criteria, if any, which will be applied to its Housing Register*

During the 'Fairer Future for Social Housing' consultation earlier this year, the option to issue fixed term tenancies received a cautious response due to concerns of creating greater transience on estates which could undermine sustainability.

Succession Rights - The rules on tenancy succession (where an occupant who is not named on the tenancy, and has lived in the property for more than 12 months, inherits the tenancy when the named tenant dies) are changing; each tenancy will only succeed once. For all new tenancies the spouse or partner will have an automatic legal right to succeed, as long as the named tenant isn't a successor.

Under the Act, the statutory right of succession for other relatives and carers is to be abolished. However, if the tenancy agreement contains an 'express term of the tenancy' provision can be made for a person other than a spouse or a civil partner of the tenant to succeed. Landlords may also include additional succession rights if they choose. This will not affect existing, secure tenancies.

The change to succession rights will result in a greater turn over of tenancies and further opportunities for those on the housing register. It is envisaged that RMBC may see a slight increase in the number of people wishing to hold joint tenancies as a safety net against the 'one succession' rule.

Mobility of Social Housing Tenants - Currently, there is little scope for existing social housing tenants to move to other parts of the country, to be closer to family or for employment reasons, and remain social housing tenants. The Act seeks to facilitate the movement of social tenants. That said, Rotherham Council subscribes to the Home Swap database which allows their tenants to link with other social housing tenants who are looking to move house free of charge.

Finance – Housing Revenue Account (HRA) Reform - Under the existing subsidy system housing rents are collected centrally and spending on housing functions, such as estate management and repairs and maintenance, is determined by Government and budgets allocated accordingly.

The self financing system will allow local authorities to retain rental income in exchange for accepting a proportion of the £22b national, housing debt. This debt will be determined by calculating estimated income and expenditure for each local authority and their ability to deliver the housing services needed and manage the debt; for Rotherham Metropolitan Borough Council their debt offer is currently £332m. The Act allows for the Secretary of State to revisit this settlement figure in future.

Officers from Neighbourhoods Directorate have been meeting regularly over the past year and have determined that based on current modelling:

- current housing stock investment plans can still be delivered
- debt can be serviced and/or repaid, and
- forecast, surplus resources present opportunities for RMBC to meet long term and wide ranging investment needs

Addressing the Act in Rotherham

Given the cross-cutting nature of this legislation the Council has taken a coordinated approach to assessing the issues arising whilst the Bill was passing through Parliament. This has involved a series of reports and member seminars to highlight the provisions and enable early discussions.

There will continue to be a whole Council approach now that the Act has been passed, facilitating detailed reports and briefings to be made in a coordinated way, including:

- Reports to Standards Committee
- Reports to Cabinet as required
- Reports to Scrutiny as required
- A further programme of members' seminars, this time each one focussing on part of the act, and
- Information sessions for managers

Consultation

A consultation programme will capture the views of members, officers, partners, residents and other stakeholders and will inform the decision of members when considering whether or not to adopt many of social housing related changes proposed through this Act.

In August/September 2011, the Localism Steering Group held a series of Localism awareness raising sessions with Members, New Members and Strategic Housing Forum. Some Members expressed concerns around some of the proposals but these views, along with other Members'/Stakeholders' views, need to be captured through formal consultation now the Bill has been finalised and received Royal Assent.

Three further Member Development sessions are taking place in March 2012 to capture members' views on elements of the Localism Act which give local authorities options to implement changes.

8. Finance

There are some elements of the Act, which are not directly related to social housing, which may have financial implications for RMBC. These were covered by a report to Overview and Scrutiny Management Report on 16 December 2011.

9. Risks and Uncertainties

Many aspects of the Localism Act are detailed, however, on a significant number of issues the Secretary of State has been given new powers to determine, and make changes, to the detail. This creates an uncertain environment for future

implementation. In a housing context the Secretary of State has the power to revisit the settlement figure offered under HRA Reform.

10. Policy and Performance Agenda Implications

The provisions of the Act do not directly impact on the objectives of the Council's Corporate Plan. There are some policy and strategy requirements, especially in relation to Planning and Housing.

11. Background Papers and Consultation

- Localism Act 2011 (c. 20)
- Localism Act 2011: Report to Overview and Scrutiny Management Board, 16 December 2011
- Consultation on Social Housing Reform: Local Decisions – a fairer future for social housing. Report to Cabinet Member, 29 November 2010
- Discussion paper: Discussions around the Future Shape of Social Housing. Report to Sustainable Communities Scrutiny Panel, 16 September 2011
- Localism Bill. Report to Cabinet, 6 July 2011

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