



**NEWCASTLE
UNDER LYME**
BOROUGH COUNCIL

Newcastle under Lyme Borough Council

Strategic Tenancy Strategy

2012

Newcastle under Lyme Borough Council's Strategic Tenancy Strategy 2012

Introduction

The Localism Act 2011 places a statutory duty on every Local Authority in England to prepare and publish a Strategic Tenancy Strategy. Each strategy will detail the broad objectives to which Registered Providers of social housing that operate in the Local Authority area are to have regard to, when formulating their own policies on the type of tenancies they grant. When producing the Strategic Tenancy Strategy each Local Authority must have regard for the aims and objectives of their Housing Strategy, Homelessness Strategy and Allocation's Policy.

Background

Social housing provides around eight million people with a decent home in England. The Coalition Government identified a number of problems with the social housing system. It recognised that:

- Social housing is a scarce resource which is not being used as effectively as it could to meet housing needs.
- The rules were too rigidly set by central government, so Local Authorities found it hard to adapt to meet local needs.
- Some low income households, unable to access social housing are living in more costly accommodation e.g. temporary accommodation.
- The housing benefit bill is considerable and rising.
- There are high levels of unemployment in the social rented sector and in some cases social housing rules can trap people, making it hard to move for work.
- Social landlords didn't have enough discretion over how they managed their housing in the best interests of their local community.
- Social housing has a poor reputation amongst the public.
- New homes are desperately needed to meet housing need but there is a lack of public subsidy for new social housing supply.

In essence, the system was failing the very people it was designed to help. The Government's solution is to enable the housing sector, through a series of reforms to social housing policy and legislation, to resolve these problems at a more local level, in order to make the system fairer and more effective.

Social housing reform is intended to:

- Enable decisions about who lives where and for how long, to be taken on the basis of local need and circumstances.
- Result in a housing system that is better focused: protecting and supporting those who need it most.
- Shift the public's perception of social housing to it being a springboard into work and self sufficiency.

To order to achieve these outcomes the government, through the Localism Act has:

- Placed a duty on every Local Authority in England to publish a Strategic Tenancy Strategy.
- Given Local Authorities greater control of their waiting lists.
- Enabled Local Authorities to discharge their homelessness duty through accommodating households in the private rented sector.
- Given Social Registered Providers a range of new flexibilities that will allow them to.
 - Grant tenancies for a fixed length of time.
 - Determine the type of tenancies they grant.
 - Determine the circumstances in which they grant a tenancy of a particular kind.
 - Determine the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.
 - Improve tenant's opportunities to move home.
 - Make better use of adapted accommodation.
 - Build new homes and re-let existing homes under the new 'affordable rent' tenure.

Context

The Government's objective is to ensure that Local Authorities develop strategies to assist people whose needs cannot be met within the wider housing market. There is no expectation that the authority will itself meet such needs directly but that, in its enabling role, it will involve other agencies as appropriate and use its power as a planning authority to seek to fulfil strategic priorities.

This Strategic Tenancy Strategy has been developed within the context of the overarching aims of Newcastle under Lyme Borough Council and will describe the broad objectives (matters) that Registered Providers should 'have regard to' in their own tenancy policies for our Borough. It has taken into account the aims and objectives of our Housing Strategy, our Homelessness Strategy and our Joint Allocation's Policy. The Government expects that each Strategic Tenancy Strategy will cover tenure only as rent setting is the responsibility of the landlord under the management of the housing register and any other issues as determined as relevant by each individual authority.

Considering the housing needs of our Borough this Strategic Tenancy Strategy aims to:

- To encourage better use of existing housing stock to meet housing need in the Borough
- To tackle overcrowding and under occupation in social housing stock in the Borough
- To contribute to balanced, sustainable and cohesive communities within the Borough
- To protect and support vulnerable people who require housing in the Borough

Use of Fixed Term Tenancies

The Localism Act has given Registered Providers the choice to no longer have to let a tenancy for life; they will now be able to let it on a fixed term. Registered Providers

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March 2012*

will generally be expected to offer a fixed term tenancies of no less than 5 years. In exceptional circumstances Registered Providers will be able to offer a fixed term tenancy for a minimum of 2 years; however those exceptional circumstances must be clearly set out in the Registered Providers Tenancy Policy. Registered Providers can also offer fixed term tenancies for longer and can still offer lifetime tenancies.

Where appropriate, we support the use of fixed term tenancies for new tenants as we believe that they provide an opportunity to address such issues as overcrowding, under occupation, promoting social mobility and better use of our affordable housing stock in the Borough. However Registered Providers should ensure that their tenancy policies guarantee that the most vulnerable tenants are provided with the level of stability they require. In fact a Registered Provider should not apply a fixed term tenancy where the household is deemed to have 'long term' vulnerability and identified as having 'long term' care and support needs.

We are keen for Registered Providers to utilise the new flexibilities in order to address current social housing issues. However we also recognise that as well as the potential opportunities these new flexibilities offer, many partners have concerns regarding the assessment of the personal circumstances of an individual household and the negative impact such an assessment may have both for the tenant and the registered provider. It is for this reason that we are not proposing to be prescriptive in terms of how long a fixed term tenancy should be or what percentage of stock each Registered Provider should operate as fixed term tenancies. Any decision made by a Registered Provider in relation to whether to offer a fixed term tenancy should be taken in the context of the personal circumstances of the household, the property, the capacity of the organisation and the levels of local housing need and supply within the area of the property.

When a fixed term tenancy has been granted and a review is due certain matters should be reviewed by the Registered Provider as a matter of course, these being:

- Household Profile – whether a change in that profile merits a move to alternative accommodation (e.g. household is smaller, larger, requires an adapted property).
- Household Vulnerability – whether a member of the household has support and / or care needs or is deemed to be vulnerable.
- Household Income and Circumstances – the housing 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 met their needs. Where the household is not working, review work, training and volunteering options.
- Household Conduct – whether there has been anti social behaviour, rent arrears or property management issues. *NB.* when reviewing on this point consideration must be given on the three preceding points of profile, vulnerability and income circumstances.

Where a fixed term tenancy is granted the Registered Provider should commence and complete the review of the tenancy at least six months before the tenancy expires. This will enable adequate time for the Registered Provider to provide the household with appropriate advice and assistance to enable them to move into alternative housing. If no further tenancy is to be granted the Registered Provider must provide the notice in writing, stating that it does not propose to do so.

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Where a tenancy is not renewed the Registered Provider's advice and assistance services should be fit for purpose in order to facilitate appropriate move on. This advice and assistance should ensure that there are also no negative impacts arising for the Newcastle Housing Advice Service. It is not acceptable for a Registered Provider to end a tenancy on expiry of a fixed term tenancy, where there would then be a duty on the Borough Council (through housing and homelessness legislation) to provide accommodation without there being an agreed plan of action with Newcastle Housing Advice Service already in place. In these circumstances, Registered Providers must give Newcastle Housing Advice Service advance notice of the expiry of the tenancy (at the same time as notice is given to the tenant) and share with Newcastle Housing Advice Service relevant review information about the household if they do not wish to grant a new tenancy at the end of the fixed term.

Registered Provider's policies should outline what measures they will take to prevent a household becoming at risk of homelessness when a fixed term tenancy is due to end. The Council is committed to ensuring that the decision to terminate a fixed term tenancy does not lead to increased levels of homelessness in Newcastle under Lyme.

We are also in support of the Government's view that a fixed term tenancy may be preceded by a probationary tenancy. We see the use of probationary tenancies as an excellent tool for tenants (particularly young people) to demonstrate that they can successfully sustain their tenancy. Where appropriate, we would also expect probationary tenancies to be linked with packages of housing support, to maximise the potential for ongoing sustainment.

We anticipate that following the first review of a fixed term tenancy, the majority of tenancies may either be renewed or that a new review date would be set relative to the household's circumstances. Where a tenancy is renewed, we would support arrangements that provide the opportunity to review the rent level of the tenancy and the household's income to determine whether a rent increase is appropriate.

We recognise that there may also be circumstances where a guarantee of accommodation should be made "for life" but this guarantee shall not necessarily be in respect to the actual property that the tenant is currently occupying, as there may be particular circumstances where remaining in the same property is not on balance the best option for the tenant. Such examples of granting a tenancy for life may be tenancies granted to a tenant (alone or joint) in circumstances where the tenant or member of the household suffers from a long term illness or disability or has a need for secure accommodation on medical or welfare grounds, where the vulnerability of the tenant remains but personal circumstances change. We are also in the view that tenancies granted to a tenant (alone or joint) aged 60 years and over especially those residing in specific older person's accommodation such as sheltered housing or extra care accommodation will continue to be granted lifetime tenancies.

In respect to the transfer of secure and assured tenants, our current position is that Registered Providers will protect existing tenants' security as far as the regulations allows. Registered Providers should have a clear statement within their own tenancy policy regarding the security of tenure they would offer a tenant wishing to transfer.

Registered Providers should clearly set out in their Tenancy Policy the way in which a tenant or prospective tenant may appeal against or complain about the length of the fixed term offered, the type of tenancy offered and against a decision not to grant another tenancy on the expiry of the fixed term. Registered Providers will also be

responsible for dealing with any requests for a review of their decision on the above under Section 154, 107B of the Localism Act.

Succession

Prior to the Localism Act, when a tenant in a social housing tenancy dies various people in his or her household may have the right to continue to live there under that tenancy. Under the new rules the only person who will have the right to succeed the tenancy will be the partner of the tenant and in some cases the partner might already be a joint tenant. Once the partner has taken over the tenancy that will end the right to succession, i.e. the tenancy can not pass to anyone else in the household by right.

It will however be possible that Registered Providers could allow for another succession, for instance where an adult son or daughter has lived in the home. However the Registered Provider also has the choice to decide that the property is too big and ask the son/daughter to move to a more suitable home.

We support the approach of automatic succession being limited to the partner of the tenant, however would expect consideration to be given for an additional succession to another person, where a full assessment of housing need has taken place in respect of the person and that person has sufficient priority under our allocation scheme. Decisions over a further succession to a tenancy should recognise the vulnerability and housing needs of individuals within the household. Also the accommodation in question must be the principal or only residence of the survivor at the time of the tenant's death in order for the succession to occur.

It is imperative that when dealing with a succession case, the timescales take account of the added stresses that bereavement places on the surviving family. A succession of this type could take place in the same home or in suitable alternative accommodation.

Mobility

The Government is committed to introducing a nationwide social home swap scheme to ensure that social tenants wishing to move can maximise their chances of securing a suitable match.

We support this aim to make it easier for tenants to see possible exchange partners and to increase tenant's choices and control where they live. We believe that increased mobility can lead to better opportunities to meet people's housing needs. We would expect all Registered Providers to provide their tenants with access to a good internet based home swap service and ensure that appropriate support is provided for those tenants who do not have internet access.

We encourage home swaps particularly where these resolve a housing issue (under occupation / overcrowding) or where they provide opportunities for the households wishing to exchange (securing employment). We are mindful however that there must be sufficient regard given to those exchanges that place additional demands on other services within the Borough (for example health and social care).

Affordable Rents

The Government's Affordable Rent Programme is intended to deliver 'new' housing supply with a limited public subsidy. In order to support the development of new homes, Registered Providers in Newcastle will charge an 'affordable rent' on all new homes developed. The affordable rent can be up to 80% of the level of market rents being charged in the private rented sector and therefore will cost more than the current social housing rent for the same type of property. Registered Providers also have the option to charge affordable rents on a proportion of their existing stock when they are re-let. This will enable the extra money generated from the higher rents to be used for reinvestment and the development of further housing to meet local needs.

We support the use of the Affordable Rent Programme by our Register Providers as a means of leading to further development of housing stock in the Borough. However it is essential that in our Borough the affordable rents do in fact remain affordable and would like registered providers to ensure that the rents charged on affordable rented properties do not exceed the relevant local housing allowance (LHA) that is applicable for the property size at the time of setting the rent. The current rate for Local Housing Allowance can be found on the Council's Website, using the following link:

http://www.newcastle-staffs.gov.uk/advice_content.asp?id=SXB9BC-A7808196&cat=1340

From our initial calculations, we anticipate that affordable rent tenancies in Newcastle will fall below the LHA eligibility threshold and therefore will be available to all applicants on the housing register whether in receipt of benefits or working. However we would expect Registered Providers to continue to be mindful of the potential impact the proposed changes to the welfare system may have on affordability issues in Newcastle, with particular consideration being given to the introduction of the Universal Credit System in April 2013.

The Affordable Rent Programme is governed by the Homes and Communities Agency and they have provided detailed guidance on its operation to all Registered Providers.

Registered Providers should discuss with the Council their plans prior to adopting an approach in order that the benefits of creating affordable rents are balanced with the number of properties converted. Registered Providers should outline the extent of financial changes and how the funding can be allocated to local schemes to benefit Newcastle residents.

Discharge of Homelessness Duty

The Localism Act amends the Housing Act 1996 with regard to the discharge of homelessness duties to homeless persons by Local Authorities. Local Authorities owe a range of duties to homelessness people and in cases where the household is found to be in priority need and unintentionally homeless, the authority is obliged to find housing for them temporarily until they are re-housed in longer-term and appropriate accommodation.

Currently, this longer-term accommodation is usually social housing, although the duty can be met by providing private rented accommodation, with the consent of the

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applicant. The amendment will permit Local Authorities to discharge duty into the Private Rented Sector without the consent of the applicant, although:

- Tenancies must be for a minimum fixed term of 12 months.
- An offer of private housing will only bring the duty to an end if the accommodation is suitable for the whole household.
- The homelessness duty would recur if, within 2 years, the applicant becomes homeless again through no fault of his or her own and re-applies. The re-application duty will apply to any authority not just the authority who accepted the original duty.

We welcome this change in legislation which now enables us to discharge our homelessness duty through accommodating households in the private rented sector. As it should assist in preventing people having to spend long periods in temporary accommodation and increase the accommodation options available to us when helping someone who is homeless find accommodation. However, discharging the homeless duty into the private rented sector should only occur where it is deemed that the customer is capable of sustaining a private sector tenancy and that the accommodation is affordable and appropriate. When the homelessness duty is discharged into the private rented sector, the customer should be made fully aware of the roles and responsibilities involved in leasing a private rented sector property and the variations between private renting and social housing. A determining factor as to when we will be able to make use of this new power will be whether suitable affordable private sector accommodation is available at the required time for us to discharge our homelessness duty.

Monitoring and Review

In order for this strategy to be successful it is important that we have a framework for monitoring and reviewing progress.

We already have a number of active forums and meetings which are well represented by a wide range of our partner agencies, we propose to co-ordinate meeting timetables to enable the review of the success of this strategy within our Borough to be tabled at these meetings on an annual basis.

In addition to this the progress of this strategy will be monitored internally via the Housing Strategy Team within the authority.

What are your views?

We welcome your views and comments on this strategy.

Below is a feedback form for any comments you wish to make. On completion please return via email to caroline.abel@newcastle-staffs.gov.uk or post a copy back to Caroline Abel, Newcastle under Lyme Borough Council, Housing Strategy, Civic Offices, Merrial Street, Newcastle, Staffs, ST5 2AG.

**Newcastle under Lyme Borough Council
Strategic Tenancy Statement**

Feedback Form

We value your feedback; please use the boxes to give us your views and opinions.

Name:

Organisation:

Address:

Email:

Telephone Number:

Comments:

Thank you for your feedback

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