

Bury Council's Strategic Tenancy Policy

2013 - 2016



Adult Care Services



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 with regard to the current and in conjunction with production of 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 The Policy has been developed with regard to the Council's current Homelessness Strategy – Opening Doors 2010/13 and any 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. This marks a move away from the traditional, lifetime secure tenancies offered by local authorities and the lifetime assured tenancies offered by housing associations.

2.2 By moving away from lifetime tenancies, it is intended that registered provider stock can be more effectively targeted at households in the greatest need for affordable housing, with an expectation that households no longer in need of the type of property that they are currently in will be able to work with their current landlord to find alternative, more suitable accommodation, in either the social or private housing sectors.

- 2.3 In particular, the shorter term tenancies were intended to tackle the issue of under-occupation in the social rented sector. Anecdotally, there is a perception that there are a considerable number of instances where a single person is under-occupying a larger family house as a result of their family having grown up and moved to their own accommodation.
- 2.4 While Bury understands the principles of a move away from lifetime tenancies, it is believed that such a policy could in itself create more, but different, problems. Statistics on average length of tenancy in Council stock show this to be just over ten years, varying from just over 5 years to just under 20 years depending on the estate and township. This reflects comments made by other members of Bury's Housing Joint Commissioning Partnership that their average length of tenancy was typically 5 years. Therefore, statistically there already appears to be a regular turnover of social housing in the Borough, and so no need to cause the resentment from people no longer having guaranteed security of tenure and the adverse reputational impact this could have on the Council.
- 2.5 It should also be noted that the Housing Need & Demand Assessment 2011 for the Borough shows that under-occupation in Council stock is only 8.9% and registered provider stock at 4.9%, a negligible amount when compared to the 58.7% in owner-occupied stock with no mortgage and 37.8% for the Borough as a whole. This can be explained as being due to the relatively low numbers of three bedroom houses in the social housing stock. Therefore, any approach to limit the length of a tenancy in order to tackle the issue of under-occupation would potentially only create a relatively small number of additional vacant dwellings in the Borough.
- 2.6 There are management implications of using fixed term tenancies. Tenants may be less likely to invest in their properties and in the sustainability of their local neighbourhood and community, if they only see their membership being a transient one. There is also additional bureaucracy from having to monitor and review suitability of tenancies on a regular basis. This resource would be more effectively used in improving services and the quality of life for people on the estates.

- 2.7 Members of Bury's Housing Joint Commissioning Partners have also stated that they will continue to offer lifetime tenancies. However, they will work with tenants to obtain mutual agreement on ending unsuitable tenancies, hopefully avoiding conflicts and reputational damage. Bury will follow a similar approach, thus achieving consistency across the key developing registered provider organisations in the Borough.
- 2.8 It is also felt that ending security of tenure could result in more tenants exercising their Right to Buy, in order to give themselves greater stability in where they live. Therefore, as this stock will be lost as an affordable housing asset (even under the new Right to Buy replacement regulations, the Borough is unlikely to be able to replace this stock) it could actually have a converse effect to that which it was meant to achieve, with less housing becoming available to those in the greatest housing need.
- 2.9 For lifetime tenancies to continue to work, the local authority will need to ensure that it has a robust tenancy agreement, an Allocation Policy which responds to those in the greatest housing need 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.
- 3.4 Where older people are under-occupying 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.

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 Finding suitably adapted properties for customers is often problematic, with delays often arising where new adaptation work needs to be carried out. As at September 2012, there were 166 households on the Council's waiting list for an adapted property.
- 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 In some cases, adaptations remain in properties where the occupant for whom they were intended has since moved out to a permanent, principle home. In such cases, the Council would, under the powers of the tenancy agreement, work with the remaining tenant or tenants of the property to find them suitable alternative accommodation; thereby maximising the benefits from the adaptations resource. This requirement would be made clear to all tenants at sign-up for a property.
- 4.4 All decisions to require the remaining tenant or tenants of the property to work with the Council to find suitable alternative accommodation will be made on a case by

case basis, subject to agreed criteria and guidelines, in particular the extent of the adaptation and the ease with which it could be removed.

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 mentioned in Section 1, 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. Therefore, it is recommended that these households be provided with options to encourage them to downsize, but that they should not be forced to move if they did not wish to. 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. 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 where their circumstances would be covered by state benefits.
- 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 The Government have consulted with local authorities on the proposal to allow customers to refuse a qualifying offer in the private sector.
- 6.2 However, due to the pressure on social stock it is proposed to allow local authorities to discharge this duty subject to the accommodation being of a reasonable standard and a minimum twelve month tenancy offered.
- 6.3 It is proposed to consider the use of the private sector for discharge of homelessness duty on a case by case basis, 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 nationally. However, the Homes & Communities Agency (HCA) expect that registered providers meet some of the costs of these and other affordable housing developments from increased rental income. This is achieved through the conversion of social rented dwellings to affordable rent dwellings (with rent levels of up to 80% of market rents).
- 7.2 Studies have shown that Bury is one of the most likely targets for conversions to Affordable Rent, due to the overall higher market rent levels, compared to other authorities in the region.

- 7.3 Officers from Association of Greater Manchester Authorities (AGMA) have identified that there is a risk to some local authorities that their social rented stock could be significantly reduced as a result of these conversions. This will have the dual effects of making affordable housing less affordable and increase the housing benefit costs in certain local authorities.
- 7.4 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.
- 7.5 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 in three years when the Strategic Tenancy Policy is reviewed.**

- 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. The proposal intended to increase the supply of social housing by encouraging these households to find accommodation in the private rented or sales sectors.
- 8.2 While the Council understands the rationale for this proposal, it responded that decisions on whether to increase rent levels in such circumstances should be a matter for local discretion.

- 8.3 Consideration will need to be given as to whether increasing rents will increase the likelihood of tenants exercising their Right to Buy. Therefore, an attempt to increase the flow of people through the housing stock could result in fewer properties being available.
- 8.4 This proposal will also be kept under review in line with Department of Communities & Local Government recommendations and Government legislation.

9.0 Next Steps

- 9.1 In line with other Greater Manchester authorities, the policy will be for three years.
- 9.2 The Executive Director for Adult Care Services, or their delegated representative, will have the discretion to waive some or all of the conditions of this Strategic Tenancy Policy. All such decisions will be logged and documented.
- 9.3 Anyone disagreeing with any decision made as a result of the terms and conditions of this Strategic Tenancy Policy should appeal through the Council's Complaints Procedure.
- 9.4 The policy and its contents will be subject to quarterly monitoring and an annual review, with any necessary changes or amendments made.