

Decision Maker: EXECUTIVE

Date: For Pre-Decision Scrutiny by the Renewal, Recreation and Housing PDS Committee on 21st March 2023

Decision Type: Non-Urgent Executive Key

Title: AFFORDABLE HOUSING – POLICY AND STRATEGY DOCUMENTS

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Chief Officer: Director of Housing, Planning, Property and Regeneration

Ward: All Wards

1. Reason for decision/report and options

- 1.1 The Council transferred its housing stock to Clarion Housing Association (formerly known as Broomleigh) in 1992. In July 2020 the Council approved the re-opening and setting up of a Housing Revenue Account (“HRA”) for the provision of affordable housing and has recently been developing housing on Council-owned land. The Council was registered as a provider of social housing by the regulator on 29 September 2020 (Reg no:5103).
- 1.2 To remain compliant with the regulatory requirements and ensure delivery to our residents, the Council, now a stock holding authority, are required to produce various housing policies and strategies. Four of the required policies are nearing completion, two of which will require statutory consultation. They are a Tenancy Strategy, Residential Asset Management Strategy, Tenancy Management Policy and Rent Setting Policy.
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2. **RECOMMENDATION(S)**

2.1 **Members of Renewal, Recreation and Housing Policy Development and Scrutiny Committee are asked to review the four documents and make any comments available to the Executive.**

2.2 **The Council’s Executive is requested to:**

- a) **Approve the Residential Asset Management Strategy and the Rent Setting Policy for adoption;**
- b) **Approve the draft Tenancy Strategy and the Tenancy Management Policy for eight weeks public consultation; and**
- c) **Note that the results of the consultation together with any suggested amendments arising from this consultation will be reported back to the Executive for final approval and adoption of the two documents.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Council's house building programme is focused on affordable housing and seeks to ensure that vulnerable adults and young people are supported to remain in their own homes wherever possible or to secure alternative suitable and sustainable accommodation solutions.
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Transformation Policy

1. Policy Status: New Policy/Strategy
 2. Making Bromley Even Better Priority
 - (1) For children and young People to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
 - (2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
 - (3) For residents to live responsibly and prosper in a safe, clean and green environment great for today and a sustainable future.
 - (4) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Operational Housing
 4. Total current budget for this head: £7,262k
 5. Source of funding: Existing revenue budget
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Personnel

1. Number of staff (current and additional): Not Applicable
 2. If from existing staff resources, number of staff hours: Not Applicable
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Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Applicable: Executive Decision.
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Procurement

1. Summary of Procurement Implications: None
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Property

1. Summary of Property Implications: The documents are served to ensure the properties are well managed and maintained.
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: None
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Customer Impact

1. Estimated number of users or customers (current and projected): 60 Current
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

- 3.1 The Council was registered as a provider of social housing by the regulator on 29 September 2020 (Reg no: 5103). Under section 74 of the Local Government and Housing Act 1989 (the 1989 Act) a local housing authority is required to keep a Housing Revenue Account in accordance with proper practices. The keeping of the HRA is governed by Schedule 4 of the 1989 Act. In line with Government issued Direction (14 March 2019) the Council can hold up to 200 units of accommodation outside of the Housing Revenue Account (HRA) i.e., remain within the general fund.
- 3.2 Under the Housing & Regeneration Act 2008 and the Housing and Regeneration Act 2008 (Registration of Local Authorities) Order 2010 despite the initial 60 properties being held in the General Fund and regardless of the management and accounting arrangements in place for the social housing stock, as the Council is the landlord, they will be regulated as a registered provider.
- 3.3 As a Local Authority Registered Provider under the Regulations we are required to comply with only one of the four Economic Standards in respect of the Rent Standard and all four of the Consumer Standards
- Home Standard
 - Tenancy Standard
 - Neighbourhood and Community Standard
 - Tenant Involvement and Empowerment Standard
- Failure to meet these standards could lead to the Regulator exercising its powers and ultimately de-registration which will mean we will not be able to meet our housing needs.
- 3.4 To satisfy the law and regulations there are a number of policies, procedures and management structures that the Council need to put in place as a housing provider, including but not limited to a Tenancy Strategy, Residential Asset Management Strategy, Tenancy Management Policy and Rent Setting Policy.

RESIDENTIAL ASSET MANAGEMENT STRATEGY

- 3.5 The Regulator of Social Housing's Decent Homes Standard and the Council's landlord responsibilities, requires the management of its social rented housing assets. Considering the need to directly oversee housing management within a highly regulated environment, it has been recognised that a robust and compliant approach to asset management is needed, encompassing operational management standards and controls, and to inform decision making as the portfolio grows.
- 3.6 The Asset Management Strategy sets out Bromley's approach to the management of its social rented housing assets. It is an interim document, reflecting the new nature of the portfolio setting out the aspirations and the future course for managing these residential assets.
- 3.7 The strategy sets out its expectation around the valuation, compliance with building legislation and the long-term preservation of the asset. This will lead onto a full strategy and 30-year plan in the next 12 months.

RENT AND SERVICE CHARGE SETTING POLICY

- 3.8 In line with the Regulator of Social Housing Rent Standard, this policy sets out the framework for setting new rents, annual rent reviews and rebasing rents when a property is relet.
- 3.9 Compliance with the legislation around the main rent products is critical and the policy also covers the rectification and remediation, if necessary, in the event of noncompliance. This is very much driven by current legislation and will not go to public consultation on this basis.

TENANCY STRATEGY

3.10 The Localism Act 2011 places an obligation on the Council to have a tenancy strategy which is drafted in consultation with the housing providers. It identifies areas of best practice of all social landlords operating in the borough and provides guidance on our preferred approach to tenure and affordability.

In introducing this tenancy strategy, we aim to:

- Work with social landlords to meet the housing needs of our residents
- Assist affordable housing developers to understand what the council requires of social landlords who own, let and manage stock.
- Ensure that the supply of housing is genuinely affordable and built to a good standard which meets the needs of residents

TENANCY MANAGEMENT POLICY

3.11 This document complies with the Regulators Tenancy Standard and the Council's tenancy agreements. The aim of this Policy is to set out how the Council manages tenancies in Bromley owned properties from the point at which a tenancy is granted, through to the point at which it ends.

3.12 It covers a variety of subjects around the tenancy agreements used, the granting of those tenancies and the conditions within and the lifecycle of that tenancy from sustainment to enforcement, succession and mutual exchange

3.13 The following appendices are attached for Members' review:

- Appendix 1 - Residential Asset Management Strategy (To Follow)
- Appendix 2 - Rent and Service Charge Setting Policy (To Follow)
- Appendix 3 - Tenancy Strategy (Draft, pending consultation) (To Follow)
- Appendix 4 - Tenancy Management Policy (Draft, pending consultation) (To Follow)

NEXT STEPS

3.14 If recommendations are agreed, the Residential Asset Management Strategy and The Rent Setting Policy will be published and adopted with immediate effect. The Tenancy Strategy and Tenancy Management Policy will proceed to a full consultation programme, results will be collated into an accompanying report and presented to Members evidencing how consultation has influenced the final versions for consideration and adoption.

4 IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The Council's house building programme is focused on affordable housing and seeks to ensure that vulnerable adults and young people are supported to remain in their own homes wherever possible or to secure alternative suitable and sustainable accommodation solutions.

5 TRANSFORMATION/POLICY IMPLICATIONS

5.1 The increase of housing supply is one of the key priorities within the council transformation programme to ensure a suitable cost affective supply of accommodation for housing needs. This also allows the council to meet its statutory duties in respect of housing

6 FINANCIAL IMPLICATIONS

6.1 There are no financial implication directly arising from the content of this report.

6.2 The Council has an exemption from the Secretary of State to hold the current properties it has developed/is developing in the General Fund rather than in the HRA. At present this totals 109 properties, with a potential maximum that can be held outside the HRA of 200.

6.2.1 It is therefore not intended at this time that these properties will be transferred to the HRA due to the additional administrative burden. However, officers have started work on a draft 30-year HRA business

plan in readiness, and future reports will be presented for the consideration of business cases for individual sites and the adoption of the HRA business plan.

7 LEGAL IMPLICATIONS

- 7.1 Under the terms of section 150 Localism Act 2011 ('the Localism Act'), Councils in England must prepare and publish a strategy (a "tenancy strategy") setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to:
- the kind of tenancies they grant
 - the circumstances in which they will grant a tenancy of a particular kind
 - where they grant tenancies for a term certain, the lengths of the terms, and
 - the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.
- 7.2 Section 150 (3) of the Localism Act states that the Council, as a local housing authority, must have regard to its tenancy strategy in exercising its housing management functions.
- 7.3 Section 151 of the Localism Act provides that
- before adopting a tenancy strategy, or making a modification to it reflecting a major change of policy, the authority must—
 - (a) send a copy of the draft strategy, or proposed modification, to every private registered provider of social housing for its district, and
 - (b) give the private registered provider a reasonable opportunity to comment on those proposals.
 - before adopting a tenancy strategy, or making a modification to it reflecting a major change of policy, the authority must also-
 - (a) consult such other persons as the Secretary of State may by regulations prescribe, and
 - (b) in the case of an authority that is a London borough council, consult the Mayor of London.
 - the authority must, in preparing or modifying a tenancy strategy, have regard to—
 - (a) its current allocation scheme under section 166A of the Housing Act 1996,
 - (b) its current homelessness strategy under section 1 of the Homelessness Act 2002, and
 - (c) in the case of an authority that is a London borough council, the London housing strategy.
- 7.4 The Regulator of Social Housing has been given by the Secretary of State two main objectives:
- Economic objective: to make sure that registered providers (landlords) are well-managed and financially stable
 - Consumer objective: to make sure that tenants get quality accommodation, have choice and protection, and can hold their landlords to account.
- 7.5 To achieve these objectives, The Regulator has set of regulatory standards that contain specific expectations registered providers of social housing must comply with and the outcomes that providers are expected to achieve. Providers' boards and local authority councillors who govern service delivery are responsible for meeting the relevant standards and determining how this is done.
- 7.6 Under the Tenancy Standard provided by the Social Housing Regulator, it states that registered providers of social housing shall publish clear and accessible policies which outline their approach to tenancy management, including interventions to sustain tenancies and prevent unnecessary evictions, and tackling tenancy fraud, and set out:

- a) The type of tenancies they will grant.
 - b) Where they grant tenancies for a fixed term, the length of those terms.
 - c) The circumstances in which they will grant tenancies of a particular type.
 - d) Any exceptional circumstances in which they will grant fixed term tenancies for a term of less than five years in general needs housing following any probationary period.
 - e) The circumstances in which they may or may not grant another tenancy on the expiry of the fixed term, in the same property or in a different property.
 - f) The way in which a tenant or prospective tenant may appeal against or complain about the length of fixed term tenancy offered and the type of tenancy offered, and against a decision not to grant another tenancy on the expiry of the fixed term.
 - g) Their policy on taking into account the needs of those households who are vulnerable by reason of age, disability or illness, and households with children, including through the provision of tenancies which provide a reasonable degree of stability.
 - h) The advice and assistance they will give to tenants on finding alternative accommodation in the event that they decide not to grant another tenancy.
 - i) Their policy on granting discretionary succession rights, taking account of the needs of vulnerable household members.
- 7.7 It would appear from the content of this report and in particular the attachments to this report which comprises of the Residential Asset Management Strategy ; the Rent and Service Charge Setting Policy; draft Tenancy Strategy and the Tenancy Management Policy that the Executive in adopting the Residential Asset Management Strategy and the Rent Setting Policy and starting the consultation on the draft Tenancy Strategy and the Tenancy Management Policy the Council is properly complying with its legal duties under the Localism Act and those as are required by the Housing Regulator and as a landlord including the Council's Public Sector Equality Duty.

8 PROPERTY IMPLICATIONS

- 8.1 The documents are served to ensure the properties are well managed and maintained.

9 CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

- 9.1 The HRA properties provide much needed affordable rented social homes to meet statutory housing needs. The design and build has also been cognisant to contribute to the Council's carbon reductions ambitions by ensuring that new homes are energy efficient and meet all current relevant standards.

12 CUSTOMER IMPACT

- 12.1 The Council currently has roughly 1500 households in temporary accommodation. The new housing stock provides good quality affordable housing to meet statutory housing needs.
- 12.2 The range of policy and strategy documents ensure the Council is meeting its statutory duties and that affordable housing stock is well managed and maintained and that the tenant and landlord responsibilities are adhered to.

Non-Applicable Headings:	Personnel Implications/Procurement Implications/Ward Councillor Views
Background Documents: (Access via Contact Officer)	