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# A changing context for local authorities and tenants – New challenges and opportunities

**19 September 2012**

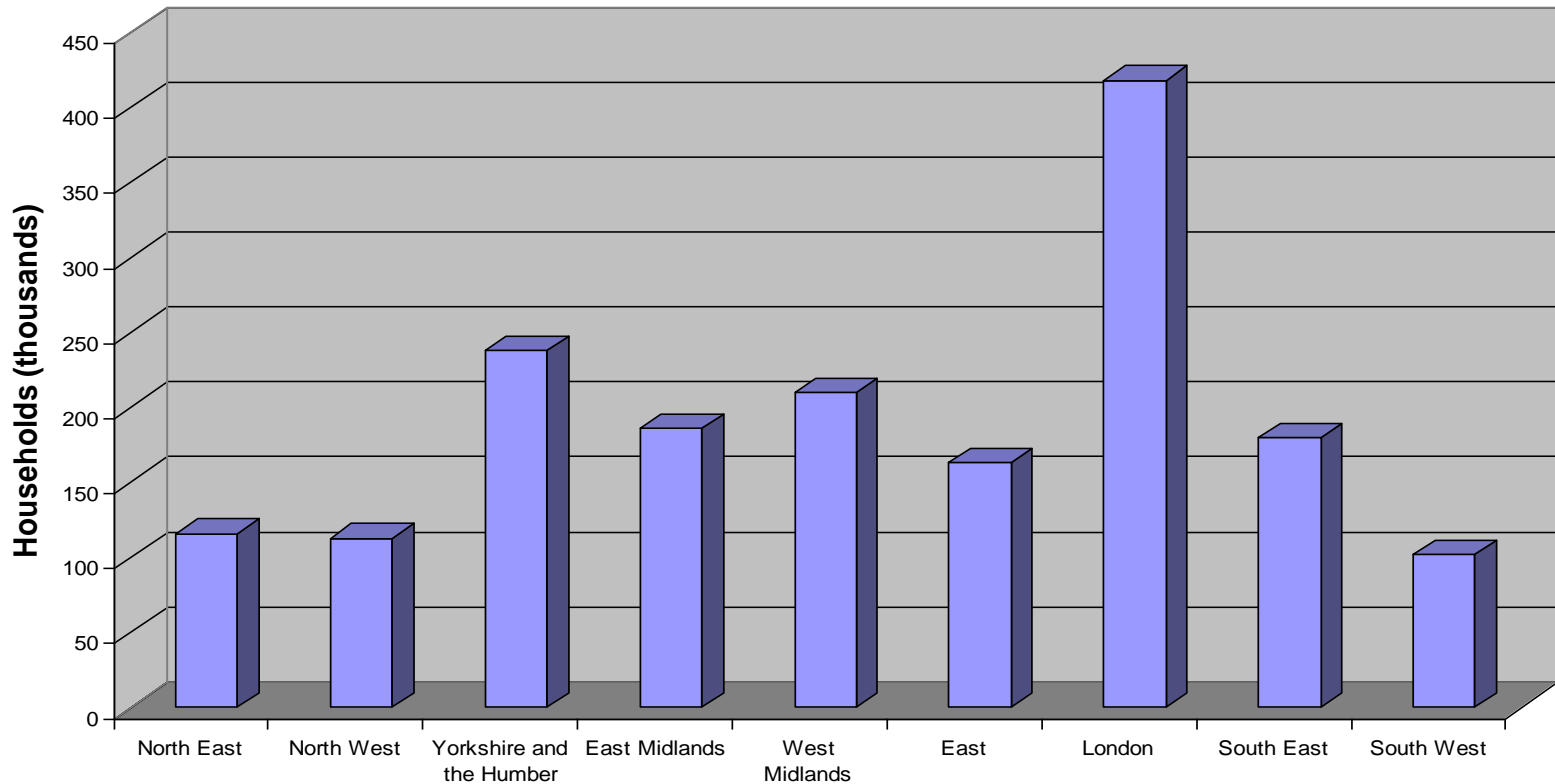
**Paul Downie**

**Department for Communities and Local  
Government**



# Local authority sector a major player

**Number of local authority rented housing, per region  
(as 31 March 2011)**





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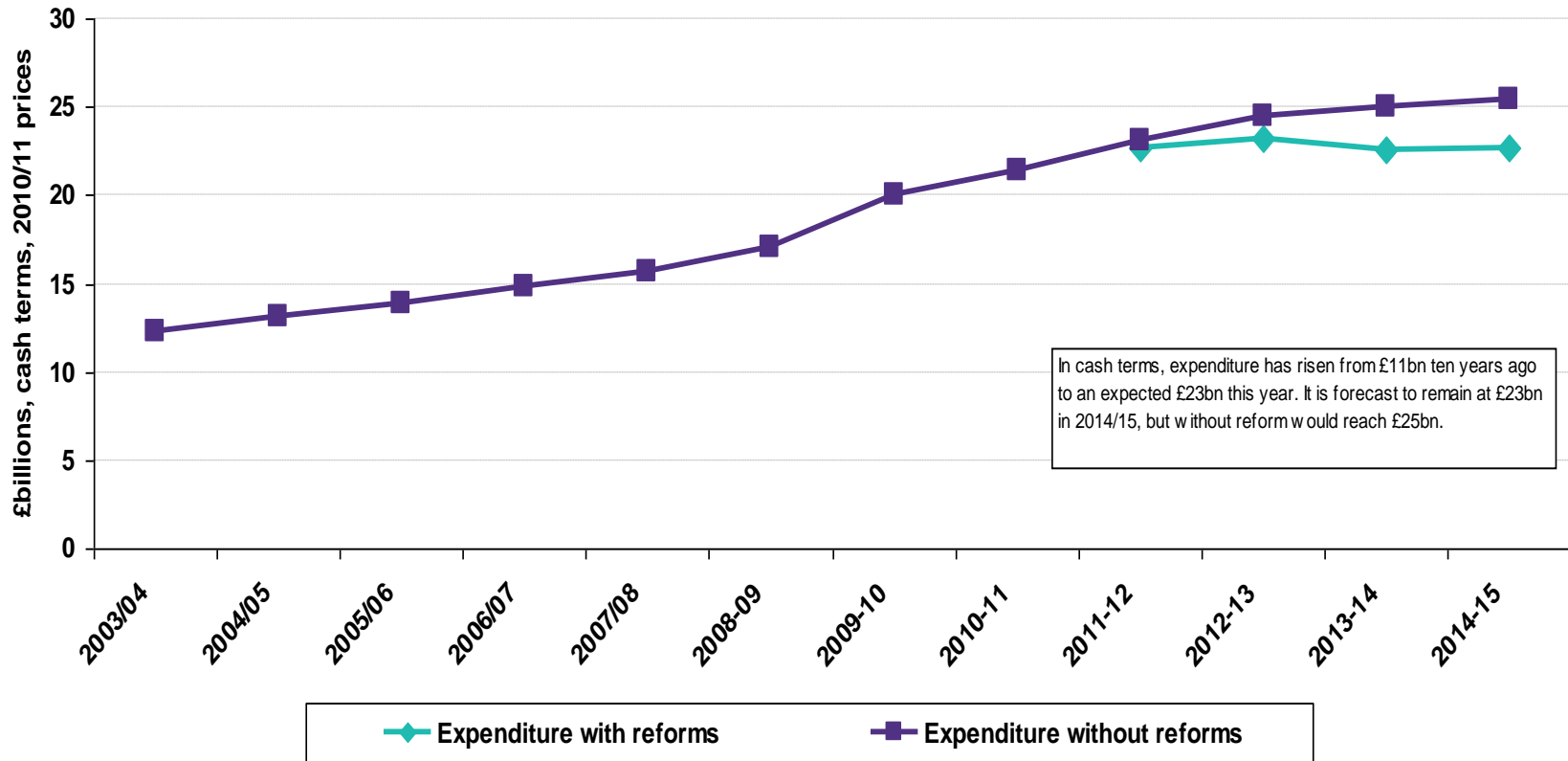
# Social Housing – Pressures and challenges

- **Housing Benefit bill**
- **Increasing waiting lists**
- **Overcrowding & underoccupation**
- **Focusing help where it's most needed**





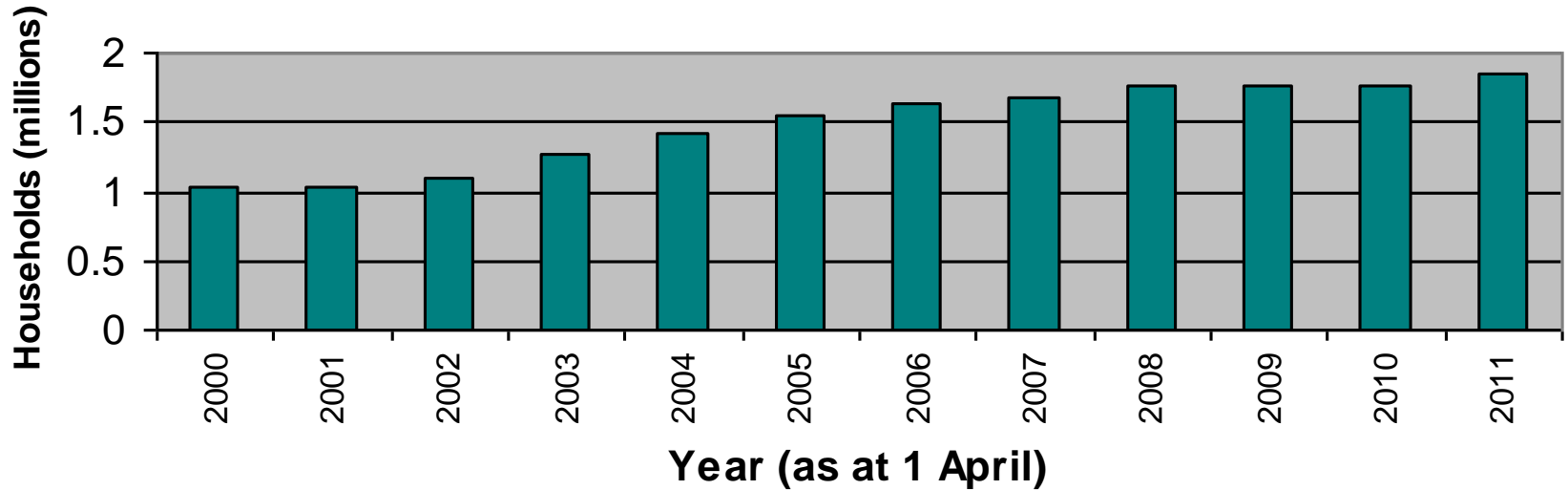
# Housing Benefit





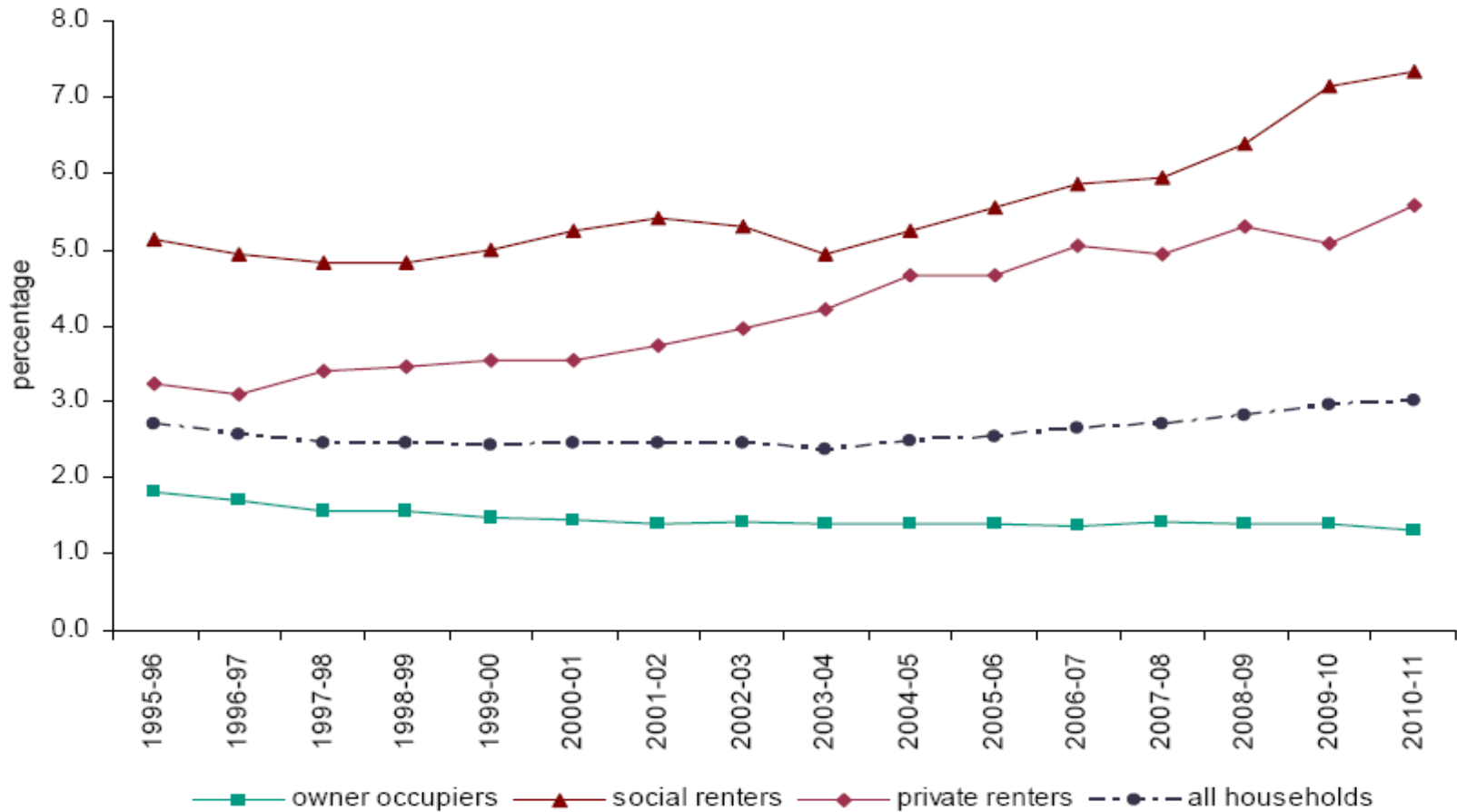
# Social housing in high demand

**Number of households on local authority waiting lists,  
England**





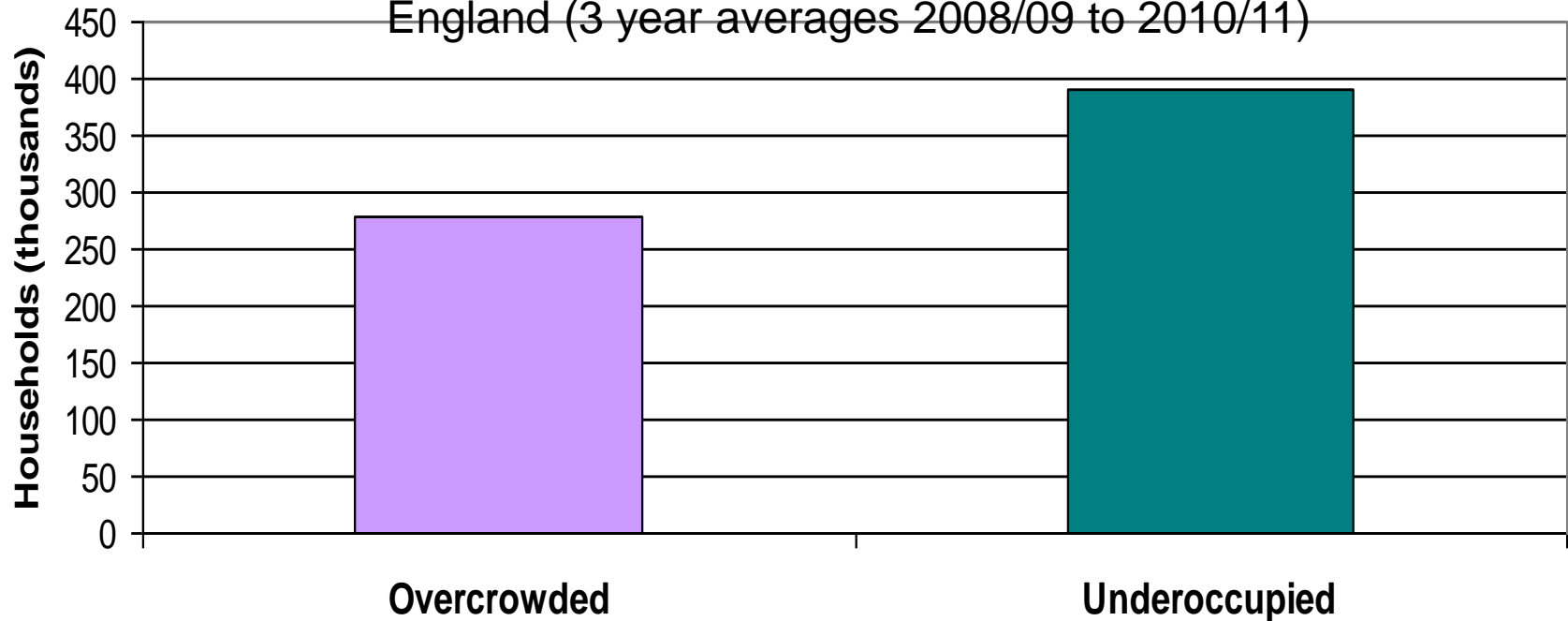
# Rising overcrowding





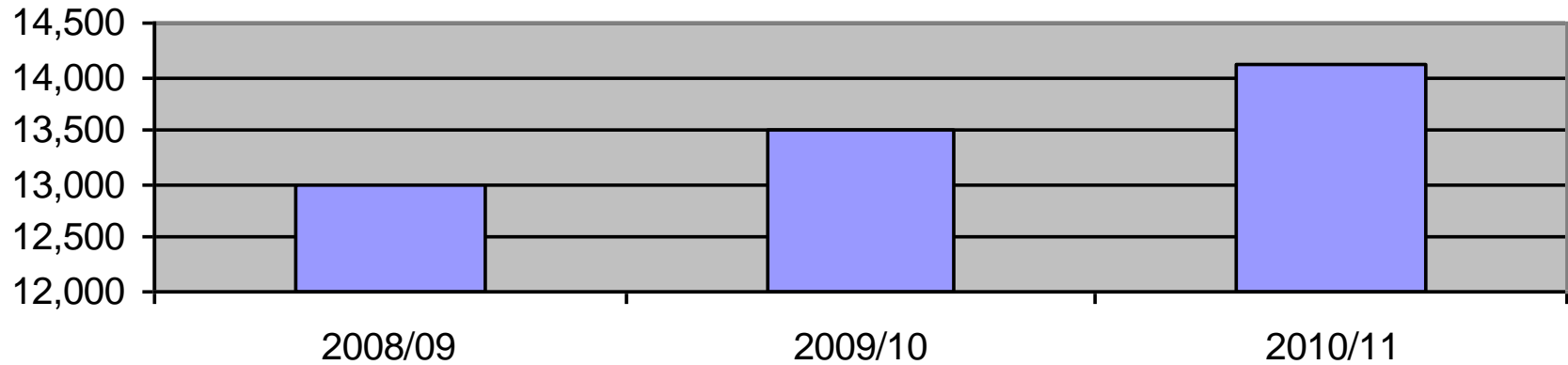
# Overcrowding and Underoccupation

Number of overcrowded & underoccupied social homes in  
England (3 year averages 2008/09 to 2010/11)





## Dwellings let to existing local authority tenants through mutual exchanges







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## Government's response

### Broad aims:

- Value for money
- Localism
- Fairness and transparency.

### Reforms:

- Welfare
- Local authority finance
- Social housing



## Universal Credit

- standard allowance simplifies the system;
- encourages employment;

## Direct payment

- housing costs paid directly to individuals in the social rented sector;

## Size Criteria

- housing benefit based on size of accommodation appropriate to the needs of the household;

## Benefit Cap

- relates to working age benefits from April 2013.





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## Financial flexibility for local authority landlords

- Self-financing for council housing from April 2012;
- Council landlords retain rental income and decide how to use it to locally;
- More to spend on managing and maintaining council homes;
- More scope to borrow for investment in existing stock or new homes;
- Some London councils building new homes.





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## Social housing reform – key themes

- More effective use of existing housing;
- Fairness for new and existing social tenants;
- Better regulation of social housing;
- Encouraging tenants to play a bigger role.





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## More flexibility for council landlords

- Flexibility to offer fixed-term tenancies to new tenants;
- More scope for councils to manage allocations, including setting qualification criteria;
- Greater flexibility to offer private rented accommodation;
- Enhanced powers to tackle anti social behaviour;
- More power to tackle sub-letting.





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## ... and strong protection for existing tenants

- continued security of tenure;
- clear standards for landlords;
- independent regulation of landlords' economic activities;
- greater role for tenants to hold landlords to account.





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# More opportunities for tenants to take control

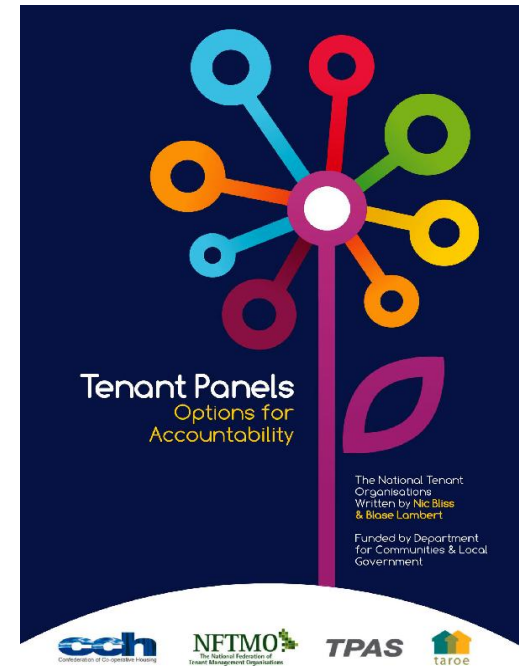
- *HomeSwap* Direct – encouraging mobility
- Tenant Cashback - controlling repairs and management
- Community Cashback - managing communal services
- Streamlined Right to Manage





# Tenant Panel opportunities

- Opportunities to improve local services by:
  - monitoring & scrutinising performance;
  - getting involved in decision making;
  - handling complaints;
  - shaping local services.
- Panels must be accountable, accessible & transparent;
- Underpinned by Localism Act 2011 and Regulator's Standard;
- Sector-led good practice guide available.







## Capacity support for tenants

- Residential training at Trafford Hall
- Training for groups to exercise their Right to Manage
- Launched a £1.3m competition to support:
  - tenant panels
  - tenant empowerment and Community Cashback
- Landlords must also support tenants





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## Conclusion

- Unprecedented pressures and challenges
- Fairer for everyone
- More flexibility for local authorities
- Strong protection for existing tenants
- Support for tenants to take control
- Important to seize opportunities

