

# **POLICY AND PERFORMANCE SCRUTINY PANEL**

**Thursday, 24 November 2022**

## **AFFORDABLE HOUSING POLICIES**

### **Report of the Senior Housing Compliance Specialist**

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#### **Recommendation(s)**

It is recommended that Policy & Performance Scrutiny Panel consider the second tranche of policies (Rent setting; Income Management; Housing Management and Tenancy) and make any recommendations to Cabinet as appropriate.

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#### **Summary**

The Council has been a local authority Registered Provider of affordable homes since May 2021 and is due to be the landlord of its first affordable housing tenants (from the Hampshire Home Choice Register) in 2023/24. As a Registered Provider of affordable housing the Council must ensure that it meets not only its regulatory requirements but also puts in place a transparent high performing service for its customer. Several policies require approval to enable the timely delivery of the Council's new affordable housing service. The draft policies are fully compliant and up to date with the latest regulations. The policies will be monitored and reviewed annually, using lessons learnt and tenant input to further improve them and the services they underpin.

#### **Statutory Powers**

Housing and Regeneration Act 2008

The Housing Act 1996 (Part 6), as amended by the Homelessness Act 2002, the Localism Act 2011 and other relevant legislation

#### **Strategic Implications**

1. The Council reopened its Housing Revenue Account (HRA) and since May 2021, has been a local authority Registered Provider of affordable homes. This supports the Council in taking more direct control and influence over new affordable housing supply in the Borough. This activity addresses the Corporate Strategy: Housing objectives of accelerating the delivery of new homes, and encouraging a mix of housing types, tenure and sizes. The proposal also addresses the 'Tackling Deprivation' objective by potentially improving access to lower-cost housing, reducing time waiting for affordable housing and helping to reduce homelessness.

2. Cabinet endorsed an Eastleigh Homes Delivery Strategy in December 2020, which provides a direction of travel and aims for the Council's Housing Programme activity from 2021. The Delivery Strategy confirms the Council's aim to provide a more diverse supply of housing to Borough residents; and its ambition to become a landlord of choice across all tenure types.
3. Establishing a set of robust policies to guide decision-making, processes and various landlord activity is necessary in order to satisfy regulatory compliance and provide good governance, but also to demonstrate that the Council's strategic objectives as a landlord of affordable housing are met.

## **Introduction**

4. The Council disposed of all its housing stock in 1996 as part of the large-scale Voluntary Transfer (LSVT) and as a result, closed the Housing Revenue Account (HRA). This transfer resulted in the creation of Eastleigh Housing Association who have subsequently become First Wessex and now VIVID.
5. The Council decided to re-open the Housing Revenue Account (HRA) in February 2021 and registered with the Regulator for Social Housing in May 2021. The Council's Housing Programme, including delivery of a new sustainable community at One Horton Heath, means that inevitably the Council will shortly own and be the landlord of affordable homes.
6. The Council's objectives are to ensure development addresses unmet housing needs; and that residents have security of tenure and receive a high-quality management and maintenance service. As required by the Regulator, the Council as a Registered Provider must have a range of policies and strategies in place, specific to the Council's role and duties as a social housing landlord.
7. Policies are intended to support the HRA Business plan and will satisfy regulatory compliance.
8. At the meeting on the 13<sup>th</sup> October the Policy and Performance Scrutiny Panel agreed the process for the scrutiny of such policies. This includes a Task and Finish Group who oversee the review of policies and recommend which to submit to the Panel.

## **Background to Policies**

9. Registered Providers are required to adopt and keep up to date, a range of policies which demonstrate a commitment to its own standards and responsibilities. Many of the policies are a statutory requirement, whilst others are discretionary.
10. The starting point for developing the required policies involved reviewing policies used by other Registered Providers, consultation with stakeholders and a review of the Council's existing strategies where relevant (e.g. complaints policy). The Council's existing Homelessness Strategy and Tenancy Strategy are related to several policies.

11. A compliance checklist was undertaken to ensure coverage of all relevant policy areas.
12. The legislation setting out regulatory compliance for local authority Registered Providers is:
  - The Equality Act 2015 - <http://www.legislation.gov.uk/ukpga/2010/15/contents>
  - The Equality Act 2010.
  - The Human Rights Act 1998 - <http://www.legislation.gov.uk/ukpga/1998/42/contents>
  - The Housing Act 1996 (Part 6), as amended by the Homelessness Act 2002, the Localism Act 2011 and other relevant legislation.
  - Allocation of Housing (Procedure) Regulations 1997, SI 1997/483.
  - Allocation of Housing (England) Regulations 2002, SI 2002/3264.
  - Allocation of Housing and Homelessness (Eligibility) (England) Regulations 2006, SI 2006/1294.
  - Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations 2012, SI 2012/1869.
  - Housing Act 1996 (Additional Preference for Armed forces) (England) Regulations 2012, SI 2012/2989.
  - Allocation for Housing (Qualification Criteria for Right to Move) (England) Regulations 2015, SI 2015/967.
13. To assist local authorities in establishing policies, several standards and guidance documents are provided:
  - HCA Regulatory Standards - <https://www.gov.uk/government/publications/regulatory-standards>
  - Pre-Action Protocol for Possession Claims by Social Landlords (2015) - <https://www.justice.gov.uk/courts/procedure-rules/civil/protocol/pre-action-protocol-forpossessionclaims-by-social-landlords>
  - Allocation of Accommodation: Guidance for Local housing Authorities in England (2012, DCLG) “the Code”.
  - Providing social housing for local people: Statutory Guidance on social housing allocations for local authorities in England (DCLG, December 2013) “Supplementary Code”.
14. The Council’s role as a private (as opposed to affordable) sector landlord (delivered through Leaf Homes) will be guided by its own policies, drawing on the Council’s Registered Provider policies where applicable, particularly where this relates to customer service standards. The private and affordable landlord roles are regulated under a different legislative framework, but the Council will seek to streamline services and policies where appropriate.
15. The Council is driven by its aim to ensure a sustainable supply of new housing is delivered in the Borough in the foreseeable years. By developing its own assets and operating a HRA, the Council’s intervention will diversify the offer available to those in housing need. The HRA business plan is being developed to include the latest vision, priorities and the financial position of the

Council's new Affordable Housing Service. The service is aligned to the Corporate Priorities and will seek to contribute to the net carbon zero targets. To underpin the HRA there are several strategies, each of which are supported by policies and processes to ensure they are achieved.

## **Policy approval Process**

16. There are various policies required for the effective management of an Affordable Housing Service and a total of 30 policies have been identified.
17. All policies are reviewed firstly, by a Task and Finish Group made up of members from the Policy and Performance Scrutiny Panel. This group then recommends which policies to submit to the Panel for final consideration before sending to Cabinet.
18. Due to the numbers required, the approval of such policies has been split into more manageable tranches. The policies cover a range of housing management matters, such as contractual (i.e the landlord's roles and responsibilities) and social (the 'added value' role the landlord plays in supporting communities and households). Services and functions covered by these policies include, for example, the approach to anti-social behaviour, repairs and maintenance, and tenancy support.
19. As a local authority, the Council will in some cases have similar policies in place to support its statutory functions (such as customer service; data protection and codes of conduct). The policies required for regulatory compliance apply to the Council in its role as Registered Provider, and these are cross-referenced to corporate policies where applicable for consistency in approach.
20. This report covers the second tranche of policies for approval which are listed below:
  1. Rent Setting Policy
  2. Income Management Policy
  3. Housing Management Policy
  4. Tenancy Policy
21. The tranches are set up to link related subjects to make them easier to understand. For example in the previous tranche, the lettings policies are referred to in the allocation policy as they are closely linked.

## **Second tranche of policies**

22. The second tranche of policies groups those associated with income and tenancy management matters.
23. Comments are sought on the Rent Setting Policy, the purpose of which is to explain the different methods available to Local Authority Registered Landlords for setting rent levels , and to detail the Council's approach to achieving all the requirements and expectations set out in the Regulator's Rent Standard.
24. Comments are sought on the Income Management Policy, the purpose of which is to explain how the Council as a landlord will approach income recovery regarding rents for its homes (temporary, affordable and market rent), rechargeable repairs and services charges. It also sets the framework for the development of the Housing Revenue Account Business Plan to deliver the aims and objectives.
25. Comments are sought on the Housing Management Policy, the purpose of which is to explain those services and functions falling under the remit of housing management, and to summarise the activities required by a social landlord to meet their contractual obligations to rent-paying tenants. It outlines the scope, aims and controls in place for each area of housing management. There are also subject-specific policies to support this with more detail.
26. Finally, comments are sought on the Tenancy Policy, which provides Council tenants and those on the Housing Register who would like to become tenants, with an overview of the tenancies the Council offers eg Introductory and Flexible, together with a summary of some of our key tenancy management policies and procedures. It shows the Council's approach to tenancy support to be offered in accordance with our regulatory responsibilities and those of an affordable housing provider.

## **Financial Implications**

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28. These policies will support the HRA Business plan and its underlying strategies. They will ensure the transparent, smooth and effective management of the service, its properties, and the meeting of compliance regulations. All of which have potential financial implications which will be reduced through the use of strong, transparent and effective policies.

## **Risk Assessment**

29. The HRA Business Plan recognises the need for strict risk assessment and management and will carry these out regularly through operation. Providing

policies that are compliant with the Regulator of Social Housing as set out in the Housing and Regeneration Act 2008, will ensure that we;

- protect our housing assets
  - ensure we are financially viable and properly governed
  - maintain confidence of lenders to invest into the sector
  - encourage and support supply of social housing
  - ensure tenants are protected and have opportunities to be involved in the management of their housing
  - ensure value for money in service delivery
30. To further ensure that the Council's policies are in-line with latest regulations and best practice an external partner will be used to review them before they 'go live'. If any significant changes are recommended, they would be shared with Cabinet and further approval sought before being published.

### **Equality and Diversity Implications**

31. The Equality Act is relevant to the decision and an Equality Impact Assessment (EqIA) has been carried out and was included in the previous report. [13thOctober22](#) In summary the EqIA shows that this assessment notes that the totality of policies within the Affordable Home Service represents a balance between meeting different forms of housing need and maximising the overall delivery of affordable homes, within the context of national policy requirements and available funding.

### **Climate Change and Environmental Implications**

32. The development of affordable housing service policies does not present any immediate implications for mitigating or adapting to climate change. However, having more direct control over a further element of housing delivery will help support the environmental aims as set out in the Eastleigh Homes Delivery Strategy. Future tranches of policies will include the approach to asset management and repairs, and the operational carbon impact of those activities will be considered through the policy development process. Fuel poverty and energy usage are also likely to be covered in future policies (e.g. tenancy support).

### **Conclusion**

33. Eastleigh Borough Council became a Registered Provider of affordable homes in May 2021 and will provide such homes in accordance with the Regulator's standards and other legislative requirements.
34. The policies are a substantial part of protecting the Council, its assets and the tenants it houses. Whilst they contain a large amount of information that is statutory, they do also hold parts that will dictate the Council's aspirations and approach to the management of the affordable housing service.

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Appendices Attached: 4

### **LOCAL GOVERNMENT ACT 1972 - SECTION 100D**

The following is a list of documents which disclose facts or matters on which this report or an important part of it is based and have been relied upon to a material extent in the preparation of this report. This list does not include any published works or documents which would disclose exempt or confidential information.

1. Rent Setting Policy Draft
2. Income Management Policy Draft
3. Housing Management Policy Draft
4. Tenancy Policy Draft