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cc. Martin Ling

Draft tenancy strategy – Mayor of London consultation response

The Localism Act introduced a new duty on local housing authorities to produce tenancy strategies. In adopting or making modifications to tenancy strategies, section 151 of the Act requires that all London borough councils consult with the Mayor of London and have regard to the London Housing Strategy. This letter contains the Greater London Authority (GLA) response, on behalf of the Mayor of London, to a consultation on a draft Tenancy Strategy by Tower Hamlets Council.

Background

1. Tenancy strategies are a way for local housing authorities to shape how housing providers in their area make use of the flexibilities granted to them by other parts of the Localism Act. This includes the power to set fixed term tenancies for new social tenants.
2. In London, the Mayor is broadly supportive of the government's reforms to the social housing system. A number of policies in his draft revised London Housing Strategy encourage boroughs and registered providers to make full use of their new flexibilities in order to better reflect the situation on the ground and their local priorities.
3. However, the Mayor has a duty to set out policies that address regional housing challenges as well as local ones. The government has recognised this by granting the Mayor statutory consultee status for tenancy strategies, and requiring that boroughs have regard to the London housing strategy when formulating or revising their tenancy strategies. This is in addition to the general conformity duty set out in part 7a of the GLA Act 2007, which is not covered here.

General assessment of draft tenancy strategy

4. In responding to consultations, the Mayor makes an assessment of draft tenancy strategies based on five key themes.

Increasing the supply of affordable housing

5. The 2012-15 Affordable Housing Programme (AHP) will deliver 55,000 new affordable homes, with 36% of the new Affordable Rent homes being family sized. In order to meet their contractual commitments, and to deliver the much needed new homes, registered providers need more flexibility to manage their existing and new stock, and they need some consistency across the many local housing authorities in which they operate. This is a key theme in the Mayor's draft revised London Housing Strategy.
6. Tower Hamlets supports the continued use of life time tenancies in most cases, but also acknowledges that RPs may wish to use fixed term tenancies. We are satisfied that the approach set out in your draft tenancy strategy does give registered providers the flexibility they need in order to meet their contractual commitments, although we would like to see a more explicit acknowledgement of the link between RPs' ability to grant fixed term tenancies and the affordable housing programme.

Promoting mixed and balanced communities

7. We would like to underline the Mayor's commitment to prioritising people who make an active and positive contribution to their community – e.g. through employment or volunteering – and who may also face barriers to accessing suitable housing in other tenures. It might be appropriate to take this into account when determining whether a tenancy is renewed or not, as well as the factors already set out in the tenancy strategy.

Tackling need

8. In section 2.1, the draft strategy states that in 'limited circumstances' fixed term tenancies will be used and that 'the tenancy strategy will seek to define... all possible circumstances when THH will be able to grant a fixed term tenancy'. Ideally these circumstances would be stated in the draft tenancy strategy. In its current form, there is not enough detail in the draft strategy to enable us to determine whether those in need will have adequate protections.
9. The Mayor believes that boroughs and social landlords should be working to reduce levels of underoccupation in the social rented sector, which, if achieved, will directly benefit those households who are in need of larger accommodation. It may be worth considering how wider use of fixed term tenancies in Tower Hamlets could help to achieve this aim.

Enhancing mobility and choice

10. The Mayor is supportive of any measures that seek to reduce as far as possible the potential barriers facing existing tenants who may need or want to move to a different home. This is particularly important given the recent launch of the Mayor's new pan-London mobility scheme, Housing Moves, which Tower Hamlets is soon to join. We therefore welcome the 'transferring secure tenants' statement

in section 3.1, but this could be more explicit about the mobility schemes that Tower Hamlets participates in.

Rent policy

11. The draft strategy also includes rent policy, which, though not included in the scope of a tenancy strategy as defined in the Localism Act, is closely related to tenure policy issues such as tenancy length.
12. The HCA/GLA agrees contracts with RPs to deliver new affordable rented homes at a range of rents, up to 80% of average market rent. The GLA requires that RPs take account of proposed household benefit caps, particularly on larger homes, when agreeing rent levels. RPs should be allowed the flexibility to set rents on a site by site basis within the envelope of their overall contract with the GLA.
13. The National Planning Policy Framework sets out the framework for delivering the Government's housing objectives, including the Affordable Rent Programme. This is to be taken into account by local authorities and other planning bodies in preparing local development documents and spatial strategies. The GLA expects that London boroughs will maximise the delivery of affordable housing through their planning and housing policies and does not accept that this can be achieved by setting specific rent caps in local planning policies or tenancy strategies. The Mayor has clarified this position through consulting on Supplementary Planning Guidance devolving from his London Plan and a minor Alteration to the Plan.

Yours sincerely,



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