

Housing reforms under the Localism Bill (clauses 121 to 156)

The Localism Bill sets out a number of fundamental reforms to the social housing sector. The Government intends that the new proposals will give Councils more flexibility and will be fairer, enabling Councils to genuinely meet the needs of local people.

1. Social Housing Allocation

- 1.1 The Bill amends the Housing Act 1996 so that authorities can prepare an allocation scheme through which they will have the freedom to determine who should qualify to go on their housing waiting list. Whilst the rules on eligibility will continue to be set centrally, this measure will allow local authorities to set waiting list policies that are appropriate to their local area.
- 1.2 Requests for transfer from existing tenants will be able to be dealt with through separate rules and criteria outside the allocations process. This is intended to make it easier for tenants to move and easier for landlords to manage their stock.

2. Homelessness

- 2.1 Under current legislation people who experience a homelessness crisis can insist on being provided with temporary accommodation until social housing becomes available. The Bill will amend the Housing Act 1996 to give local authorities the flexibility to bring the homelessness duty to an end with an offer of suitable accommodation in the private rented sector without requiring the household's agreement.
- 2.2 There will be safeguards: as now, an offer of private sector housing will only bring the duty to an end if the accommodation is suitable for the whole household. The private sector tenancy would need to be for a minimum fixed term of 12 months, and the duty would recur if, within 2 years, the applicant becomes homeless again through no fault of his or her own (and continues to be eligible for assistance).

3. Social Housing Tenure – introduction of flexible tenancies

- 3.1 Currently, social landlords are normally only able to grant secure lifetime tenancies. This means a landlord is not able to review the person's occupation of the property even if subsequent changes, mean that the person's need only short-term. The provisions in the Localism Bill will enable local authority landlords to grant tenancies for a fixed length (the minimum length being two years). Local Authority landlords will retain the power to grant lifetime tenancies and the ability to determine what approach is taken as best fits the local context and needs of the area.
- 3.2 The flexible tenancy would be protected for two years, with 6 months notice to be given of the landlord's intentions at the end of the protection. The Tenancy Standard will be reviewed to fit the new approach. The regime in relation to introductory tenancies and family intervention tenancies may need some modification to fit with new flexible tenancies.

3.3 Under the Bill, new secure tenants will be guaranteed one succession to a spouse or partner, with landlords free to grant further succession rights. Succession rights of existing council and housing association tenants at the time the Localism Act comes into force are not proposed to be affected.

3.4 Councils will be required to introduce a “tenancy strategy” to set out the objectives of the housing authority and to guide lettings policies of all social landlords who must be consulted on its preparation.

4. Council Housing Finance

4.1 The current annual centralised system for subsidising council housing (the Housing Revenue Account) is replaced with a locally run system. Under the new system, councils will keep their rental income and use it locally to maintain their homes. To achieve this, the Bill will enable a one-off payment between Government and each council.

4.2 This significant proposal is intended to put all local authorities in a position where they can support their stock and housing debt from their own income in future and gives councils control over a key area of spending and service provision.

5. National Home Swap Scheme

5.1 In order to create more mobility within the social housing stock and give greater choice to tenants over where they live, a national scheme is proposed to enable tenants to see a wide range of properties across providers.

5.2 This measure, authorised in the Bill, is intended to create a National Home Swap Scheme, open to all eight million tenants in social housing in England and will enable a swap of accommodation between tenants where each party moves permanently into their exchange partners’ property.

6. Regulation of Social Housing

6.1 The system for regulation of social housing is reformed by the Bill. The Tenant Services Authority (TSA) is abolished and its remaining functions will be transferred to the Homes and Communities Agency.

6.2 Housing Associations will continue to be subject to robust economic regulation with a stringer focus on value for money.

6.3 A system of a single Ombudsman specialising in complaints about social housing will be introduced to ensure consistency, and provide a common route of redress for all social housing tenants.

7. Facilitating moves out of the social rented sector

7.1 The Government is keen to see that support is given to help realise social tenants’ ownership aspirations, which in turn can help to enable better housing outcomes for those in need through more effective use of social rented stock.

The Bill will ensure that housing association tenants who are also members (e.g. share holders) of their landlord organisation are allowed to take up incentive schemes which facilitate moves out of the social rented sector into owner occupation. Current legislation does not allow this because it precludes the making of any gifts (including such an incentive payment) to tenant members or former members.

8. Other housing reform proposals

- 8.1 In addition to the above measures that are currently set out in the Bill, a number of consultations have been issued in relation to further housing proposals. These include the consultation on the proposed New Homes Bonus and the measures set out in the “Local Decisions: a fairer future for social housing” consultation, such as affordable rents for social housing and a scheme to bring empty homes back into use.

