

Housing the South East: Opportunities and Challenges: South East England Councils Conference - 15 February 2011

Questions following speech by Jon Bright, Director, Homelessness & Support, Building Regulations & Climate Change, Department for Communities and Local Government (CLG)

Written responses provided by CLG following the conference

Cllr Gordon Keymer CBE – Tandridge District Council

Q1 - Tandridge is a very rural area within half an hour commuting to London. There is a fear in rural areas that green belt land would be affected by the New Homes Bonus and encouragement to develop?

How will rural areas get funding for development through the New Homes Bonus?

A1 - Details of the final scheme design of New Homes Bonus was announced on the 17 February by the Rt.Hon Grant Shapps MP, Minister for Housing and Local Government, and is available at:

<http://www.communities.gov.uk/housing/housingsupply/newhomesbonus>

The New Homes Bonus also sits alongside the existing framework for making planning decisions. Responsibility will remain with local authorities to work within this framework to continue to ensure that development is suitable and sustainable by meeting local needs and national planning policy.

Cllr Roland Dibbs - Rushmoor Borough Council

Q2 - When will the money for the New Homes Bonus be available?

A2 – Commencing in April 2011, the New Homes Bonus will match fund the additional council tax raised for new homes and properties brought back into use, with an additional amount for affordable homes, for the following 6 years.

The Department has set aside almost £1bn over the Spending Review period for the scheme, including nearly £200 million in year 1 and funding beyond these levels will come from formula grant – this could mean in excess of £1.2bn by year 6.

Provisional Allocations for Year One of the scheme for local authorities was announced on the 17 February and are available at:

<http://www.communities.gov.uk/housing/housingsupply/newhomesbonus>

Cllr Paul Dendle – Arun District Council

Q3 - What will be the New Homes Bonus split between district and county councils?

A3 – Lower tier local authorities are better placed to understand local needs and concerns, and this should be reflected in how the bonus is allocated. However, in two tier areas outside London, we recognise the role of the upper tier in the provision of services and infrastructure and the contribution they make to strategic planning. The payment of the New Homes Bonus will be split between tiers outside London: 80 per cent to the lower tier and 20 per cent to the upper tier, as a starting point for local negotiation. In London 100 per cent will go to the London borough.

Cllr Tony Pritchard – Gravesham Borough Council

Q4 – The speech mentioned that the Supporting People funding had only been reduced by 1% per annum yet Kent County Council had cut the Supporting People funding by 11%.

A4 – We have secured investment of £6.5 billion for the Supporting People programme over the next four years, which equates to an average annual reduction over the four years of less than 1% in cash terms. From April 2011 Councils will have greater freedom and flexibilities in how they are able spend their funding by rolling Supporting People into Formula Grant. Formula Grant is a single grant which is not sub-divided by service in any way. Therefore, whilst it is possible to see the way in which the Supporting People formula allocates funding before floor damping as part of the overall formula grant distribution, it is not possible to identify a Supporting People allocation in any authority's formula grant. Thus it is for Kent to decide how best to spend their funding in line with their local needs and priorities.

Supporting People funding was no longer ring fenced so the council can reduce the spending on supporting people and use the funding for other services if it chooses.

Cllr Paul Carter, (Kent County Council) said that Kent County Council had decided to spread the funding reductions more evenly across services which meant that some Supporting People funding had been used to safeguard other services.

You should also be aware that the previous Government removed the ringfence from the Supporting People programme in April 2009. This Government has continued to provide Councils with greater freedom and flexibilities in how they are able spend their funding by rolling Supporting People into Formula Grant from April 2011. Formula Grant is a single grant which is not sub-divided by service in any way.

Cllr Paul Watkins – Dover District Council

Q5 – When will New Homes Bonus payments be paid? Previous answer said that money was available from April 2011 but at the announcement in October 2010 the Minister had said that applications could be made immediately.

A5 – New Homes Bonus provisional allocations for year one of the scheme (2011-12) are available at:
<http://www.communities.gov.uk/housing/housingsupply/newhomesbonus>.
Final Allocations to be confirmed in due course.

Cheryl Russell, Director of Housing and Environment, Gravesham Borough Council

Q6– Tenants had been alarmed by some of the proposals in the recent Social Housing Reform Consultation specifically concerning changes to the existing rights of tenants to lifetime tenancies. Would the right of existing tenants to their lifetime tenancies be guaranteed?

A6 – Yes, existing tenants would retain their right to their present tenancy agreement.

Cllr Elizabeth Cartwright OBE – SEEC Executive and East Hampshire District Council

Q7 – Will tenants who already have a lifetime tenancy retain that lifetime tenancy if they move to a new property or would a new property possibly have less than a lifetime tenancy? If so how would this incentivise people to move; would mobility be restricted?

A7 – Through legislation and regulation we intend to ensure that existing secure or assured tenants who move to another social rent tenancy will retain their security of tenure in their new home. Where existing secure or assured tenants choose to move to an Affordable Rent property we do not propose that guarantee should apply, though it would be open to landlords to provide another lifetime tenancy.

Deborah Blowers – Runnymede Borough Council

Q8 – The new Affordable Rent housing at 80% of market rate will not be available to homeless people. There was a need to ensure that the Private Rented Sector will be able and willing to provide housing for the homeless who will not be able to be housed in the Social Rented Sector or there will be a large shortfall of homes. How will this be done?

A8 - The Private Rented Sector has a vitally important role in meeting the housing needs of homeless people who are not able to access social housing.

We know that the most successful action to tackle homelessness is strongly rooted in communities. This reflects that the levers for addressing housing need are on the whole available at the local level, including the availability and mix of housing stock (social and PRS), the strategic leadership provided by local authorities, the operation of the voluntary and community sectors, and the potential for multi-agency co-operation.

There are already a number of innovative examples of work on homelessness prevention led by local authorities and the voluntary and community sector, with support from local housing providers, which are helping to embed some good practice in cross-agency working locally. We want to build on this good work and will provide £400 million pound over the spending review period to encourage greater innovation and multi-agency co-operation on homelessness prevention.

And we want to apply this work to broader groups, e.g. drug and alcohol users, by encouraging local housing providers to cooperate more closely with local drug treatment and justice agencies to plan provision and effective support services that aid recovery. The Government will therefore work with the Sector and Local Authorities and communities to examine the development of a Payment by Results process which develops local accountability and transparency for housing related support services.

Person did not provide their name or organization

Q9 – The flexible tenure for landlords was to be allocated to new tenants only but what if an existing tenant with a lifetime tenancy wanted to moved to a new property. Would they lose their security of tenure? How would this encourage people who are under occupying to downsize or encourage an existing tenant with a lifetime tenancy to seek work in another area if they are offered a property there on a short term tenancy?

A9 – Through legislation and regulation we intend to ensure that existing secure or assured tenants who move to another social rent tenancy will retain their security of tenure in their new home. Where existing secure or assured tenants choose to move to an Affordable Rent property we do not propose that guarantee should apply, though it would be open to landlords to provide another lifetime tenancy.