



The broader housing context and changing landscape

“We want people to be proud of our Borough. We want them to feel that this is a place where strong leadership and genuine care are making a real difference. Which is why we are working with people from across communities to keep our streets clean, our parks and green spaces carefully tended and **housing in the area affordable and desirable.**

We take our responsibility to the environment seriously and do all we can to protect it for future generations. We intend to make our Borough a better place to live, and a more attractive place to do business.

We’re on with it.”

What this presentation will cover

1. The national housing policy context
(specifically what has changed since the 2007 & 2010 transfers)
2. The local context
3. The post stock transfer relationship

The national policy context (1)

Significant changes in national housing policy:

November 2011 Government published '**Laying the Foundations: a National Housing Strategy**' which set out its direction of travel for housing. Emphasis placed on:

- Improving the rented housing sector
- Increasing levels of housing building
- Providing housing support for older and vulnerable people
- Helping people to buy a home
- Social housing as welfare

This Strategy provided the basis for a raft of reforms included in the Localism Act including:

- The introduction of *affordable Rent tenancies**
- The introduction of *fixed-term (flexible) tenancies**
- Changes to the *statutory guidance on allocations* (to increase flexibility)

The national policy context (2)

Significant changes to the way 'new' affordable housing is funded:

2012 – 2015 National Affordable Homes Programme

- The level of average grant per unit reduced from £45k to £22k
- Required developing RPs to secure additional income by converting from social to affordable rents and the sale of 'high value' properties

2013 - 2015 Affordable Homes Guarantee Programme

- Introduced further grant reductions to be offset by 'low borrowing costs' and further rent conversions were needed

Recent CSR announcement – additional funding for the 3 years (2015/16 – 2017/18)

- Early indications suggest a further grant reduction to an average of £20,000
- Govt has indicated it wants '*something for something*' deals and expects a significant change in the no. of homes converted to affordable rent and/or sold

The national policy context (3)

Introduction of Welfare Reform:

- April 2013 – implementation of under occupation/spare bedroom levy & household benefit cap
- From October 2013 - Universal Credit to be introduced to replace most working age benefits & tax credits (as yet, limited detail on local roll out)

Nationally:

- 1.85m households on LA waiting lists, 52% are seeking 1 bed props & 27% 2 bed props & demand likely to soar from April 2013 (CIH Jan 2013)
- Tenants in northern England, Scotland and Wales more likely to be affected by under occupation charge (HQN January 2013)

The local context (1)

Implications of changing national housing policy and affordable housing funding:

Landlords must ask themselves:

- Do we want to be a developing RP?
 - If so which properties do they want to convert rents on?
 - Does this sit comfortably with the 'promises' made to tenants?
- Do we want to offer 'fixed term' tenancies
 - RPs have limited option on some new build sites when properties are HCA funded
 - Again, does this sit comfortably with tenant 'promises'

The local context (2)

Welfare reform the local issues affecting RP's:

- 2,423 households affected by "under occupation" changes
- Early indications suggest some RPs are seeing rent arrears increasing
- Significant shift in bidding activity on Compass (as households attempt to downsize)
- Lack of 1 & 2 bed housing to meet emerging needs of downsizing tenants
- Already seeing a lack of demand for 3 bedroom properties (some standing empty)

The impact of all these changes is on each RPs Business Plan

The post stock transfer relationship

Occurs at a variety of levels:

- **Council nominees** are on the Tristar Board (4 councillors)
- **Strategic meetings** between Head of Housing & Chief Executive/Directors of Operations
 - Review progress against 'promises'
 - Consider any requests to be released from 'promises' (recent examples include Erimus/Witham House redevelopment and Tristar/possible change from a 48-week rent year)
 - To jointly 'look forward' - to consider what is changing at a local/national level and how this may influence the delivery of 'promises'.
- **Operational level:**
 - Service managers meet to progress key operational matters