

QUALITY AND CHOICE – A DECENT HOME FOR ALL

1 SUMMARY

- 1.1 This report outlines the key proposals in the recently issued Housing Green Paper.
- 1.2 Copies have been placed in the Members' Rooms and have been provided for those Councillors who requested one.

2 INTRODUCTION

- 2.1 The Housing Green Paper was announced in the 1999 Budget with the intentions at that time of:-

- Giving tenants real choice over their housing
- Restructuring social housing rents order to strengthen links with size, location and condition of property
- The possibility of wider reforms to the system of personal housing support.

Since then the Green Paper has developed to involve a comprehensive review of housing policy.

- 2.2 The Government's key principles for housing policy, laid out in the Green Paper, are:

- Offering everyone opportunity, choice and a stake in their home, whether rented or owned
- Ensuring an adequate supply of decent housing to meet needs
- Giving responsibility to individuals to provide for their own housing where they can, and providing help for those who cannot
- Improving the quality and design of the housing stock, new housing and residential environments, helping to achieve an urban renaissance and protecting the countryside.
- Delivering modern, efficient, secure, customer focused public services and empowering individuals to influence them

- Reducing barriers to work, particularly in relation to benefit and rent policy
- Supporting vulnerable people and tackling all forms of social exclusion, including bad housing, homelessness, poverty, crime and poor health
- Promoting sustainable development that supports thriving, balanced communities and a high quality of life in urban and rural areas.

3 RESPONSE TO THE GREEN PAPER

- 3.1 Responses to the Green Paper can be submitted until 31 July 2000.
- 3.2 A copy of the Local Government Association initial response is appended for consideration and endorsement or variation, as considered appropriate for the Council's response.

4 CRIME AND DISORDER IMPLICATIONS

- 4.1 The Green Paper contains many proposals designed to alleviate crime and disorder problems.

5 ENVIRONMENTAL IMPLICATIONS

- 5.1 There are proposals which are designed to improve the quality and supply of housing and ensure affordability, all of which are part of Agenda 21 considerations.

6 LEGAL IMPLICATIONS

- 6.1 Following consideration of consultation responses, new legislation is likely to follow.

7 RESOURCE IMPLICATIONS

- 7.1 These are difficult to judge at present, but some of the proposals in the Green Paper could involve very significant changes.
- 7.2 It is important that the Council recognises the messages about likely future policy direction contained in the Green Paper. Funding allocations will be strongly influenced by performance against Government policy.

8 RECOMMENDATION

It is proposed that the Committee **RESOLVES**

To support the Local Government Association initial comments, with any amendments that Members may consider appropriate. (HHHCC)

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A summary of the key ideas in the Green Paper is listed below, along with initial brief LGA comments on each issue.

Key Proposal	Initial LGA comment
<p>Promoting a stronger role for local authorities in housing to reflect the variations in circumstances around the country and to enable solutions to be tailored to local conditions including:</p> <ul style="list-style-type: none"> □ encouraging all authorities to take a strategic view of needs across all housing, public and private sector; □ encouraging authorities to work in partnership with local communities, registered social landlords and other organisations; □ strengthening the strategic role of authorities, which have transferred their housing to registered social landlords. 	<p>This fully endorses the LGA's views on the need for a proactive and dynamic local authority strategic housing role and for authorities to have a "tool kit" of responses available to them depending on local circumstances.</p> <p>Emphasis is given to the need for an all tenure approach and ensuring links with planning and other policies. This was a key point raised in the LGA's Housing Green Paper submissions.</p> <p>This strategic role will be further strengthened by the new powers to promote social, economic and environmental well being enshrined in the Local Government Bill.</p>
<p>Proposals to support sustainable home ownership including:</p> <ul style="list-style-type: none"> □ enabling local authorities to support the renovation and improvement of private sector housing in a better targeted, more strategic way, through grants and greater use of loans and low-cost maintenance services; □ helping key workers and other people on modest incomes to buy their own homes in areas of high housing demand. 	<p>Many of the proposals advocated by the LGA in its report <i>A modern approach to private housing - influencing the Housing Green Paper</i> are included. For example, giving local authorities greater discretion over improvement grants, allowing them to give preferential or interest free loans, and providing support (via Home Improvement Agencies) for low cost maintenance services.</p> <p>Proposals for helping key workers are supported in principle, but more details have yet to emerge.</p>

Key Proposal	Initial LGA comment
<p>Proposals to raise the standards of reputable private landlords, encourage new investment and tackle problems at the bottom end of the sector including:</p> <ul style="list-style-type: none"> □ helping well-intentioned landlords to improve their expertise and standards, and strengthening their position in the market place, through voluntary accreditation and lettings schemes and best practice guidance; □ exploring whether tax measures could help to make the sector work better; □ tackling specific problems of poor condition and exploitation by the minority of bad landlords. 	<p>The Green Paper backs the LGA's call for the active and systematic promotion of landlord accreditation schemes.</p> <p>We particularly welcome the discretionary powers proposed for local authorities in "low demand" areas to licence private rented homes where there are problems of poor condition and exploitation, in addition to the Government's manifesto pledge to regulate Houses in Multiple Occupation (HMOs).</p> <p>As suggested by the LGA, the Government has also signalled its commitment to tackle poor standards in the private rented sector through the restriction of Housing Benefit.</p>

Key Proposal	Initial LGA comment
<p>New approaches to improve the quality of social housing and housing management. This aims to deliver a 'step change' in the quality of the stock and the performance of social landlords. The Green Paper gives a commitment to ensuring that all social housing is of a decent standard within 10 years by:</p> <ul style="list-style-type: none"> ❑ supporting the transfer of up to 200,000 homes each year from local authorities to registered social landlords, where proposals are supported by tenants; ❑ encouraging the creation of new arms-length companies to manage local authority-owned housing, with the best performing authorities which have established such companies given extra scope to borrow where there is a proven record of efficient management and investment and a clear business plan for the stock; ❑ ensuring the consistent and rigorous application of Best Value and tenant participation compact principles across social housing, including both local authorities and registered social landlords. 	<p>In the Deputy Prime Minister's forward to the report, the Government acknowledges the LGA estimates of a £19 billion repair and improvement backlog. The Green Paper gives a commitment to ensuring that all social housing is of a decent standard within ten years. The LGA has long argued that the Government should set specific targets and this commitment is a major milestone.</p> <p>The creation of arms-length housing management companies for council housing with additional access to borrowing is a major victory for LGA lobbying. This was advocated in the joint LGA report <i>New Structures for Council Housing?</i> and <i>Accommodating Change – LGA Policy Perspectives on Housing</i>. The Deputy Prime Minister said in his statement to the House of Commons that <i>"we believe there is a continuing role for Council housing.....there is a future for the Council house"</i>.</p> <p>This option will be available where an authority has received an "excellent" rating from the Best Value Housing Inspectorate, has a high quality business plan and can demonstrate progress towards the Government's objectives on rent setting and lettings.</p> <p>Arms-length housing management companies could either be local authority controlled or influenced companies. They would be expected to obtain permission for retaining rental income to support additional borrowing. As ownership would not be transferred, a tenant ballot would not be required, but local authorities would be expected to consult with their tenants. DETR anticipate that such companies could be in place by 2002.</p> <p>Transfer is also encouraged and the process will be improved. For 2001/02 a programme of 200,000 dwellings per year will be supported and if demand exceeds supply, a higher level will be considered. However, the Deputy Prime Minister said in his statement to the House of Commons that <i>"This is a matter of choice. This is not a target. It is what we will make provision for, but only where local authorities propose it. And where tenants vote for it."</i></p>

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Key Proposal	Initial LGA comment
<p>Improvements to the delivery of affordable housing, so that it is provided where it is needed and in a form that is sustainable through:</p> <ul style="list-style-type: none"> □ changes to the allocation of Housing Corporation funding for new social housing so that greater account is taken of local demand and likely future changes in demand; □ more emphasis on mixed tenure in new social housing projects; □ the production of best practice guidance on the use of planning powers for affordable housing. 	<p>The LGA welcomes the acknowledgement that policies must cater for the wide variations between regions. We look forward to working with the Government in developing a forward-looking indicator of demand for social housing to be used in the distribution of resources for housing association new build. The LGA considers, however, that the Government should also estimate the need for affordable housing to inform decisions about the level of investment in new provision.</p> <p>We support proposals to encourage mixed tenure as a contribution to the creation of more sustainable communities.</p> <p>We welcome the proposal to publish good practice guidance on the use of planning powers to secure affordable housing. However, the Association considers that in those parts of the country where the local housing market is overheated, guidance alone will not be sufficient to secure sufficient affordable housing. Planning authorities need powers to determine size, type and tenure where this is justified by local needs assessments.</p>

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Key Proposal	Initial LGA comment
<p>Reforms to lettings policies to give tenants in social housing real choice over the homes they live in.</p> <p>The Green Paper states that this will be done by:</p> <ul style="list-style-type: none"> ❑ establishing a new fund to pilot customer choice-based lettings systems in different areas of the country; ❑ promoting the active management of housing choices and targeting advice, advocacy and support at the most vulnerable households and those in the most housing need; ❑ widening the scope for movement across local authority boundaries and between local authorities and registered social landlords, so making better use of the national housing stock; ❑ allowing flexibility for local lettings policies to deal with particular problem estates and other local priorities. 	<p>The LGA warmly welcomes the establishment of a new fund to pilot lettings systems in different areas of the country. This is an issue on which the LGA has strongly lobbied.</p> <p>The LGA recognises that a choice-based allocations system requires support to be given to more vulnerable groups, but has concerns about the practical implications of this approach, and its resource requirements in areas of both very high and very low demand.</p> <p>The LGA Allocations and Homelessness Task Group recommended that local authorities and housing associations should work together in the development of common housing registers and allocations policies. The LGA also supports greater mobility for people to move across local authority boundaries.</p> <p>The LGA's Task Group put forward a set of proposals for greater flexibility in local lettings policies to enable local authorities to address broader strategic issues and help create sustainable communities. These proposals are incorporated within the Green Paper.</p> <p>As advocated by the LGA, the Green Paper also proposes to remove the power to impose blanket exclusions from the housing register while allowing authorities to suspend individual applications, (e.g. for anti-social behaviour until such time as the behaviour is modified).</p>

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Key Proposal	Initial LGA comment
<p>Proposals to strengthen the protection available to homeless families by:</p> <ul style="list-style-type: none"> ❑ extending the statutory safety-net to a wider group of vulnerable homeless people (such as care leavers and others with an institutionalised background, the victims of domestic violence and 16 and 17 year-olds); ❑ requiring or giving flexibility to authorities to help non-priority homeless people, such as childless couples and single homeless people, in areas where sufficient housing is available; ❑ giving homeless people some choice of settled accommodation in line with a more customer focused lettings system; ❑ extending authorities' duty to provide advice and support, and requiring them to take a multi-agency strategic approach to preventing and responding to homelessness; ❑ rescinding the two year limitation on an authority's duty to a homeless household and ensuring that the authority retains a duty while the household is in temporary accommodation; ❑ removing the two out of three year restriction placed on local authorities use of their own stock as temporary accommodation. 	<p>The LGA Allocations and Homelessness Task Group put forward a number of specific recommendations for changes to the homelessness legislation. The Green Paper includes many of these proposals.</p> <p>The LGA welcomes the proposed extension of priority need categories. Those fleeing domestic violence and those with an institutionalised or care background will also be deemed vulnerable, subject to local authorities' assessment on an individual basis.</p> <p>The LGA supports the proposal to give greater flexibility to local authorities to help non-priority homeless people where this is possible.</p> <p>The LGA agrees in principle with giving homeless people more choice, but has concerns about the resource implications in areas of high demand.</p> <p>The LGA welcomes the proposed new duty on local authorities to carry out an audit on homelessness and to consult on the development of a homelessness strategy.</p> <p>Giving authorities a broader duty of advice on housing issues as part of prevention of homelessness strategies was also a proposal of the LGA Task Group.</p> <p>The rescinding of the two year duty and the restriction on the use of local authority stock are also two issues on which the LGA has strongly lobbied.</p>

Key Proposal	Initial LGA comment
<p>Proposals to review tenure arrangements for social housing to retain security for long term social tenants and consider:</p> <ul style="list-style-type: none"> □ options for unifying the secure and assured tenure regimes; □ options for new flexibilities to enable local authorities and registered social landlords to make better use of their stock, especially in areas of low demand. 	<p>The LGA <i>Policy Perspectives on Housing</i> submission to the Green Paper argued for the introduction of a common tenancy for council and housing association tenants, based largely on council tenancies but replacing council tenants' Right to Buy (RTB) with housing association tenants' Right to Acquire (RTA).</p> <p>The Green Paper agrees to consider options for moving towards a new single form of tenure but does not propose any significant change in the Right to Buy. The LGA considers RTA to be preferable to RTB because it excludes properties in designated rural areas and requires the receipts from sales to be used for replacement housing.</p> <p>The Green Paper backs a proposal put forward by the LGA Allocations and Homelessness Task Group for a new short term tenure. The Task Group felt that this would enable better use of the housing stock, particularly in low demand areas or in properties due for demolition/refurbishment. It would be offered to households, including key workers, who would not normally be considered a high priority for permanent accommodation but who may benefit from a period in social housing to enable them to get one foot on the housing ladder.</p>

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Key Proposal	Initial LGA comment
<p>Proposals to maintain rents in the social housing sector at affordable, sub-market levels, with:</p> <ul style="list-style-type: none"> □ average rents held at around their present level (currently some 30% to 40% below market rents); but with □ some rents increasing to reflect improvements in quality as a result of extra investment; and □ some rents changing to remove unjustifiable differences between rents charged for homes owned by registered social landlords and local authorities. <p>Options for restructuring rents in the social housing sector to put rents on a fairer, affordable basis.</p> <p>The Green Paper states that social sector rents, while remaining affordable, need to be restructured so that tenants see they are fair. They should reflect more closely the size, quality and location of homes, taking account of property values so that tenants would pay a comparable rent for a comparable home.</p> <p>The paper emphasises that property values should not be the only consideration and rent calculations could take account of other factors, which might include regional earnings or running costs.</p>	<p>The Green Paper has not gone as far as the LGA would like in terms of developing a national framework for assessing affordability and setting rent levels. It is also unclear whether its proposals for rents will tackle the very high rents currently faced by many housing association tenants and some council tenants. However, it has given a real recognition to the issues raised by the LGA and in particular has accepted that it would not be appropriate to fully set rents in relation to capital values.</p> <p>Specific proposals include:</p> <ul style="list-style-type: none"> • to maintain the present average levels of social rents (which also has implications for the funding of new developments); • from 2002/03, average RSL rents will be held to RPI plus 0%; • some continuing small annual increase in council rents justified on the basis of stock improvements; • rent restructuring of individual properties to be achieved over 10 years and to be based on a combination of earnings/property value options set out in the paper.

Key Proposal	Initial LGA comment
<p>Proposals to develop Housing Benefit measures to improve customer service, tackle fraud and error, and improve incentives to work, including considering options to:</p> <ul style="list-style-type: none"> □ develop a single claims process for benefits which would reduce duplication and shorten processing times; □ improve information sharing between DSS and local authorities; □ reduce the complexity of the Housing Benefit rules, for example by fixing benefit awards for a set period; □ develop a new funding regime based on performance against targets in individual local authorities to cut fraud and error; □ set up a single national fraud hotline service; □ increase the incentive to work by targeting earnings disregards on key areas or groups of people; □ broaden the definition of the Single Room Rent to ensure that single young people have a secure foundation from which to find work. <p>□ The Green Paper also invites debate on options for longer term, more fundamental reform of Housing Benefit. It states that such reforms might be possible when the wider proposals to improve the supply and quality of rented housing, to give tenants greater choice over where they live and put social sector rents on a fairer and more consistent basis have been successfully implemented.</p>	<p>The LGA has repeatedly urged the implementation of the issues identified in the 1998 Joint DSS/Local Authority Associations Simplification and Improvement Project and the need to address the most penal aspects of the housing benefit system including those which undermine the incentive to work.</p> <p>The LGA has worked closely with DSS in the development of projects to improve service delivery, such as information sharing and a single point of contact for those of working age (ONE). The LGA considers that joint central/local government working is the only effective solution to addressing the problems inherent in the overly complex housing benefit system.</p> <p>The LGA has had longstanding concerns about the inadequacy and perverse incentives inherent in the current funding of anti-fraud initiatives. The proposal to develop a new regime is welcome. However, the lack of underlying funding generally, with council tax payers having to meet 42% of the cost of administering housing benefit, remains a major cause of concern and a contributory factor in allowing fraud to flourish.</p> <p>The LGA has urged the abolition of the single room rent restriction which has led to considerable hardship and homelessness amongst the under 25s. The Association has also worked with DSS in considering other options and the broadening of the definition is a step in the right direction.</p> <p>When the intention to issue the Green Paper was originally announced the Government stated that it would look at radical reforms to the system of housing benefit. However, the LGA argued that rent reform should be the Government's first priority and that radical changes to the housing benefit system should not be contemplated without further research. This message has clearly been heard.</p>