

Decision Maker: EXECUTIVE

Date: For Pre-Decision Scrutiny by the Renewal, Recreation and Housing Policy Development and Scrutiny Committee on 31 January 2024.

Decision Type: Non-Urgent Executive Key

Title: AFFORDABLE HOUSING– POLICY AND STRATEGY DOCUMENTS

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Ward: All Wards

1. Reason for decision/report and options

- 1.1 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 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 and adhere to various housing policies and strategies. In March 2023, the Executive approved the draft Tenancy Strategy and the draft Tenancy Management Policy for eight weeks public consultation. This report contains the findings and outcome of that consultation alongside final documents for which approval is sought.
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2. RECOMMENDATION(S)

2.1 The Renewal, Recreation and Housing PDS Committee is asked to:

- 1) Consider the results of the consultation exercise and any amendments; and,
- 2) Review the proposed Tenancy Strategy and Tenancy Management Policy and make any comments available to the Council’s Executive.

2.2 The Council’s Executive is requested to:

- 1) Review the results of the consultation exercise; and,
- 2) Approve the Tenancy Strategy and Tenancy Management Policy for adoption by the Council.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Council's house building programme is focused on affordable housing. The Strategy and Policy documents ensure that socially owned stock is managed appropriately and that Bromley residents are able to live in good quality, well maintained and well managed homes.
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Transformation Policy

1. Policy Status: New Policy.
 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: £8,334k
 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: Further Details
 2. Call-in: Not Applicable
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Procurement

1. Summary of Procurement Implications: Not Applicable
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Property

1. Summary of Property Implications: Not Applicable
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: The HRA properties provide much needed affordable rented social homes to meet statutory housing needs. The design and build has also been cognisant to reduce carbon by ensuring that new homes are energy efficient and meet all current relevant standards.
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Impact on the Local Economy

1. Summary of Local Economy Implications: None
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Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: Well managed and maintained homes enhance the community, ensuring the wellbeing of both tenants and neighbours. Ensuring that homes are let appropriately, and that resident's needs are met, for example through the provision of adapted accommodation supports the wellbeing of residents within their own homes.
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Customer Impact

1. Estimated number of users or customers (*current and projected*): The Tenancy management Policy is specific to residents in the Councils owned accommodation current number is 60 anticipated to grow to 187 units by 2027. The Tenancy Strategy which is drafted in consultation with housing providers sets the Councils expectations of all social landlords operating in the borough.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: The Tenancy Management Policy and Tenancy Strategy were subject to review and discussion by Renewal, Recreation and Housing PDS committee and The Executive in March 2023. All Councillors were also invited to participate in the formal online consultation.

3. COMMENTARY

- 3.1 As a Local Authority Registered Provider, there are several policies, procedures, and management structures that the Council must have in place, including but not limited to a Tenancy Strategy and Tenancy Management Policy.
- 3.2 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 the Council's preferred approach to tenure and affordability.
- 3.3 Social landlords are expected to have a tenancy policy which clearly states the types of tenancies they grant and in what circumstances. They are also expected to outline the measures they will use to assist a tenant where the tenancy might fail or is failing. Equally each social landlord is expected to have a clear succession policy detailing how they will deal with all changes in tenancy, including tenant mobility.
- 3.4 The Tenancy Management Policy sets out the rules around the management of a tenancy in Council stock from a sign up to the end of a tenancy. The Tenancy Strategy influences this document, in so much as the policy demonstrates the Council's commitment to the granting of tenancies as set out within it.
- 3.5 In March 2023 the Executive approved the draft Tenancy Strategy and the draft Tenancy Management Policy for eight weeks public consultation. The Council were also required to undertake an Equality Impact Assessment to introduce both documents. Relevancy tests were undertaken for both documents. Neither indicated a full EQIA to be required as there were neither positive or negative impacts to anyone with one of the protected characteristics under the Equalities Act.
- 3.6 To prepare both documents for consultation, internal management discussions took place within the Housing Directorate, engaging other key representatives within the Council as necessary. The discussions supported the production of the draft document which was signed off by the Director of Housing, Planning, Property and Regeneration and the Project Steering Group overseeing the production of the documents as being ready to enter into formal consultation.
- 3.7 External consultation for the Tenancy Strategy took place via an online survey as follows:

Stakeholder	Method
Residents of the borough	A communication plan was produced by the Communication Team promoting the consultation through all networks including social media and hard to reach groups. They were all signposted to the online survey.
Elected Members of the Council	Considered both documents in Renewal, Recreation and Housing PDS committee and The Executive meeting in March 2023.
Registered Providers	Registered providers were emailed a link to the online survey, inviting them to provide feedback.
External Stakeholders	These included voluntary agencies such as the Citizens Advice Bureau and other organisations that advocate on behalf of residents. It also included neighbouring Local Authorities and key community groups. They were emailed a link to the online survey, inviting them to provide feedback.

Internal Stakeholders	The wider Council staff were emailed a link to the online survey, inviting them to provide feedback either as employees or local residents (if applicable).
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3.8 There were a total of 24 respondents, 8 of whom were Bromley residents, 9 were Bromley staff, 4 were external agencies and 3 were registered providers. It is not possible to gauge the response rate as the consultation was not targeted. Given the low number of Council tenants it was anticipated that there would not be a significant response to the consultation despite the work undertaken to promote it. That said 24 is deemed a low number, however the responses were often accompanied by comments which gave a clear indication of opinion.

3.9 We monitored a number of equalities characteristics and compared it to the borough demographic profile, the responses mirrored the borough profile.

3.10 **Responses to the proposed changes to the Tenancy Strategy via the online survey, are seen below.**

Summation of Change	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	No Response
Aims of the strategy. Adopted	58%	29%	4%	4%	4%	1%
Discharge of homeless into the private sector. Adopted	33%	46%	13%	4%	4%	0%
Introductory tenancies for new tenants or tenants who need more help in the first 12 months. Adopted	50%	38%	4%	4%	4%	0%
Secure tenancies for existing lifetime tenants who are transferring. Adopted	50%	29%	8%	8%	4%	1%
Lifetime tenancies for vulnerable tenants without an introductory period. Removed	33%	42%	0%	8%	17%	0%
Flexible tenancies for high demand properties. Adopted	33%	29%	25%	4%	8%	1%
Tenancy sustainment measures. Adopted	42%	38%	4%	12%	4%	0%
Safe surrenders for failing tenancies where the landlord has exhausted all other avenues. Adopted	29%	46%	13%	8%	4%	0%
Assignments & successions policies for all social landlords. Adopted	50%	46%	4%	0%	0%	0%
Demotions of lifetime tenancies. Adopted	33%	38%	13%	4%	12%	0%
Possession as a last resort. Adopted	58%	42%	0%	0%	0%	0%
Promotion of incentives to downsize. Adopted	58%	38%	0%	0%	4%	0%

- 3.11 The industry approach is, if there is 20% plus disagreement or more, then the proposed change is subject to review and further discussion. The granting of a lifetime tenancy to vulnerable tenants is 25%. Vulnerable tenants may find the reviews during an introductory tenancy stressful, so the industry often promotes granting a lifetime tenancy.
- 3.12 However, Registered providers were in the main disagreeing with the change on the basis that this is the client group where the most wraparound support and intensive housing is needed, and they prefer to start them on introductory tenancies for the benefit of both parties. As registered providers hold most of the social housing in the borough the project steering group agreed that this should be removed from the strategy.
- 3.13 It is usual for a proportion to neither agree nor disagree. This ranges from 4% to 25%. It is hard to speculate on the reasons for their answers and in these cases, it is usual to deem they have no strong feelings one way or the other.
- 3.14 Overall, the responses show marked agreement with the strategy with those agreeing and strongly agreeing exceeding 63% and above. The sample size of 24 is small and not indicative of the number of residents in the borough. In these cases, we look at the qualitative comments which endorsed many of the changes. Therefore, based on these percentages, the tenancy strategy should be adopted with the exclusion of granting lifetime tenancies, without an introductory period, to vulnerable tenants as previously stated. The Council recognise that vulnerabilities and needs may change, by utilising introductory tenancies this will enable each case to be reviewed on an individual basis and promote longer term tenancy sustainment.
- 3.15 The three registered providers who responded were resistant to the use of flexible tenancies. However on consideration and with 62% of respondents agreeing to the use of Flexible tenancies, the project steering group felt that retaining this option for high demand properties such as larger units or adapted units, allows for important tenancy reviews to ensure a property continues to meet a clients needs and makes best use of high demand accommodation. The project steering group have therefore retained the use of flexible tenancies.
- 3.16 **Analysis of the Results – Tenancy Management Policy**
- 3.17 External consultation for the Tenancy Management Policy was targeted at tenants in Bromley owned stock, all of whom were written to outlining the consultation and signposting them to an online survey via a link or QR code. These letters were hand delivered by the Managing Agents, who also provided a further prompt for responses midway during the consultation period. No other external stakeholder was contacted.
- 3.18 There were a total of 10 out of 60 tenants respond to the survey. There are 60 tenants in Bromley owned properties, and with 10 tenants responding, this approximates to a 10% response rate. A response rate between 10% and 20% is deemed an indicative sample with which to consider the results.
- 3.19 We monitored a number of equalities characteristics and compared it to the demographic profile of the tenants across all 60 properties. The responses mirrored the tenant profile, however more of the older tenants responded.

3.20 Responses to the new to the Tenancy Management Policy via the online survey, are seen below.

Summation of Change	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	No Response
Affordability checks. Adopted	20%	50%	10%	0%	20%	0%
Rent in advance at sign up. Adopted	60%	10%	20%	0%	10%	0%
Introductory tenancies for new tenants or tenants who need more help in the first 12 months. Adopted	70%	20%	0%	0%	10%	0%
Secure tenancies for existing lifetime tenants who are transferring. Adopted	60%	40%	0%	0%	0%	0%
Lifetime tenancies for vulnerable tenants without an introductory period. Removed	60%	30%	0%	10%	0%	0%
Flexible tenancies for 5 years. Adopted	40%	20%	30%	10%	0%	0%
Flexible tenancies for large/adapted properties. Adopted	10%	40%	20%	30%	0%	0%
Tenancy sustainment measures. Adopted	30%	50%	10%	10%	0%	0%
Assignments & successions policy. Adopted	40%	60%	0%	0%	0%	0%
Demotions of lifetime tenancies. Adopted	30%	50%	10%	0%	10%	0%
Possession as a last resort. Adopted	40%	40%	0%	10%	10%	0%

3.21 The granting of flexible tenancies for large or adapted properties in high demand shows 30% disagreement and affordability checks show 20% disagreement. Both met the 20% rule outlined above and were discussed with the project steering group with their recommendation being:

- a) Flexible tenancies to be retained in line with the Tenancy Strategy to ensure a property continues to meet the client's needs and allows for the Council to make best use of high demand accommodation.
- b) Affordability checks have been retained as part of the offering of social housing as they are industry good practice. It is also a statutory requirement to ensure that an offer of accommodation is affordable in order for the Council to successfully discharge its duties in relation to housing.

3.22 It is usual for a proportion to neither agree nor disagree. This does not exceed 30%. Overall, the responses show marked agreement with the policy, with those agreeing and strongly agreeing exceeding 50% and above. Therefore, based on these percentages, the tenancy management policy is recommended for adoption.

3.23 Tenancy Management Policy Comments, were largely positive; as a result showed the policy can be adopted. The comments in relation to tenancy sustainment showed an objection to the wording "targeted visits" and consequently the wording was softened. With respect to affordability checks, this was made clearer and additionally income maximisation for the tenant was inserted as most landlords should be able to provide this support either at the beginning of a tenancy or for an existing tenant experiencing financial hardship. The policy is now recommended for adoption.

3.24 In summation, consultation is complete and many of the proposed changes were deemed sensible and seen as positive. The ones where there has been disagreement have been fully considered and the change identified where relevant and made within the final drafts of both

documents. Overall the exercise allowed the Council to fine tune the documents further. A full set of online survey result can be made available on request.

3.25 The following appendices are attached for Members' review:

- a) Appendix 1 – Analysis of consultation results in table format
- b) Appendix 2 – EQIA relevancy test for tenancy strategy
- c) Appendix 3 - EQIA relevancy test for tenancy management policy
- d) Appendix 4 - Final Tenancy Strategy
- e) Appendix 5 - Final Tenancy Management Policy

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The Council's house building programme is focused on affordable housing. The Strategy and Policy documents ensure that socially owned stock is managed appropriately and that Bromley residents are able to live in good quality, well maintained and well managed homes.

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 supports the Council to meet its statutory duties in respect of housing.

6. FINANCIAL IMPLICATIONS

6.1 There are no direct financial implications arising from the contents 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 either completed or on site, with a potential maximum that can be held outside the HRA of 200.

6.3 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 section 150 Localism Act 2011 ('the Localism Act'), Councils in England must prepare and publish a strategy (a "tenancy strategy"). 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.

7.2 The Executive authorised on 29 March 2023 the requisite consultation exercise required by law pursuant to Section 151 of the Localism Act 2011 in respect of (i) a Tenancy Strategy and (ii) Tenancy Management. The Executive in this report is asked to consider the responses received from the consultation exercise and give due consideration to the feedback prior to approving the final strategy.

7.3 By adopting the Tenancy Strategy and the Management Policy the Council is properly complying with its legal duties under the Localism Act and as is required by the Housing Regulator and as a landlord including the Council's Public Sector Equality Duty.

8. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

8.1 The HRA properties provide much needed affordable rented social homes to meet statutory housing needs. The design and build has also been cognisant to reduce carbon by ensuring that new homes are energy efficient and meet all current relevant standards.

9. CUSTOMER IMPACT

9.1 The Council currently has roughly 1500 households in temporary accommodation. The new housing stock provides good quality affordable housing to meet statutory housing needs.

9.2 All Council tenants were contacted and given the opportunity to engage with the consultation.

10. WARD COUNCILLOR VIEWS

10.1 The Tenancy Management Policy and Tenancy Strategy were subject to review and discussion by Renewal, Recreation and Housing PDS committee and The Executive in March 2023. All Councillors were also invited via email to participate in the formal consultation.

Non-Applicable Headings:	Personnel/Procurement/Property Implications, Impact On The Local Economy/ Health And Wellbeing,
Background Documents: (Access via Contact Officer)	HPR2023/018 Affordable Housing – Policy And Strategy Documents