



# Changes to Reside

Overview and  
Scrutiny Committee

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**Appendix A**

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# Introduction

The Overview and Scrutiny Committee has asked for an update on Reside's expansion, focusing on the following questions:

- Reside will be taking on 100% full market properties, as well as expanding their staffing structure. What will this mean for LBBD/its residents?
- Will we be able to attract residents into these blocks?
- If residents are shown to be good tenants for a couple of years running, could we give longer tenancies to these residents as a safety net (as opposed to the rolling one-year tenancies)?

## Recap on Reside

- Reside is our wholly owned housing management company that lets, manages and maintains the homes built by Be First – and those we acquire from third party developers.
- Reside is there to set a new benchmark for the local rental market, pushing quality up through offering more secure tenancies and improved landlord services than the wider private rented sector.
- The aim is that tenants of Reside are able to put down roots in the Borough, supported by the more secure tenancies and affordable rents offered by Reside compared to the wider private rented sector. They will be able to remain Reside tenants as long as they wish, as long as they pay their rent and abide by their tenancy agreement.
- Reside has existed for some years now and already manages a portfolio of around 800 rented properties. This is expected to rise to around 3,000 rented properties once Reside takes the new homes being built by Be First under management.
- The diversity of the Reside housing offer means it can provide a pathway for those residents who want to move between tenures, such as from intermediate rent to shared ownership.

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Market rent  
properties

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## Market rent properties

The Council's new build programme – delivered by Be First – includes some homes that will be charged at market rent. These will be located in some phases of the Gascoigne redevelopment and on Beam Park.

The majority of the new homes that Reside will manage will be at sub-market rent, at the following levels:

- Council-equivalent rents, which will be allocated to households on the housing register (in the same way that council re-lets are done)
- Intermediate rents (mostly at 80% of market rents), which are prioritised for local working households on average incomes

The costs of building new homes at these sub-market rents are subsidised. The Council receives a GLA grant for the homes at council-equivalent rents. For intermediate rents, the Council uses receipts it retains from Right to Buy sales as subsidy. These subsidies mean that we are able to charge the lower rents.

The homes at market rent will produce additional income for Reside, to enable us to provide more homes at sub-market rent. The homes at market rent will not have any subsidy. As Members know, all surpluses produced by Reside are reinvested in front line council services.

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# Market rent properties

Market rent is a very different tenure to manage compared to affordable housing products. The competition for new build market rent can be high, and B&D now has some high profile areas of market rental provision that provides a highly competitive offer. As such, we need to ensure that our service offer matches the market in order to assure the rental return. Market rent turnover for apartments can also be high compared to affordable housing, which drives additional costs. Ensuring we are selecting responsible tenants through extensive referencing and credit checking processes is key to managing these costs.

The Reside market rent customer service offer will therefore need to offer:

- High quality marketing and full digital customer service offering, including virtual viewing and online service portals.
- Highly responsive repairs service (offering same day or next day response, no quibble repairs services)
- To let in this market you must be licenced by one of the national regulated lettings bodies, such as ARLA
- Potentially some incentives to let such as furnished and unfurnished offers, flexible rental deposits or in some cases structured deposit schemes with no up front fee
- Independent management of deposits under nationally regulated rent deposit schemes

Reside is now in the process of fully specifying the management requirements of the market rent portfolio. The market rent portfolio will be relatively low numbers initially, and will grow over time so the management approach will take into account the need to scale up as the portfolio grows and stabilises.

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Reside tenancy  
policy

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## Reside tenancy policy

OSC has also asked whether residents could be given longer tenancies if they are shown to be good tenants.

- One of the key aims of Reside is to enable its tenants to put down roots in the Borough, and benefit from much greater housing security than the private rented sector offers.
- This needs to be balanced by the requirement that Reside is able to effectively manage its properties, so that they remain good places to live.
- The current approach to tenancies has been designed to support both these aims. We are clear that Reside tenants can remain in their homes as long as they want, as long as they pay their rent and abide by their tenancy agreement.
- Reside's tenancy policy will be reviewed from time to time to ensure that the approach best reflects the aims of the Council/Reside and supports Reside's tenants.
- The Council has also asked Reside to carry out tenancy reviews with tenants every three years (though there will be regular tenancy checks at least annually). The aim of these reviews is to have a conversation with the tenant to understand how their housing needs or aspirations have changed, and if these could be better supported through a different offer within the Reside portfolio.

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