



Submission to the Department for Communities and Government on the proposed reform of social housing

17 January 2011

From: Sitra
3rd Floor, 55 Bondway
London
SW8 1SJ
Email – glyniss@sitra.org

To: Frances Walker
Department for Communities and Local Government
Zone 1/J9, Eland House
Bressenden Place
London SW1E 5DU
Email [-housingreform@communities.gsi.gov.uk](mailto:housingreform@communities.gsi.gov.uk)

1. An Introduction to Sitra

Sitra is the umbrella organisation committed to raising standards in the housing, care and support sector. We are a membership organisation and a registered charity with over 25 years experience of offering practitioners a range of affordable policy, training, consultancy, information, conference and capacity building services.

Our membership comprises 650 practitioner organisations in the field of housing with care and support. The membership elects the committee. Members are drawn from both providers and commissioners, and from the statutory, voluntary and private sectors. We operate throughout England, and have offices in London, Bristol and Birmingham. Our work covers all aspects of supported housing, together with associated activities such as human resources and staffing issues, financial management, and community care.

We are recognised, funded and consulted by government departments and other bodies as representatives of providers of supported housing. We work with them on issues of national strategic significance for the sector. For example we have been working with DCLG on developing the transition programme which supports organisations through the changes resulting from the removal of the ring fence, and with the Department of Health on taking forward the personalisation of housing related support services.

The monthly Sitra *Bulletin* is widely recognised as a key source of technical information and policy development news throughout the supported housing sector. With a circulation of around 3000, it is the most widely distributed specialist publication within the supported housing sector. We supplement the *Bulletin* with regular briefings on matters relating to supported housing and its related fields.

Sitra is also known as a leading training provider. Each year we train over 4,000 individuals across the country, either on our general programme or on tailored made in-house courses for members and clients. We also provide a range of seminars and conferences on supported housing related themes. We estimate that over 2000 people attend such a Sitra event each year.

We are therefore in a unique position of combining a detailed knowledge of the housing with support or care sector on the ground with an understanding of and engagement with the developing national strategic agenda.

We welcome the opportunity to respond to the Department for Communities and Local Government's consultation on the reform of social housing.

2. The proposals

The aim of the reforms proposed is to ensure that the social housing system is more obviously fair; that good, affordable housing is available for those who genuinely need it; and that we get the best from our four million rented homes.

This consultation is on proposals for change to social housing tenure; empty homes; social housing allocations; mobility; homelessness; regulation; and council housing finance.

Sitra's response will focus on the proposals relating to tenure, homelessness and regulation.

3. Sitra's response

3.1. Tenure:

In this section we provide our response to consultation questions 1 – 16.

We have seen no evidence that reducing security of tenure will improve the supply or quality of social housing. Reducing security of tenure for new tenants by offering fixed term tenancies appears likely to have a negative impact on the well-being of people and communities.

For tenants it engenders on-going anxiety about finding their next home and deters them from investing in their current home and local community. For social housing providers the higher turnover of tenants who cannot make a long term commitment to their home and area will mean higher repair, maintenance and management costs on homes and their environment. For local communities increasing the proportion of temporary residents who have no long term stake in the area will lessen the neighbourhood's cohesion and sustainability.

Social housing providers already have the ability to use introductory tenancies and demoted tenancies in circumstances specified in regulations

Many of the people in housing support services will have experienced a long series of insecure homes. Most will have to move-on from supported housing into short-term assured shorthold tenancies in the private sector. Facing continuing insecurity in the social housing sector too will do nothing to assist recovery and the rebuilding of lives for those with hope of a social housing allocation. All research and experience on the ground in this field confirms that a secure and good quality home is the foundation for working with disadvantaged people to support their recovery and re-engagement in society and their local communities. As an example of this, the Government's recently published Drugs Strategy identifies sustaining suitable accommodation as a key outcome for individuals in itself and to support achievement of other outcomes in engaging in drug treatment, improving health and social well being, improving employment outcomes and reducing re-offending.

The proposals have the potential to create very significant uncertainty, inconsistency and unfairness for tenants as well as additional management and administrative

problems for housing providers. We doubt that the introduction of a legal duty on local authorities to publish a strategic tenancy policy will address these concerns. It is likely to have to make so much provision for interpretation and discretion in assessment of people's circumstances that its worth as a tool for individuals or organisations to hold the local authority to account would appear to be minimal. It is also the case that disadvantaged and socially excluded people are those most likely to be unable to engage in local political debate or decision-making and therefore most reliant on the safeguards of the law and national policy direction.

Recognising the vital role that a secure home plays in overcoming disadvantage and exclusion, we believe there should be no further reduction in security of tenure and that therefore:

- there is no need to create a new flexible form of tenure for local authorities and
- the regulator's Tenancy Standard should continue to require a social housing provider to offer "the most secure form of tenure compatible with the purpose of the housing and the sustainability of the community".

On the proposal for what are called "Affordable Rent" tenancies to be used to generate funds for registered providers to develop, we are concerned that 80% of market rents will not in fact be affordable to the majority of those seeking social housing. This may deter applicants on low incomes or push the registered provider into allocating homes on the basis not of housing need but of ability to pay higher rents.

Tenants reliant on Housing Benefit because of low wages, unemployment or disability will be worried that, even if current exclusions to Housing Benefit caps continue, rents of 80% of market rent may in some areas risk them being affected by the total benefit income cap proposed for April 2013. Those trying to get into, or return to, paid employment will face a major problem in paying these higher rents. The disincentive of a significant income drop will badly affect those moving on from supported housing who have needed support to develop the skills to live independently with a home and job. Such financial penalties risk undermining the work being done to enable disadvantaged people to move from welfare to work.

With regard the impact on the supply of accommodation of the proposal for 80% of market rents to be charged, we note the concerns of many commentators that this will generate little additional revenue in most regions. We must point out that for supported (including sheltered) housing, service charges are often a significant component of the total accommodation charge and have to reflect the actual cost of providing services (such as communal area management, concierges, wardens etc.) to the property. Housing Benefit treats the combined rent and service charge as one figure. For this means there is little scope for the development of supported housing, whose tenants will be on benefits or low incomes, to be facilitated by this proposal.

3.2. Homelessness:

In this section we provide our response to consultation questions 25 – 28.

We welcome the Government's commitment to tackle homelessness and support its proposal to retain the current priority need groups.

We acknowledge the difficulties local authorities face in meeting the needs of all those to whom it owes a homelessness duty. We are aware that, because of the serious shortage of social housing, local authorities already focus considerable effort on finding housing solutions in the private rented sector. Local authority staff are responsible for much of the action taken to regulate and improve conditions in the privately rented sector relating to disrepair, deposits and evictions. Reduced resources to local authorities will put pressure on their ability to provide such services to private tenants and landlords. Those who have been accepted by local authorities as homeless will very often have additional support needs. They can therefore be expected to be least able to deal with problems which develop with their private sector tenancy and most reliant on hard-pressed local authority staff to intervene on their behalf.

As outlined in our response on tenure above, we believe that a secure home is key to recovery and to overcoming disadvantage and exclusion. We do not consider that a twelve month assured shorthold tenancy in the private sector is a solution to homelessness. The problem of the revolving door of repeated homelessness is not addressed by the proposal that when that tenancy ends the household will not be considered to be intentionally homeless.

We do not therefore support the proposal that a homelessness duty is met by the offer by a private landlord of a twelve month assured shorthold tenancy.

3.3. Regulation:

There were no specific consultation questions on this section of the proposals.

We welcome the support for tenants' scrutiny panels, or equivalent mechanisms. The current regulatory framework's emphasis on co-production and accountability to tenants has been a valued development.

However the capacity of tenants to play this role is varied and in some areas limited. In our February 2010 submission to the consultation on the new Tenants Service Authority Standards we raised our concerns that many tenants with care and support needs may be less able to engage in tenants' own initiatives to hold their landlords to account and are therefore more reliant on an independent regulator. It is known that traditional, formal methods of tenant consultation, such as established panels and forums, are often unable to involve those with multiple disadvantage, communication difficulties or experience of long term social exclusion. While many specialist housing support providers have developed successful and creative opportunities for involvement, this is not the case across the board and is a particular challenge for mainstream housing providers with limited knowledge of special communication needs.

Because of this, the role of the regulator in overseeing performance is an important supplement to scrutiny by tenants. Good landlords will enable and support all their tenants, including those who are vulnerable or unused to being heard, to engage in working with them in a variety of ways. However, reducing the role of the regulator to intervention only in cases of serious failure will leave many weak and

underperforming landlords getting away with token or non-inclusive scrutiny arrangements.

We therefore do not support the reduction in the role of the regulator set out in these proposals.

If you have any questions regarding our response please contact Glynis Sampey, Policy Manager by email glyniss@sitra.org or phone 0117 9445518