

Swindon Tenants Campaign Group response to the Housing Allocations Policy consultation

Swindon Tenants Campaign Group is calling on the Council to **abandon** the proposals

- to introduce fixed term tenancies for new tenants
- to set income thresholds for the Housing List and tenancies
- to force all new tenants to move homes on the basis of the 'bedroom standard'
- to remove Band C from the Housing list.

We are calling for the maintenance of 'secure tenancies' for all tenants, existing and future ones, and the continuation of Band C of the Housing List.

Let's look at the likely consequences of these proposals which don't appear to have been thought through.

Fixed term tenancies.

The introduction of fixed term tenancies is liable **to lead to the loss of stock**, and will **disrupt tenants' lives**. Any tenant faced with the prospect of losing their tenancy will be faced with three choices:

- moving into the private rented sector, paying rent which could be double the level of Council rent, or
- trying to buy a home on the open market, or
- taking up the 'right to buy' (RTB) on the Council property they are living in.

If the tenant qualifies for RTB (currently you have to have been a tenant for five years, though there has been some discussion of the government reducing this to 3 years) then buying the Council property *will be the cheapest option*. The new terms of RTB start with 35% off the market price for a house and 50% for a flat. Then there are additional reductions for each year of the tenancy. In 2012/13 the average discount of homes sold was 51% and three quarters of the homes sold were hard to come-by family homes (3 or 4 bedrooms). These are the very homes that are supposed to be freed up by 'down-sizing'.

If the 5 year qualification remains then those tenants given a five year tenancy will not be able to buy their Council property. However, given the fact that the proposed 10 year tenancies are for a single person or couple with children, that means that family size homes will be the ones we are liable to lose through RTB, if the tenant is facing the threat of losing their tenancy.

Hence a policy which is supposed to make 'best use' of the housing stock *will lead to the loss of more Council homes* through RTB. Instead of homes being vacated to accommodate people on the waiting list, we will lose more of our housing stock and numbers on the List will continue to climb.

Pushed from pillar to post

The Council is proposing that the 'bedroom standard' be applied to all new tenants on fixed term tenancies. Even in the case of the 'bedroom tax' or 'under-occupation' regulations, tenants who have 'spare' bedrooms are *not forced* to move. However, the proposed Allocations Policy would mean that all new tenants will be forced to move according to the number of bedrooms they 'need' at different points in their life. So the normal life-cycle will mean continuous moves as the family composition changes. They will be [pushed from pillar to post](#).¹

For instance, if a couple with 3 children, 2 boys and 1 girl, are given a three bed house, when one of the boys reaches sixteen they will qualify for an extra bedroom. When the oldest boy leaves home they will have to 'downsize' to a smaller home. As each child leaves, they will have to 'downsize' further. So starting off in a 3 bed property they would have to move up to a 4 bed home, back to 3 a bed, down to 2 and eventually, when the couple are on their own, a 1 bed property. Even if a family member dies they will be 'under-occupying' and have to move to a home of the 'right' size.

How can they lead a settled life under such circumstances? They would be forced to leave an area where they feel at home, possibly move away from family and friends, and move to an area which may not even be of their choosing. Given the shortage of homes we have, if the Council cannot find them a home of the 'right size', and they are unfortunate enough to have to go on housing benefit at some point in their life, they will end up being subject to the 'bedroom tax'.

'Secure tenancies' give tenants real security. They know that if they pay their rent and behave in a civilised fashion they cannot be forced out of their homes as they can be in the private rented sector. Generally speaking this long term security means that tenants treat the Council property as their home, spend time, effort, and money on it's upkeep. Fixed term tenancies will mean that tenants are unlikely to do likewise given that they do not know if they will be turfed out at the end of their tenancy.

The more moves that take place will impose higher costs, not only on the tenant, but on the Council through an increase in the number of voids (empty homes) which mean lost rent. The review of fixed term tenancies, to decide whether a tenancy should be renewed or ended, will turn into a large scale extra workload. Given a turnover of around 500 'general needs' tenancies every year, in 10 years, the Council will have to carry out reviews of half of the tenants, 5,000 households. It is debatable that Council staff could handle such an onerous task, yet the Council has not even made an estimate of the likely cost of introducing fixed term tenancies.

Earnings thresholds

When we first discussed the possibility of the Council introducing 'earnings thresholds' we said that officers would struggle to determine at what level to set them. Initially they were

¹ <http://keepourcouncilhomes.wordpress.com/2013/02/25/pushed-from-pillar-to-post/>

talking of a £38,000 household income. They withdrew that proposal and have had to examine the question again. Even at the time of launching the consultation they have still not finalised proposals which will have to vary according to whether the accommodation is a house or a flat, and the number of bedrooms.

We have been told that this is necessary to stop people going on the Housing List who could afford to buy a house. There is no evidence that such people are on the list. The Lead member for Housing told the Advertiser that many people on the list should not be on it and could probably could afford to buy a house. When pressed on this he could not provide a shred of evidence in support of his assertion. For three decades we have seen the demonisation of Council housing and Council tenants by politicians and the media. Why would somebody who could afford to buy a house put their name on a Council list? Moreover, as we have shown elsewhere the chances of somebody on a high wage being given a tenancy on the basis of the system of 'reasonable preference' are negligible. (See ["The case of the £75,000 a year straw man"](http://keepourcouncilhomes.wordpress.com/2013/10/29/swindon-council-housing-allocations-the-case-of-the-75000-straw-man/) ²⁾)

What happens to the tenant who gets a new job, a promotion, or maybe starts a new relationship with somebody who works, so the household has two wages coming in? If their earnings go above the threshold then they will lose their tenancy. Pushing such people out of our homes will tend to *reinforce the concentration of poverty* which exists in 'social housing'. Behind such a policy lies the implication that 'social housing' is only for the poor or the 'vulnerable'. That was never meant to be the purpose of Council housing. It was only after the introduction of RTB and the creation of a massive shortage of stock that the social composition of tenants began to change significantly. Prior to that Council estates were very much the 'mixed communities' that the government says it is in favour of.

The criteria for the threshold is such that if a Council officer determines that a tenant can afford to pay a private sector rent, or earns enough to get a mortgage, even for a part-rent/part buy home, then they will be forced to move. Just because an officer reckons that a tenant earns enough to gain a mortgage, it doesn't mean that a tenant *will* be able to get one. Different families have different circumstances. They might have outstanding debts. They might be supporting children through University courses. If a household can't get a mortgage then they will be forced to move into private rented accommodation, which will have a significant impact on their finances, given the high level of rent in the private sector.

We are calling for the proposal to introduce 'earnings thresholds' to be dropped.

Council housing has never been a means-tested tenure. The problem we have is that there are too many poor people in it rather than too many well-off people. It is the 'acute social housing shortage' which is responsible for this situation.

Closing down Band C

We are opposed to the closing down of Band C. There are no indications whatsoever that the Band is full of people who could afford to buy a house but for some mysterious

² <http://keepourcouncilhomes.wordpress.com/2013/10/29/swindon-council-housing-allocations-the-case-of-the-75000-straw-man/>

reason are desperate to become Council tenants instead. Wiping off 7,500 households will make the statistics look better but it will do nothing to tackle the housing crisis. Band C defines these people as in 'low need'. However, to bolster their weak argument the Council has said that these people have 'no need' of housing and refused to correct the error when we pointed it out. Such people may live in adequate housing, but if they are in private rented accommodation they may well be struggling to pay rents which are up to double the level of Council rents.

These people can be living in over-crowded conditions, with insufficient bedrooms, yet the 'reasonable preference' system will not place them on Band B ('in need') because it says that it's OK for somebody to sleep in a room other than a bedroom.

It is true that the chances of people on Band C being given a tenancy are slim. The only exceptions are for sheltered accommodation and flats in areas with a 'bad reputation'. We have been told that people on Band C are under the expectation that they will be given a tenancy. That's hard to believe given the slim chance of them gaining one and the time they spend on the List. We have also been told that "it is more honest for us to say that we cannot help them". This is just an excuse. It is most likely (and anecdotal evidence supports this) that many people who would like Council accommodation don't even bother putting their name on the list because they know they have little or no chance of being given a tenancy.

Band C should remain for the simple reason that it is a genuine indicator of the scale of the housing crisis in the town. This is underlined by the phenomenal rise in the number of private rental sector (PRS) households over the past decade, from less than 6,000 at the time of the 2001 Census, to over 14,000 at the 2011 Census. The number of people living in the PRS over the 10 years between the 2 Censuses increased from 11,000 to over 32,000. The high cost of PRS, and the financial pressure it puts on households, is reflected by the fact that over the last 4½ years the number of people in the sector claiming Housing Benefit in Swindon has risen from 2,660 to 4,686 in February of this year (DWP figures).

Build new Council homes, don't disrupt the lives of tenants

According to the Council's own estimate there are 800 too few "affordable homes" built each year. In other words the crisis *gets worse each and every year*. Policing tenants and bedrooms not only means disrupting tenants' lives, it cannot conceivably tackle the housing crisis. The only realistic way to tackle the "acute social housing shortage" is to start building Council homes. The way to cut the Housing List is to cut the shortage of available homes by adding to the stock, rather than wiping off Band C and pretending the people on it have no housing need.

The biggest problem we have in regard to the housing situation in the town is the shortage of *genuinely affordable homes for rent*. PRS cannot provide such homes. Housing Associations are under increasing financial pressure and the massive cut in government grant means they can build less new homes whilst the conditions imposed by the

government mean using the unaffordable "[affordable rent model](#)"³ and taking on more debt. However, the Council is in a position to begin an annual Council house building programme utilising the 'borrowing headroom' it has, which rises by £5 million every year. Building new homes will increase the rent income which can be used for maintenance of the stock and new build. If we are to tackle the crisis then we have to create more 'social rent' homes, and increase the stock.

Council's discretion

Local Councils are not obliged to introduce 'fixed term' tenancies or earnings thresholds. They have the discretion to keep 'secure tenancies' for all tenants if they so wish. If these changes are pushed through *it will be against the wishes of all the tenant organisations in the town*. In addition, a working party was set up to discuss 'tenancy strategy' (which underpins Housing Allocations Policy). It was unanimously opposed to the changes. There is no self-interest in this since existing tenants are unaffected by these proposals. We take the view that future tenants should not have any less rights than we have. The Council's own Housing Advisory Forum agreed with us, passing a resolution calling on the Council to maintain 'secure tenancies' for existing and future tenants.

The Council can, of course, ignore this weight of opinion. However, we believe the consequences of these changes will be to introduce an unfair two tier system, and instability into the lives of new tenants. Moreover, they will do nothing whatsoever to address the housing crisis in the town. You can police a scarce resource however you chose, but the housing crisis can only be tackled by making the resource *less* scarce.

Martin Wicks

Secretary, **Swindon Tenants Campaign Group**

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³ <http://keepourcouncilhomes.wordpress.com/2013/10/14/more-evidence-of-the-need-for-affordable-rent-to-be-abandoned/>