

NORTH LINCOLNSHIRE COUNCIL

**ASSET MANAGEMENT, CULTURE AND HOUSING
CABINET MEMBER**

TENANCY STRATEGY 2013 - 2018

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To approve the Northern Lincolnshire Tenancy Strategy following public consultation.
- 1.2 The key points in this report are:
- The council has a new duty to produce a Tenancy Strategy. The Localism Act requires that it is in place by 15 January 2013.
 - The Strategy guides Housing Associations use of different tenure types and length within Northern Lincolnshire.
 - The strategy takes account of consultation responses, local needs, the council's, and partners priorities.

2. BACKGROUND INFORMATION

- 2.1 The Strategy is a joint strategy with North East Lincolnshire Council, our partners in the Home Choice Lincs scheme.
- 2.2 The Localism Act requires local authorities to produce a tenancy strategy. Registered providers (housing associations) must also produce a tenancy policy. The tenancy strategy guides providers on:
- the kinds of tenancies they grant
 - the circumstances in which they will grant particular kinds of tenancy
 - where tenancies are granted for a certain term, the lengths of those terms, and,
 - the circumstances in which they will grant a further tenancy when an existing tenancy ends.
- 2.3 Formal consultation on the Tenancy Strategy ended on 16 November. Consultation responses are set out in appendix one.

3. OPTIONS FOR CONSIDERATION

3.1 Agree the final version of the Northern Lincolnshire Tenancy Strategy.

3.2 Not agree the final version.

4. ANALYSIS OF OPTIONS

4.1 Agreement of the Tenancy Strategy will ensure that Registered Providers know what types of tenancy the two councils consider appropriate and why.

4.2 The councils will breach of the Localism Act if a strategy is not in place in January.

4.3 The two councils will review the impact of the strategy through the Home Choice Lincs partnership. If any changes are required to the strategy, they will be brought back to the councils for approval.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 In future Registered Providers policies must take into account the council's tenancy strategy. To obtain HCA funding, registered providers will need written support from the council.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

6.1 By law, the authority must have a tenancy strategy in place by 15 January 2013.

6.2 The strategy aims to make the best use of social housing in Northern Lincolnshire to meet people's needs.

6.3 Registered providers would be able to offer four and five bedroomed homes and adapted for disabled people for a fixed term tenancy. This is to make sure that when people no longer need large or adapted homes their housing needs are looked at again and they are helped to free up these homes for those who might need them.

6.4 North Lincolnshire Homes have a number of four and five bedroomed properties that just two people live in.

6.5 We have completed an integrated impact assessment for this strategy.

7. OUTCOMES OF CONSULTATION

7.1 Full details of the consultation are set out in appendix 1. It includes the responses to comments and changes to the strategy made as a result.

7.2 The following changes were made as a result of the consultation:

- Some language changes
- Made clear that registered providers should consult the local authority about the **type** of rent charged, rather than the rent level.
- Removed flexible tenure, this term in the localism act describes fixed term tenancies offered by local authorities. As neither council has housing stock this is not needed.

8. RECOMMENDATIONS

8.1 That the Cabinet Member approves the Tenancy Strategy for Northern Lincolnshire.

DIRECTOR OF PLACES

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Background Papers used in the preparation of this report
Draft Northern Lincolnshire Tenancy Strategy.

Summary of Responses to the Tenancy Strategy Consultation

The tenancy strategy was published on our website for consultation, along with an online survey asking for people's views. The survey asked specific questions, with responders asked to rank their reply from strongly agree through to strongly disagreeing with a statement from the strategy. The questionnaire also allowed those responding to give detailed comments on the issue if they wanted. The response to the survey was small with only 15 replies; however, some of the responses were from individuals responding collectively on behalf of organisations or groups of staff. Also some people and organisations sent comments back by email instead.

Because the numbers are so small we cannot rely on these statistics, however, people have commented and we have listened to those comments and amended the strategy where needed.

Survey Results

1. Over eighty percent agreed that there should be an appropriate balance of affordable and social rented properties in all areas. One response suggested that we amend the wording to make it clear that we expect registered providers to consult local authorities over the type of rents to be charged but not the rent level. We have changed the wording.
2. The majority supported the use of starter tenancies for most new tenants.
3. Responders were almost equally divided between agreeing and disagreeing over whether fixed term tenancies should be offered in the first instance for larger four and five bedroomed homes. We propose to keep this element of the strategy and monitor its impact.
4. Over half of responders agreed to offering fixed term tenancies for specially designed or adapted properties for disabled people. Just over a quarter of people were undecided or neutral on this issue.

One responder suggested an alternative wording would be 'Registered Providers should consider the use of fixed term tenancies on properties for particular family types or client groups.' We have added this sentence before we describe the two possible uses of fixed term tenancies.

5. Nearly two thirds agreed that a minimum period for a fixed term tenancy should be five years.
6. The tenancy strategy suggests offering certain people a lifetime tenancy rather than a fixed term one. Nearly two thirds agreed.

Some suggested that disabled people should also be offered lifetime tenancies. It is because a disabled person may be living in a specially adapted home that this is not being offered, however, a tenancy will be renewed if the tenant still needs those adaptations. If adaptations are no longer needed then we expect landlords to offer an alternative property. We will monitor the impact of this policy before deciding if it needs changing.

7. We asked about the use of flexible tenures. Whilst most people agreed with the use for larger properties and adapted properties, the use of the term 'flexible' caused some confusion. The Localism Act uses the term 'flexible' to describe fixed term tenancies offered by local authorities. We have removed this term to avoid confusion, as neither council owns social housing now.
8. We asked if people chose to move to an affordable rented property whether they should then go onto a fixed term tenancy. Three fifths agreed, however, one commentator suggested that this could be a disincentive to tenants downsizing, or moving to more suitable housing. We would encourage landlords to maintain a tenant's status in this situation unless they were moving to very large or adapted housing.
9. We expect landlords to renew tenancies when they end unless a property is; no longer suitable and an alternative is being offered; or the tenant's income is such that they could find accommodation in the private sector; or they have breached their tenancy conditions. Most agreed with this, although there were questions about how you would determine whether someone had enough income to move into the private sector. Another person also added that this could act as a deterrent for a household to better themselves.

We would not want to specify an amount. If a social landlord wanted to end a tenancy on this basis we would expect to work with them to agree what was appropriate in the market conditions that exist at the time. The ability to refuse to allow the renewal of a fixed term tenancy on income or wealth grounds is to allow those housing associations with charitable objectives to fulfil those charitable objectives if they need to. We would want to work to reduce or minimise any disincentive.

Northern Lincolnshire Tenancy Strategy

Background

This tenancy strategy fulfils the requirements of the Localism Act (2011) for local authorities to have a tenancy strategy, setting out the matters to which social landlords in the area must have regard when setting their own policies. This strategy has been jointly prepared by North and North East Lincolnshire Councils. The strategy is subject to consultation as required in the legislation. A summary of the consultation undertaken, comments and responses, will be included as an appendix to the strategy.

Context

The Localism Act (2011) requires local authorities when preparing their strategies to take into account the priorities in their housing and homelessness strategies.

This strategy also takes into account both councils key corporate priorities.

For North Lincolnshire these include:

A dynamic, high-performing, customer focused council, giving the best possible value for money and changing outcomes for all people living and working in the area.

Excellence in customer service

We will:

- Aim to provide high quality, customer focused services
- Respond in a timely manner to customer requirements
- Listen to our customers and provide them with value for money

Regenerate our area and increase prosperity;

- Attract business investment and create employment opportunities for all ages.
- Support housing development where there is evidence of need
- Create and maintain effective roads and pavements

Make our communities safer and stronger;

- Children young people and vulnerable adults feel safe and are safe
- Raise aspirations and inspire our young people
- Value and support independence for our older residents and those with special needs
- Promote equality and celebrate diversity
- Consult residents on important issues
- Tackle Crime and the Fear of Crime
- Utilise localism legislation to support our communities to define what they want for their area and to encourage more accountable democracy.
- Encourage volunteering and support projects which reflect the big society

Provide Value for money for taxpayers' money

- Tender services to achieve best value
- Work in partnership with any organisation or individual who will enable us to deliver better service and increase value
- Manage our finances and balance our budget
- Keep our council tax as low as possible
- Manage our assets in the interests of the community

North Lincolnshire's Housing Strategy currently out for consultation incorporates the Homelessness Strategy and this strategy it has as it's overarching objective;

Meeting the varied and growing housing needs of all our communities so that everyone lives in a warm, safe, home in a strong community

This includes;

- Support housing development where there is evidence of need
- Improve health and well being by ensuring safe and healthy homes
- Preventing crisis and enabling independence
- Make our communities safer and stronger

For North East Lincolnshire the priorities are ;

All people in North East Lincolnshire benefit from a strong economy

- A1: Grow businesses and jobs in North East Lincolnshire
- A2: Bridge the skills gap of local people
- A3: Improve places where people can live and work in North East Lincolnshire

All children, young people and adults learn and are ready for work

- B1: All children and young people achieve their best in education, are ready for work and have skills for life
- B2: All children and young people are involved in developments that affect them

All people in North East Lincolnshire enjoy good health and wellbeing

- C1: All children and young people grow up healthy, emotionally secure and confident
- C2: Outcomes for looked after children will be at least as good as those of all other children and young people
- C3: All residents experience reduced levels of crime and anti-social behaviour
- C4: All residents live in a safe environment
- C5: Vulnerable and older residents are helped to live independently and manage their own lives
- C6: Lives and life chances for children with a disability and additional needs are improved
- C7: People benefit from action taken to prevent early deaths and the onset of disease or disability
- C8: The mental health and wellbeing of all people is improved, especially those in the most deprived communities

All people benefit from an efficient and effective council

- D1: All people benefit from the council working in a way that gives better value for money

D2: Information and technology is used in a way that supports achievement of our outcomes in the council plan

D3: Open, transparent and effective decision-making reflects engagement and good governance

Aims of this strategy:

- Supporting delivery of both Councils corporate, housing and homelessness strategies as set out above
- Encouraging the development of new social housing
- Making best use of the available social housing stock, including reducing overcrowding, tackling under-occupation, and making best use of adapted housing for those with a disability
- Maximising choice for applicants, within the available resources.

The Home Choice Lincs partners are committed to creating thriving and sustainable communities and to this end recognise that it is not in the interests of the social housing sector to create a transient population with little or no commitment to the local neighbourhood. There is also a business cost to frequent tenancy changes in relation to lost rental income, advertising, management and repairs costs. The partners also recognise that social housing is in short supply and are committed to enabling it to be used by those who need it most. Where fixed term tenancies are offered the partners aim to renew these where possible and, or to help households to re-locate within their local community.

Both councils will support affordable housing bids to maximise access to market, affordable and social housing, and offer advice to those who need housing to access the appropriate housing tenure. Both these actions helping to take the pressure off the housing register for social housing.

Affordability

The councils recognise that developing registered providers will be charging affordable rents on most new developments and on a proportion of relets as directed by their Homes and Communities (HCA) contracts.. The Council asks all registered providers to consider the affordability of their rent levels for those on lower incomes in the district. In particular, registered providers should consider the affordability of higher rents for larger family accommodation, and accommodation in specific areas, such as those subject to regeneration, or rural areas where incomes may be lower. The councils expect there to be an appropriate balance of affordable and social rented properties in all areas. Registered providers should have regard to the councils Strategic Housing Market Assessments (SHMA) and Financial Viability Assessments (FVA) undertaken to

determine the viability of new development in the area. Both of these indicate areas where affordability is an issue. In North Lincolnshire the SHMA highlights that to meet affordable housing need 87% of new lets would need to be at a social rent level.

Where Registered Providers are designing a new housing scheme they are expected to consult the relevant local authority over the rental type to be charged.

Type of tenancy to be granted

Registered providers are encouraged to offer a range of tenancies to make best use of existing stock and offer supported housing when needed.

Different types of tenancy will be openly and explicitly advertised so that tenants are aware of what they are signing, what it will cost and how long the tenancy is due to last.

Tenants are encouraged to consider moving home when they are under occupying a property and the Home Choice Lincs allocations policy gives some preference to households who want to move in these circumstances, they may also consider mutual exchange.

Starter Tenancy

Starter tenancies are assured short-hold tenancies which are given to new social housing tenants for a period of 12 months.

After 12 months if the tenancy has been conducted satisfactorily, it will automatically convert to an assured tenancy.

If a starter tenancy is not conducted satisfactorily, it may be extended for six months or terminated.

Assured Tenancy

Assured tenancies should be offered to:

New social housing tenants who successfully complete a starter tenancy;

Existing tenants of Registered Providers who transfer/mutual exchange if the property is being let as an assured tenancy and the tenant has already got an assured tenancy by virtue of successfully completing a starter tenancy or they were in social housing on the day on which section 154 of the Localism Act 2011 came into effect.

Assured tenants have the right to remain in the property unless the registered provider can prove to a court that there are grounds for possession.

The expectation is that most assured tenancies are granted at social rent levels, though properties initially let at an 'affordable rent level' are expected to stay at that level when or if converted to an assured tenancy.

Assured Shorthold Fixed Term Tenancies

Registered Providers should consider the use of fixed term tenancies on properties suitable for particular family types or client groups to make best use of properties. Details of two are below.

Large Properties

Where a registered provider is proposing to let a four or five bedroomed property they are encouraged to offer this for a fixed term, in order to ensure that the property is occupied by those who most need it. The term should take into account the make up of the household at the time the tenancy is taken, and the potential point at which it is likely to become under-occupied, with the fixed term offered in the first instance being no less than 5 years.

Properties adapted for Disabled People

Registered providers should consider offering fixed term shorthold tenancies to those tenants taking a specifically designed or adapted property for the disabled. This is to ensure that adapted properties are available to those who need it. The fixed term should be no less than 5 years. Where the tenant succeeds to an adapted property but they do not need the adaptations the registered provider is encouraged to support the tenant to move to a more appropriate home. Likewise if a tenant no longer needs an adapted property and chooses to move before the end of their fixed term tenancy they will receive priority under the Home Choice Lincs allocation policy to move.

Minimum length of tenancy

Where a registered provider decides to offer fixed term tenancies the council encourages landlords to offer a 5 year minimum tenancy period in most circumstances. A shorter tenancy period can be given in exceptional circumstances.

Some specialist and/or supported accommodation is let on assured shorthold tenancies and will continue to be so e.g. The Pastures teen parent project in North Lincolnshire and other 'accommodation based' supported housing projects where this is part of a pathway preparation towards an independent tenancy.

Who should be given which type of tenancy

This sets out when the councils would encourage registered providers to offer a life-time tenancy and when a fixed term tenancy.

The councils suggest people in the following groups be offered a life-time tenancy rather than a fixed term tenancy:

- Those with a severe learning disability
- Those with severe and enduring mental health problems.

- People aged 70 or over, who are living in appropriate accommodation (i.e. not under-occupying) or those aged over 65 living in specialist accommodation.

The councils encourage providers to grant households being housed in the following property types to be offered a fixed term tenure:

- Larger properties – four or more bedroomed properties
- Adapted properties
'adapted' will normally mean properties with a minimum of level access suitable for a wheelchair user and a wet room type bathroom although other types of adaptations may also be considered.

This type of tenancy should be offered to new social housing tenants who were given a prior warning notice that they would be granted an assured short-hold fixed term tenancy. It includes a 12 month probationary period where the registered provider has a policy to offer these.

Providing the tenancy is conducted satisfactorily for the first 12 months and the tenancy conditions are not breached during the remainder of the term, the tenant is able to stay in the property for the full agreed fixed term period.

Assured Short-hold Fixed Term Tenancy

Registered providers can decide to offer further assured short-hold fixed term tenancies at either an affordable or social rent to;

- Existing tenants who have previously held an assured short-hold fixed term tenancy and they have decided to grant another fixed term tenancy;
- Existing tenants and those of other registered providers who transfer/mutual exchange into a property being advertised as an assured short-hold fixed term tenancy unless they were in social housing on the day on which section 154 of the Localism Act 2011 came into effect when the security of tenure should be no less than they had on that day. (unless they choose to move into an 'affordable rent' property). Tenants will be given a prior warning notice that they will be granted an assured short-hold fixed term tenancy.

Providing the tenant does not breach the tenancy conditions, they are able to stay in the property for the period of the fixed term.

Demoted Tenancy

Registered providers can demote a tenancy where

- Where an existing tenant causes serious anti-social behaviour or allows it to be caused, they can apply to the County Court for an order to reduce the security of tenure to a Demoted Tenancy.
- Demoted tenancies usually last for one year.

Following successful completion of the order, the tenancy will revert back to that which existed before the demotion.

Family Intervention Tenancies

Where an existing tenant causes serious anti-social behaviour or allows it to be caused, registered providers can issue a notice offering the tenant a family intervention tenancy.

These tenancies normally last between six months and one year.

Tenants are put on probation and given behavioural support services as a condition of living in the accommodation.

At the end of the family intervention tenancy, the registered provider can either:

- Offer a starter tenancy, an assured tenancy or an assured-shorthold fixed term tenancy if the tenant complies with their behaviour support agreement, or
- Take steps to evict the tenant if they have not complied with the conditions.

Licence Agreements

Licence agreements are used in the following circumstances:

- For some types of temporary accommodation whilst the Councils determine their homelessness obligations towards a household;
- For specialist supported accommodation;
- When a tenant is decanted to another property.

Licence agreements can be variable in length but are usually only used as a short-term measure.

Market Rent Tenancies

Where a fixed term tenancy is due to come to an end and the tenants are deemed to no longer need affordable housing by virtue of their high income or savings, a registered provider can offer a fixed or assured tenancy at a market rent if their company constitution or status allows.

Circumstances in which a tenancy might not be renewed

The tenancy strategy supports the work that is already being done to prevent homelessness, in particular when tenancies are being ended. For this reason the councils suggest landlords only consider not to renewing tenancies where either:

- The property is no longer appropriate for that tenant and an alternative property is being offered; or
- The tenant's household income is now at a level where the registered provider considers they have sufficient income to enable them to find alternative accommodation in the private market; or

- There has been a significant breach of tenancy conditions

What happens if the landlord is not renewing the tenancy

It is the registered providers' responsibility to advise and support the tenant where they are not renewing the tenancy on the current basis.

A landlord must notify the relevant local authority where a tenancy is coming to an end and they are not intending to renew the tenancy, giving details of the advice and support already offered to the tenant.

Review of Strategy

The Councils in consultation with local registered providers intend to review this tenancy strategy annually.

Tenant	Someone that pays rent to use or occupy a property.
Tenancy	The right to occupy or possess a property normally in exchange for the payment of rent.
Tenancy Agreement	A contract between a tenant and their landlord. It may be written or oral. A tenancy agreement gives certain rights to both tenant and landlord, for example, the right to occupy the accommodation and the landlord's right to receive rent for letting the accommodation.
Tenure	The conditions under which land or buildings are occupied.
Assured tenancy	Introduced by the Housing Act 1988, it is a form of tenancy that grants a degree of security to the tenant. An assured tenant cannot be evicted without a reason.
Assured short-hold tenancy	The default tenancy for most dwellings. It is a form of assured tenancy with limited security of tenure which was introduced by the Housing Act 1988 with important changes made by the Housing Act 1996.
Fixed term tenancy	A tenancy that lasts for a set period of time. At the end of the set period of time the tenancy will end if the appropriate procedures have been followed.
Licence Agreement	Licence agreements are offered to people in a number of circumstances but usually are for short term periods. As such the security of tenure is less than assured tenancies, with landlords able to ask licensees to move following giving reasonable notice.
Adapted property	Properties that have been specifically adapted for the needs of disabled people. For the purpose of this policy, this will normally mean properties with a minimum of level access suitable for a wheelchair user and a wet room type bathroom although other types of adaptations may also be considered.
Affordable Rent	Affordable Rent is the rent level that can now be charged for new build properties and to a portion of empty properties per year when they are re-let. These tenancies are let at a rent rate which is 80% of the market rent in the locality and will be in accordance with registered providers affordable rent policies. These tenancies should be clearly marketed as such.
Social Rent	The rent of a property which has been let under the Government's 1999 Rent Restructuring Regime at a Target Rent or a Phased Rent.
Social Landlord	Housing Associations now called registered providers, regulated by the Homes and Communities Agency (HCA) that offer rented accommodation at less than market value. Social landlords often have charitable objectives.
Registered Provider	Formerly called Housing Associations or social landlords these are housing providers by the Homes and Communities Agency (HCA) that offer rented

	accommodation at less than market value. Social landlords often have charitable objectives.
Break Clause	A break clause gives registered providers an option to give notice during the first 12 months of the fixed term of the tenancy. Notice under a break clause can be given during the first 12 months, but the tenant still has a statutory right to remain at the property for a minimum of 6 months.