

BASSETLAW DISTRICT COUNCIL

CABINET

3 JULY 2011

REPORT OF THE DIRECTOR OF COMMUNITY SERVICES

STRATEGIC TENANCY STRATEGY

Cabinet: Housing
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1. Public Interest Test

The author of this report Claire Frost has determined that the report is not confidential.

2. Purpose of the Report

To gain member approval to commence formal consultation on the Strategic Tenancy Strategy.

3. Background and Discussion

3.1 The Localism Act 2011 recommends that Local Authorities produce a Tenancy Strategy covering their policies on tenancies, succession, affordable rents and allocations, which needs to be approved by November 2012.

3.2 The Council recognises that social housing is a scarce resource - and that the provision of accommodation from new build and turnover from existing stock is insufficient to meet the housing needs in the district. The Localism Act gives discretion to use the reforms set out in the act to manage our stock. Set out below is the suggested approach the Council could take with regards to introducing these reforms.

3.3 Proposal to use Flexible Tenures

Local Authorities now have the power to offer flexible tenancies to new social tenants. Existing social tenants will keep their security of tenure and councils can continue to offer lifetime tenancies to certain client groups. All new tenants will continue to be placed on a year's introductory tenancy.

The purpose of this reform is to enable better targeting of the social housing stock to those in most need. It is expected that by giving shorter tenancies to those that are able to move on and access other housing options, stock will be freed up and made available to households in greater need who are currently waiting for accommodation on the housing register.

Through the Act the Government expects that 5 years will be the minimum term for a flexible tenure. In addition the Government expects that flexible tenancies are reviewed at least every five years, and that certain issues are reviewed in line with the regulations, which are:

- Household profile - whether a change in that profile merits a move to alternative accommodation (e.g. household is smaller, larger, requires adapted property);
- Household income and circumstances – the household income would enable the household to purchase a property outright (including opting to purchase under the right to acquire) or on a shared ownership/equity basis that meets their needs. Where the household is not working review work options, and as an authority we are working to have closer links with the job centre plus re training and volunteering options to increase opportunities for tenants.

By using flexible tenancies this would make more efficient use of housing stock and allow the Council to effectively focus provision on those in most need.

There are certain vulnerable groups where the use of flexible tenures may not be considered appropriate. It is proposed that older people and other vulnerable adults with high level support or care needs will continue to be granted lifetime (secure) tenancies.

3.4 Affordable Rents

An affordable rent relates to a property that is let at up to a maximum of 80% of market rent and allocated in the same way as social housing is at present. Affordable rents will be eligible for housing benefit.

Affordable rents and social rents do not vary too much in Bassetlaw. As illustrated in the following table:

Comparative Rents (All Tenures) per week			
	Council	Private Rented	Affordable Rent (80% of Private)
1 Bed	£62.25	£85.00	£68.00
2 Bed	£70.23	£101.00	£80.80
3 Bed	£73.86	£118.00	£94.40

Source: A1 Housing, Right-Move

The Government supports the principle of affordable rents, as a means of broadening housing diversity and choice to our residents, also generating additional funds to support new-build programmes within the district.

3.5 Mobility / Transfer List

The Government is committed to introducing a nationwide social home swap scheme which will also encourage more mobility. Increased mobility in the social housing sector enables existing tenants to move out of the district in order to access employment etc.

The Council currently participates in a sub-regional scheme with our partners in the HMA (Chesterfield, North East Derbyshire, and Bolsover) where 10% of relets are available to applicants in the sub region.

3.6 Succession

Succession allows secure tenants to pass on their tenancy to a partner or relative following their death.

The Localism Act allows Local Authorities to be more restrictive when considering succession of a secure tenancy. There will remain only one statutory succession to spouse, civil partner or cohabitee; no other family members are eligible for succession rights. This change applies to all new and the impact primarily will be on sons and daughters living with elderly parents who are tenants. However, Local Authorities will have discretion to allow further succession where appropriate.

3.7 Homelessness Discharge into the Private Rented Sector

The Localism Act allows Local Authorities to increase the utilisation of the private rented sector for discharge of homeless duty. This will assist in the reduction of cost and usage of temporary accommodation and reduce the pressure from the waiting list.

Local Authorities can now fully discharge the homelessness duty by offering a private rented sector property; crucially this can now be with or without the applicant's agreement.

The Act also allows Local Authorities to make an offer of private or social housing properties outside the district. Any placement in the private rented sector needs to be for a fixed term of at least 12 months.

To ensure that a consistent approach is taken when discharging out of the area an SLA with all neighbouring local authorities is in the process of being set up and to assist in the housing and monitoring of homeless clients.

3.8 Waiting List

Under the Localism Act the Council no longer has to operate an open waiting list. The purpose of this is to ensure that priority is given to applicants with the greatest need.

In Bassetlaw applicants will have to satisfy the criteria set out in the revised CBL policy before being accepted on to the waiting list. The criteria will focus on local connection and need rather than desire. In this way we can make best use of our housing stock.

A separate report is to be submitted to cabinet on the revised CBL policy.

4. Implications

a) For service users

None arising directly from this report.

b) Strategic & Policy

The changes require council to review any current working policies and produce a Tenancy Strategy which outlines all existing policies which are required to take into account local need.

c) Financial - Ref: 13-313

The Council will need to consider the costs of implementing any changes in respect of both staffing and modification of IT systems, particularly in relation to flexible tenancies and affordable rents. These issues will be addressed in future reports.

d) Legal – Ref: 221/07/12

The Localism Act contains a legal duty for Local Authorities to deliver a Strategic Tenancy Policy.

e) Human Resources

The implications in respect of staffing resources have not been assessed at this stage

f) Community Safety, Equalities, Environmental

None arising from this report.

g) Whether this is a key decision, and if so the reference number.

This is key decision 325

5. Options, Risks and Reasons for Recommendations

5.1 Flexible Tenancies

In order to make best use of our stock in meeting the needs of the district we have the option to reserve the right to use flexible tenancies in the following circumstances:

i. Under occupancy

'Under-occupation' is defined as living in a home that has more bedrooms than a household requires, re-use of the property to a household that requires it.

ii. Occupation of fully adapted

Re-use of adapted properties where the disabled person is no longer resident.

The principle is that once unsuitability arises, the flexible tenancy would not be renewed on expiry.

iii. Management of Stock

To be used in specific areas and property types to generate turnaround where there is a need and clear demand for general needs accommodation.

iv. **Tenants Income**

To be used where a tenant's income is likely to exceed an agreed threshold during the course of their tenancy. The rationale for this is that the tenant has the financial ability to secure their own housing outside of the councils stock although it would need to be constantly monitored and could act as a disincentive to gaining employment.

5.2 Members could decide to approve some or all of the above options in order to utilise our stock in a more targeted way, but will need to consider suitable thresholds to be applied.

5.3 Affordable Rents

When considering how to make best use of our stock the Council has the option to use affordable rents in the following circumstances:

- i. New build
- ii. Acquired properties for e.g. disposals from another RP
- iii. Relets – In this case the Council will determine what percentage of relets will be made flexible.

5.4 Members could decide to approve some or all of the above options and will need to balance the opportunity to broaden housing diversity and choice for residents, with the opportunity to generate additional funds to support new-build and acquisition programmes within the district.

However, the option to apply affordable rents particularly to relets could result in similar neighbouring properties paying different rents.

5.5 Succession

As succession can result in under occupation in general needs stock Members could choose to make best use of its stock by reserving the right to:

- i. Limit the right of statutory succession to only the spouse/partner of the deceased tenant.
- ii. Use its discretion to grant additional rights of succession where appropriate
- iii. Use its discretion to engage with any successor if the council feels the accommodation succeeded to is unsuitable.

5.6 Members could choose not to limit succession rights. The risk to this option is increasing under occupation and therefore not making best use of our existing stock.

5.7 Vulnerability

The Council may take into account any vulnerable households or applicants they have when determining the approach to the new reforms. Vulnerability can include older people with support or care needs; adults with learning difficulties or disabilities etc.

This approach will support these household and clients types by not applying the new reforms including using flexible tenancies.

5.8 Consultation

In order to progress this matter it is proposed that the Council undertakes a consultation exercise with interested parties.

The consultation will include a series Member workshops and discussion forums along with other opportunities for engagement with parties within the Council, as well as A1 Housing. In relation to external bodies, information will be placed on the web site and there will be targeted discussions with tenants groups as well as all registered Providers that operate within the District.

Feedback from this process will enable Cabinet to determine the most appropriate way to approach each element of the new Strategic Tenancy Strategy. A report will be brought back to Cabinet in due course setting out the outcome of this exercise and putting forward the detail of the new Strategic Tenancy Strategy

6. Recommendations

Cabinet agree that Officers undertake a consultation exercise with interested parties concerning the options to be included within the new Strategic Tenancy Strategy and that the outcome of this exercise, along with the final strategy is reported back to Cabinet in due course for approval.

Background Papers

Location