

Bury Council's Draft Strategic Tenancy Policy

2013 - 2016



Adult Care Services

Bury
COUNCIL

1.0 Background

- 1.1 Under the Localism Act 2011, all local housing authorities in England were given a statutory responsibility to produce and publish a Strategic Tenancy Policy for their area, by 13 January 2013.
- 1.2 The Policy is intended to provide a framework for registered providers operating in a particular local authority area on issues such as length of tenancy offered, the different types of tenancy granted, and the circumstances influencing these decisions.
- 1.3 Bury's Strategic Tenancy Policy has been developed within the Council's current policy framework and in conjunction with the final draft of the Council's Allocations Policy.
- 1.4 The Strategic Tenancy Policy has been produced following extensive consultation with a range of stakeholders. These have included Elected Members, Bury Council officers, officers from other local authorities, officers from registered providers operating in the Borough, representatives from the third sector, and tenants and residents of the Borough. These consultation exercises have discussed the full range of options for each element of a Strategic Tenancy Policy and the outcomes have been used to influence and justify the rationale behind Bury's document.
- 1.5 Account has been taken of the Council's current Homelessness Strategy – Opening Doors 2010/13 and subsequent changes to homelessness legislation resulting from the Localism Act. The Policy supports the Strategy's long term vision 'To End Homelessness in Bury'.
- 1.6 Regard has also been given to the Affordable Housing Strategy 2011/16 – Promoting Choice & Opportunity, helping to support the long term vision to 'Help Bury people access a decent home that they can afford and which meets their needs'.

1.7 Bury's Strategic Tenancy Policy looks at the following areas, each of which are discussed in greater detail below:

- Lifetime tenancies
- Housing for older people
- Adapted properties
- Addressing over-crowding and under-occupation
- Use of the private sector for homeless households
- Affordable Rent conversions
- Increasing rents for higher income households

2.0 Lifetime Tenancies vs. Fixed Term Tenancies

***Recommendation:* Bury will continue to offer lifetime tenancies in unadapted, general needs, social rented housing and will support and encourage registered providers in the Borough to follow this approach.**

2.1 Under the housing reforms in the Localism Act 2011, registered providers, including local authorities, are now able to vary the length of the tenancies which they offer, with Government proposing minimum 5 year tenancies, all subject to review at the end of this time. Adopting this approach would be a significant shift away from the traditional, lifetime secure tenancies offered by local authorities and the lifetime assured tenancies offered by housing associations.

2.2 The rationale behind fixed term tenancies is to give registered providers more flexibility and freedom to match stock with households in the greatest need for affordable housing. Consequently there would be an expectation that households no longer in need of that type of property when their tenancy period expired could be required to work with their current landlord or management agent to find alternative, more suitable accommodation, in either the social or private housing sectors. A key driver would appear to be the issue of under-occupation in the social rented sector as there is a perception that many tenants are under-occupying

larger, family houses either as a result of bereavement, relationship breakdown or children having grown up and moved out into their own accommodation.

2.3 While these principles are understood, the benefits of adopting fixed term tenancies in Bury are not clear cut:

- The average length of a Council tenancy is just over ten years, varying from just over 5 years to just under 20 years depending on the estate and township. It is understood from comments received from other members of Bury's Housing Joint Commissioning Partnership that their average length of tenancy was typically 5 years. In statistical terms, this would indicate that there already appears to be a regular turnover of social housing in the Borough.
- The Housing Need and Demand Assessment 2011 for the Borough shows that under-occupation in Council stock to be 8.9% (4.9% in registered provider stock) compared to 37.8% for the Borough as a whole. Consequently, there is an issue as to whether the bureaucracy of managing, monitoring and reviewing fixed term tenancies exceeds the likely benefits as the major source of under occupancy is in the private sector.
- There are also other housing management implications. Tenants are less likely to invest in their properties if they no longer have security of tenure; and the ability to attract households that have a connection and interest in maintaining the sustainability of their local neighbourhood and communities will become more problematic. There is also a counter risk that by reducing security of tenure, some households will be encouraged to exercise their right to buy/acquire to provide continuity in their living arrangements.

2.4 Having taken all these factors into account, Bury's Housing Joint Commissioning Partners have expressed a preference to continue to offer lifetime tenancies. However, they will review their tenancy agreements to promote the effective use of stock and work with tenants to facilitate mutual termination of unsuitable tenancies. In this way the focus remains on tenancy management, hopefully avoiding conflicts and reputational damage.

- 2.5 For lifetime tenancies to continue to work, the local authority will need to ensure that it has an Allocation Policy which responds to those in the greatest housing need, a robust tenancy management agreement developed in conjunction with Six Town Housing and an effective management structure to implement and enforce both documents.

3.0 Housing for Older People

***Recommendation:* Older people living in properties specifically designated for older people should be given lifetime tenancies.**

- 3.1 Older people living in accommodation specifically designated for older people, such as sheltered housing, should be given lifetime tenancies.
- 3.2 This will provide vulnerable customers with greater piece of mind that they will not have to undergo the trauma, upheaval and expense of a move.
- 3.3 However, for supported schemes with care packages offered to people specifically meeting certain criteria, such as Red Bank, a local allocations policy should be developed to allow landlords to support tenants to move to more suitable accommodation should their care or other support needs change.
- 3.4 Where older people under-occupy general needs housing, the landlord / housing provider will be expected to work with the tenant(s) to explore the potential to find a mutually acceptable housing alternative. This provision needs to be incorporated within the Allocations Policy and tenancy agreement as outlined in 2.5 above.

4.0 Adapted Properties

***Recommendation:* That tenancies be granted for as long as the person for whom the adaptation was intended for continues to live at that property, irrespective of whether or not they are the tenant.**

- 4.1 The Council wishes to see people with disabilities and other mobility problems living in suitable accommodation that promotes their independence and well being. However, finding suitably adapted properties for customers can be problematic and waiting for an adaptation to be carried out brings with it additional costs and delays. As at September 2012, there were 166 households on the Council's waiting list for an adapted property. This is reinforced by the fact that as at September 2012, there were 42 public sector properties awaiting or undergoing major adaptations and 59 awaiting or ongoing minor adaptations.
- 4.2 Bury is currently exploring ways to ensure that maximum benefit is obtained from properties with existing adaptations, one of these being the matching of the needs of applicants with particular properties.
- 4.3 Sometimes, particularly where major adaptations are involved, it is not practical or cost effective to reinstate the building when the intended recipient no longer resides at that address. In such cases, it is proposed that where such individuals are succeeded by members of their household that do not need the adaptation, the landlord / provider under the powers of the tenancy agreement looks for alternative accommodation; thereby maximising the benefits from the adaptations resource.
- 4.4 In the interests of transparency, all new tenants must be made aware at sign-up that, if their property contains adaptations or has permanent adaptations done to it during the life of the tenancy, they could be expected to transfer to a non-adapted property when that need no longer exists. Each case will be considered on its merits.

5.0 Addressing under-occupation and over-crowding

***Recommendation:* The Council will provide advice and support to tenants who need to move due to under-occupation or over-crowding of their current tenancy.**

- 5.1 As outlined in 2.2, above, there is a common perception that a number of larger properties could be released if people under-occupying them were encouraged or required to move to properties more suited to their needs.
- 5.2 However, the statistics shown above indicate that the number under-occupying households in the social rented sector is relatively small. In cases where it is an issue, these households will be provided with options to encourage them to downsize voluntarily. The Allocation Policy will also give discretion to allow downsizing to smaller properties, but with flexibility to allow down-sizers to obtain properties technically larger than their needs. For example, a single tenant living alone in a four bedroom house may be unwilling to downsize to the one bedroom property, which they would ordinarily qualify for under the Allocation Policy. In such cases, discretion should be allowed to enable an additional bedroom to be obtained, particularly where the tenant has the need to accommodate dependent children or live-in carers. However, the tenant must be made aware of any benefit implications.
- 5.3 Tenants affected by the changes of Welfare Reform, will be given priority to downsize to accommodation that matches their needs and is affordable.
- 5.4 The Council will also proactively work with tenants to address issues of over-crowding. Landlords and managing agents must be more proactive in identifying households in over-crowding, with support provided to identify more suitable accommodation.

6.0 Private Sector & Homelessness

***Recommendation:* The Council will seek to use the private rented sector to discharge its homelessness duties.**

- 6.1 Until the Localism Act came into force, Council could only discharge their statutory homelessness duty when customers accepted an offer of social housing.

- 6.2 With pressure on social housing growing, the Government has consulted on proposals to allow local authorities to use the private rented sector to discharge this duty subject to the accommodation meeting minimum standards of suitability and length of tenancy.
- 6.3 It is proposed to accept this change and consider the use of the private rented sector properties for discharging the Council's homelessness duty. This will be on a case by case basis according to people's needs and subject to agreed criteria and guidelines.

7.0 Affordable Rent Conversions

***Recommendation:* The Council will work with registered providers in the Borough to manage conversions to Affordable Rent, to ensure sufficient choice of affordable tenures in the Borough and to minimise negative impacts on benefits costs.**

- 7.1 The ongoing Affordable Housing Programme 2011/15 has supported the provision of a number of affordable housing units. The Homes & Communities Agency (HCA) who fund this programme expect a proportion of the costs to be met by registered providers' rental income. This will generally be achieved by applying affordable rent to properties (with rent levels of up to 80% of market rents).
- 7.2 Social rented stock could be reduced over time as a result of these conversions, having the dual effects of making affordable housing less affordable and increasing the housing benefit costs in certain local authorities. Studies have shown that Bury is one of the most likely targets in Greater Manchester due to the overall higher market rent levels, compared to neighbouring authorities.
- 7.3 While there is little local authorities can do to stop the legitimate conversion of properties to affordable rent levels, monitoring at a local and regional of where conversions are taking place will allow authorities to receive early indications of any potential problems.

7.4 Similarly, strong local networks, such as Bury's Housing Joint Commissioning Partnership and Housing Association Liaison Group will allow dialogue with housing associations on the levels and rates of conversion and so, hopefully, minimise any negative effects.

8.0 Increasing rents for higher income households

***Recommendation:* At this point in time, the Council are not going to charge higher rents to higher income households, particularly as there is no evidence of how many households would be affected. However, they will undertake a sub review of this matter within the next three years to contribute to the review of the Strategic Tenancy Policy at that time.**

8.1 The Government consultation, 'High Income Tenants: Pay to Stay', has suggested that higher income households should be required to pay increased rent to stay in social rented housing. This proposal is intended to increase the supply of social housing by encouraging higher earners to find accommodation in the private rented or owner occupier sectors.

8.2 While the Council understands the rationale for this proposal, it believes that decisions on whether to increase rent levels in such circumstances should be a matter for local discretion. Tracking each tenant's income will increase bureaucracy and this has to be considered in relation to the numbers likely to exceed the income threshold.

8.3 This proposal will be kept under review in line with Department of Communities & Local Government recommendations and Government legislation.

9.0 Other provisions

9.1 In line with other Greater Manchester authorities, the policy will be for three years.

9.2 The policy and its contents will be subject to regular monitoring and annual review.

9.3 Anyone disagreeing with a decision made as a result of the terms and conditions of this Strategic Tenancy Policy will have the right to appeal to the organisation taking that decision. Where that decision is upheld and the person remains dissatisfied with the provisions or effect of the policy, they may make a formal complaint through the Council's Complaints Procedure.