

North Tyneside Council Report to Cabinet Date: 12 November 2012

ITEM 7(g)

Title: Tenancy Strategy
2013-18

Portfolio: Housing

Cabinet Member: Councillor Paul
Mason

Report from Directorate: Chief Executive's Office

Report Author: Ken Wilson, Head of Regeneration,
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Wards affected: All

PART 1

1.1. Purpose

The purpose of this report is to present the North Tyneside Tenancy Strategy 2013-18 and seek Cabinet approval to adopt the strategy.

1.2. Recommendation(s):

It is recommended that Cabinet approve the North Tyneside Tenancy Strategy 2013-18 shown at Appendix 1 of this report.

1.3. Forward plan:

This item is listed on the Forward Plan published on 1st October 2012.

1.4. Council plan and policy framework

The publication of a Tenancy Strategy is a new statutory requirement for local authorities, set out in the Localism Act 2011. The Tenancy Strategy will help deliver priority 3 of the Council Strategic Plan 2012-15 to provide affordable rented housing in partnership with the private sector and registered social landlords.

1.5. Information:

1.5.1. Background

1.5.2 In November 2010 the Government published “Local decisions: a fairer future for social housing”, which set out plans for the reform of social housing. At the heart of these plans was giving social housing landlords (councils and registered providers - formerly known as housing associations) more flexibility to make the best use of their housing stock in a way that best meets the needs of the local area.

1.5.3 The proposals were taken forward in the Localism Act 2011, which requires local authorities to prepare and publish a Tenancy Strategy by 15th January 2013. Tenancy Strategies should set out a council’s expectations for social housing landlords in relation to:

- The kinds of tenancies they grant.
- The circumstances in which they will grant a tenancy of a particular kind.
- Where they grant tenancies for a fixed term, the lengths of the terms.
- The circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

Social housing providers operating in North Tyneside must ‘have regard’ to the Tenancy Strategy when formulating their tenancy policies.

1.5.4 North Tyneside’s Tenancy Strategy also sets out the Council’s approach to other flexibilities for social housing. It covers:

- Tenancies.
- Access to the housing register.
- Discharging the homelessness duty with an offer of accommodation in the private rented sector.
- Changes to succession rights.
- Affordable rents.

1.5.5 The key aim of the strategy is to provide guidance to registered providers operating in North Tyneside and the Council’s own landlord function, North Tyneside Homes. Guidance is under-pinned by the need to:

- Make best use of the housing stock to meet local housing need.
- Maintain and create successful, sustainable communities.
- Prevent homelessness.

1.5.6 The key elements of the strategy are:

1.5.7 Tenancies

The Council supports the use of long-term social housing tenancies as a way of creating and maintaining sustainable communities. If registered providers choose to use fixed-term tenancies this should be with caution and the effect should be monitored to ensure the stability of communities is not undermined. Circumstances where fixed term tenancies could be considered are to tackle future levels of under-occupation and in areas designated for regeneration.

1.5.8 Access to the housing register

There will be further work undertaken by North Tyneside Homes as part of the Homefinder Allocations Policy review to assess whether access to the housing register should be restricted in certain circumstances.

1.5.9 Discharging the Council's homelessness duty with an offer of accommodation in the private rented sector

The Council will use the private rented sector to address homelessness in relevant circumstances. An offer of a private rented home will only be made when it has assessed the household as being suitable for a private sector tenancy (including an assessment of affordability), that the property is of a good standard and is available on a minimum 12-month tenancy.

1.5.10 Changes to succession rights

The Localism Act reduces automatic statutory rights of succession for family members other than spouse or partner. This does not apply to existing tenants. Local authorities have the power to grant additional succession rights if they choose to do so in their tenancy terms. The Council will not grant additional succession rights and the standard tenancy agreement will be revised to reflect this. Where other family members wish to remain in the property, the Council will use powers already delegated to the Head of North Tyneside Homes within the allocations policy. Each case will be assessed taking account of the vulnerability of the existing family member and the need to make the best use of the existing housing stock.

1.5.11 Affordable rents

The Council supports the use of affordable rents where they form part of a framework agreement with the Homes and Communities Agency. This means any increased revenue will be used to fund new affordable housing.

1.6. Decision options:

The following options are available for consideration by Cabinet.

Option 1

Cabinet may approve the Tenancy Strategy 2013-18 as set out in Appendix 1.

Option 2

Cabinet may not approve the Tenancy Strategy 2013-18 and refer the matter back to officers for further consideration, outlining the specific issues to address.

1.7 Reasons for recommended option:

It is recommended that Cabinet agree Option 1 for the following reasons:

- The Tenancy Strategy provides guidance to registered providers operating in North Tyneside and the Council's own landlord function, North Tyneside Homes, on the Council's preferred approach to new flexibilities introduced for social housing landlords. It can be used as a framework to guide the development of their approach to tenancies in North Tyneside.
- The Council has a statutory duty to publish a Tenancy Strategy by 15th January 2013.

1.8. Appendices:

Appendix 1 – North Tyneside Tenancy Strategy 2013-18.

Colour copies of the Tenancy Strategy will be available in Group rooms from 2nd November.

1.9. Contact officers:

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Debbie Shearer, Senior Manager Housing Strategy	tel: 643 6206
Linda Lacy, Principal Strategy and Development Officer	tel: 643 6213
Alison Campbell, Finance Business Manager	tel: 643 7038

1.10. Background information:

The following documents have been used in the compilation of this report and may be inspected at the offices of the authors.

- [Localism Act 2011](#)
- [North Tyneside Homelessness Strategy 2008-13](#)
- [North Tyneside Homefinder Lettings Policy Review](#)
- [Equality Impact Assessment](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

An assessment of the financial and other resource implications directly related to the strategy is set out below:

- 2.1.1 **Flexible tenancies.** There are no financial implications as the Council will not currently be offering this type of tenancy.
- 2.1.2 **Access to the housing register.** This will be dealt with as part of the North Tyneside Homefinder Allocations Policy review, which will be carried out using existing resources. Any financial or other resource implications would be considered as part of that process and subject to a further report.
- 2.1.3 **Discharging the homeless duty with an offer of accommodation in the private rented sector.** On average 3 homelessness cases per month are already discharged in this way through the work of the Housing Advice Team. The average cost of providing a damage bond and rent in advance is £700 per case. Therefore annual costs are approximately £25,200 per annum and these are met from Homelessness Grant which is paid from Government. Additional resources are proposed to carry out the relevant checks relating to the condition of the home and landlord suitability. These are estimated to be £55 per case; £1980 per annum and can be met from Homelessness Grant. There will be no costs associated with assessing client suitability for accommodation (e.g. whether they could afford a private sector home) and monitoring of key indicators as this will be part of existing processes.
- 2.1.4 **Changes to succession rights.** The Council's standard tenancy agreement is reviewed every 3 years. The next review, which is currently underway, will take account of the new requirements regarding succession and a new tenancy agreement put in place for all new tenants from 1st April 2013. As this work will be undertaken as part of the normal 3-year review process there will be no financial or other resource implications.

2.1.5 **Affordable rents.** There are no financial or other resource implications at present as the Council does not currently offer affordable rents as part of a Homes and Communities Framework Agreement.

2.2 **Legal**

2.2.1 The Localism Act 2011 imposes a statutory duty on the Council to publish a Tenancy Strategy by 15th January 2013. The Council's proposed Tenancy Strategy meets the requirements set out in the Act. Failure to have a strategy in place by this date means the Council would be in breach of its statutory obligations and may expose the Council to legal challenge.

2.2.2 The standard tenancy agreement will need to be revised to reflect the changes to succession rights for all new Council tenants.

2.2.3 The Council has duties under a range of legislation (including the Housing Act 1996 (Part V11), as amended by the Homelessness Act 2002) to ensure that suitable accommodation is made available to homeless applicants who are owed the full housing duty. Extending the range of accommodation to include the private rented sector will make best use of existing stock, increase choice and help to meet our statutory duty.

2.3 **Consultation/community engagement**

The views of a range of stakeholders have been used to inform the Tenancy Strategy.

2.3.1 Internal Consultation

Council Officers

The Tenancy Strategy has been developed through a cross-service working group involving officers from North Tyneside Homes, Strategic Housing and Legal Services. It has been finalised in consultation with the Head of Regeneration, Development and Regulatory Services and the Head of North Tyneside Homes.

Elected Mayor and Council Members

Regular Elected Mayor and Cabinet Member Briefings have taken place throughout the development process and the draft strategy was presented to the Elected Mayor and Cabinet Member for Housing in August 2012 for comment.

A presentation was given to Members of the Economic Prosperity and Housing Subcommittee on 20th February 2012. Members were given the opportunity to discuss and debate the issues. The draft strategy was presented to the Committee at its meeting on 10th September 2012.

A presentation was made to two all-member briefing sessions held on 3rd and 4th July 2012. Following this a discussion took place between officers and those members present, providing the opportunity for members to discuss the issues and provide feedback. A copy of the presentation was circulated to all members so that those who did not attend the briefing had the opportunity to provide feedback.

2.3.2. External Consultation/Engagement

Registered Providers

The Localism Act imposes a duty to consult with registered providers. In December 2011 a discussion paper and questionnaire were sent to all 23 RPs operating in North Tyneside. The draft strategy was also sent to RPs in September 2012 for comment.

NT Homefinder Applicants

A focus group was held on 1st June 2012 with applicants currently on the housing register waiting to be re-housed through Tyne & Wear Homes, the sub-regional choice-based lettings scheme, which the Council is part of. This provided the opportunity for applicants to discuss the issues relating to the new flexibilities and their particular circumstances.

Involved tenants

A workshop was held on 9th July 2012 with Council tenants who are part of North Tyneside Homes' Involved Tenants Service Development Groups. The workshops enabled discussion and debate about the new flexibilities and provided feedback from an existing tenant's perspective.

2.4 Human rights

There are no human rights implications directly arising from this report.

2.5 Equalities and diversity

An equality impact assessment has been carried out on the draft Tenancy Strategy. A number of measures have been built into the strategy to reduce any potential negative impacts. These include:

Tenancies:

- The effect of fixed term tenancies should be monitored over the long-term to ensure the stability of communities isn't undermined.
- Registered providers who grant fixed term tenancies must provide a review and an appeal process that meets the requirements of the Localism Act.
- When a fixed-term tenancy ends a further tenancy must be granted unless the household does not meet the requirements under which it was originally allocated. If a tenancy is not re-issued, obtaining possession of the home must be in accordance with the requirements in the Localism Act.

Access to the housing register

There will be further review and consultation on our Homefinder Allocations Policy in light of the Localism Act.

Discharging the homelessness duty with an offer of private rented housing

- An offer of a private rented home will only be made where the household has been assessed as being suitable for a private sector tenancy (including an assessment of affordability), that the property is of a good standard and is available on a 12-month tenancy.
- Encouraging landlords to offer tenancies of 12 months or more using a range of incentives
- Closely monitoring the effect of placing people into the private rented sector

Succession rights

Where other family members wish to remain in the property the Council will consider the vulnerability of the remaining family member and the need to make the best use of the housing stock.

Affordable Rents

Where affordable rents are set, the Council requires registered providers to evidence an understanding of how this will meet the needs of tenants and have clear policies for ensuring tenants are able to afford and sustain this product.

2.6 Risk management

2.6.1 The Tenancy Strategy is a high level document providing guidance for registered providers in the borough, including North Tyneside Homes. Without the strategy there is a risk that providers would be unclear about the Council's preferred approach to tenancies.

2.6.2 North Tyneside Homes will take forward the principles contained in the Tenancy Strategy when developing its Tenancy Policy. Risks associated with implementing the proposals will be managed through the corporate risk management process.

2.7 Crime and disorder

There are no crime and disorder implications directly arising from this report.

2.8 Environment and sustainability

The Council wants to create and maintain sustainable communities. The granting of lifetime secure tenancies, on successful completion of an introductory tenancy, will help meet this objective. Secure tenancies provide a reasonable degree of stability for all households but especially for those who are vulnerable, such as the elderly, those with disability or illness, and families. The Tenancy Strategy sets out the Council's support for long-term social housing tenancies in North Tyneside.

PART 3 - SIGN OFF

- Chief Executive
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Strategic Manager,
Policy & Partnerships