



DRAFT

Tenancy Strategy

2022 – 2025

(For use by Registered Providers operating in West Lancashire when determining their Tenancy Policies)

		Page
1.0	INTRODUCTION	1
2.0	GOVERNMENT POLICY CONTEXT	1
3.0	AIM OF THE STRATEGY	2
4.0	WHAT IS NOT INCLUDED?	3
5.0	LEGISLATIVE REQUIREMENTS	3
	5.1 Tenancy Strategy	3
	5.5 Tenancy Policy	4
6.0	PREVIOUSLY DEVELOPED REGISTERED PROVIDER TENANCY POLICIES	4
7.0	HOUSING MANAGEMENT, TENANCIES AND BEST USE OF HOUSING STOCK	5
	7.1 Tenancy Management	5
	7.2 Tenancy Sustainment	5
	7.3 Tenant Involvement	5
	7.4 Local Lettings Policies	5
	7.6 Making Best Use of Social Housing	5
	7.9 Under Occupation	6
	7.11 Overcrowding	6
	7.12 Adapted Properties	6
	7.13 Abandoned Properties	6
	7.14 Addressing Social Housing Fraud	6
	7.15 Nomination Rights	6
	7.19 Tenancies	7
	7.21 Using Introductory Tenancies	7
	7.23 Using Flexible Tenancies	8
	7.31 Reviewing Flexible Tenancies	9
	7.34 Ending Flexible Tenancies	9
	7.43 Mutual Exchanges	10
	7.47 Right of Succession	11
8.0	SUPPORTED HOUSING AND SPECIFIC NEEDS ACCOMMODATION	11
	8.2 Older People's Accommodation	11
	8.4 Short Term Supported Accommodation	12
	8.6 Long Term Supported Accommodation	12
	8.9 Housing For Particular Groups	12
	8.11 Incidences of Domestic Abuse	12
	8.13 Homelessness	13
9.0	FINANCIAL RELATED MATTERS	13
	9.1 Rent Tenures and Affordability	13
	9.5 Social Rents	14
	9.6 Affordable Rents	14
	9.10 Converting existing Social Rent properties to Affordable Rent	14
	9.13 Service Charges	14
	9.15 New Affordable Rent development in West Lancashire	15
	9.24 Local Housing Allowance rates	16
10.0	JOINT WORKING	17
11.0	EQUALITIES	17
12.0	MONITORING AND REVIEWING THE TENANCY STRATEGY	17
13.0	COUNCIL CONTACT	18

1.0 INTRODUCTION

- 1.1 Welcome to West Lancashire Borough Council's Tenancy Strategy, which is written from the council's strategic perspective as the Local Housing Authority, not as a stock-owning landlord of social housing.
- 1.2 As part of the Localism Act 2011 the Council is required to publish a Tenancy Strategy that sets out its tenure expectations for the Borough that all Registered Providers (RP's) of social housing, will need to take due regard of, when formulating their individual tenancy policies - sometimes also referred to as, "tenure policies".
- 1.3 The Council first published its Tenancy Strategy in 2013 and since then, has undertaken desktop reviews to check if the core policy requirements were still fit for purpose. This approach is in line with the requirements of the Localism Act that states:
 - *"a local housing authority must keep its tenancy strategy under review, and may modify or replace it from time to time"*
- 1.4 While the core policy requirements of this Tenancy Strategy refresh, remain in line with the strategy published in 2013, it was felt prudent to publish this refreshed Tenancy Strategy, be clear on its operating term and update certain parts of the text to capture any new terms and other changes, to reflect the current operating environment. This Tenancy Strategy will operate for the period 2022-2025 and replaces the Tenancy Strategy of 2013.
- 1.5 Just as was the case in 2013 and subsequent to that date, each RP must in turn produce its own tenancy policy which outlines its approach to letting tenancies, having regard to the local authority's Tenancy Strategy.
- 1.6 Both a consultation version of this Strategy and final version has been circulated to RP's currently operating in the Borough. Additionally, a copy of this Tenancy Strategy will routinely be issued to any new RP who express a desire to acquire and/or develop affordable housing in West Lancashire.

2.0 GOVERNMENT POLICY CONTEXT

- 2.1 It is sometimes helpful to provide a little history to help understand the policy formulation journey. In this instance it is helpful to know that in November 2011 the government published a new national housing strategy, Laying the Foundations. It was aimed at investing in housing for the purposes of social mobility, health and well-being, and to stimulate economic growth.
- 2.2 At that time a new "Affordable Rent" tenure was introduced to help meet these aims. The rent charged were to be set at up to 80% of local market rents. This approach also reflected the constrained public subsidy position at the time whereby the grant rate per unit being made available to RP's reduced, because they were then able to charge a higher rent to service greater private borrowing, with the additional revenue raised to be re-invested in providing new affordable housing. To access Affordable Housing grant RPs were, at the time, required to let the new homes at Affordable Rents levels.
- 2.3 RPs were also permitted to convert existing rent tenure homes (those homes where rent was lower than an Affordable Rent) to the higher Affordable Rent when they were re-let, subject to agreement with the then, Homes and Communities Agency (now Homes England).

- 2.4 At the same time, the government was starting to implement fundamental reforms to the welfare benefits system, including reductions in the Local Housing Allowance (LHA) payable to tenants in the private rented sector, reductions in benefits available to social tenants deemed to be under-occupying their homes, and the introduction of Universal Credit as a single welfare payment for benefit claimants of working age.
- 2.5 Since then, although some grant is now available again for Social Rent as well as Affordable Rent housing, many of the new affordable rented homes being built, will continue to be delivered at Affordable rather than Social Rents. This Council, when developing new affordable housing for rent (whether directly or through its development company), is typically having to charge Affordable Rents on new homes to make development viable.
- 2.6 The Localism Act 2011 also introduced new flexibilities to enable RPs to offer fixed / flexible term rather than lifetime tenancies. These must be for a minimum of five years, or exceptionally a minimum of two years.

3.0 AIM OF THE STRATEGY

3.1 The Council will work collaboratively with RP's in the Borough to ensure that collectively we are meeting our obligations in that a) the Council produce a Tenancy Strategy (as required by the Localism Act) and b) in the case of RP's, Tenancy Policies are developed (as required by the Regulator of Social Housing).

3.2 In undertaking the activity at paragraph 3.1 above, the Council will encourage those RP's operating in West Lancashire to shape their tenancy policies to meet the requirements of this Tenancy Strategy and, in overall terms, help make progress in meeting our housing priorities in line with Councils Housing Strategy vision:

- *"The provision of good quality housing, in the right locations which also supports our economic and regeneration priorities, meets people's changing needs and is situated within pleasant, safe and sustainable communities"*

3.3 In summary the aims of the Tenancy Strategy are to ensure that:

- The Council fulfils its legal duties under sections 150 and 151 of the Localism Act 2011;
- RP's are aware of the Council's approach to the matters contained in the tenancy strategy and that these are reflected, wherever possible, in their own tenancy policies;
- The Council and its partners jointly meet local housing needs with the limited resources available in the most efficient and effective way;
- The kinds of tenancies offered and their terms serve the best interests of both the individual household and the landlord;
- A consistent approach is taken towards the use of Flexible / Fixed Tenancies in the Borough;
- Tenancy policies are aligned to facilitate tenant mobility to make best use of the affordable housing stock;
- RP's tenancy policies do not have an adverse effect on homelessness;
- RP's create and maintain mixed and sustainable communities;
- RP's provide support to help vulnerable people sustain their tenancies and ensure that tenants abide by the terms of their tenancies, backed by appropriate sanctions when necessary;

- RP's have housing management policies in place that reflect the requirements of Domestic Abuse legislation;
- Affordable housing is affordable to local people

3.4 This Tenure Strategy does not specify detailed changes that will be made by individual providers to their own lettings and assessment policies or to choice based lettings initiatives, but provides a broad framework to deliver local tenancy policies.

3.5 Across the Borough, there will be a continuing need to focus on improving the match between the housing 'offer' and the aspirations of existing and potential new households. The continuing challenge will be to meet these new demands in ways which provide affordable housing options that help to create and maintain mixed and stable communities where people want to live.

4.0 WHAT IS NOT INCLUDED?

4.1 The Tenancy Strategy has a particular function and is not intended to cover the whole range of strategic housing and planning issues, which are ordinarily addressed in other strategies and /or plans, such as:

- Overall housing requirements for the Borough, which are contained in the Local Plan;
- The need to address a range of housing issues, including affordable housing, which are usually set out in the Housing Strategy;
- Interventions to address homelessness and associated matters contained in the Homelessness Strategy;
- The allocation of council homes as contained in the Allocations Policy;
- The Council's internal arrangements for delivering its housing services

5.0 LEGISLATIVE REQUIREMENTS

Tenancy Strategy

5.1 The Localism Act 2011 states that tenancy strategies should set out expectations for landlords in relation to:

- the kinds of tenancies they will grant;
- the circumstances under which they will grant tenancies of a particular type;
- where they grant tenancies for a fixed term, the length of those terms, and;
- the circumstances under which a tenancy may or may not be reissued at the end of the fixed term, in the same property or in a different property

5.2 In developing the tenancy strategy, the local authority is required to provide a copy of the draft to all RP's in the area for comment.

5.3 Whilst all local authorities are required to produce a tenancy strategy, RP's and stock retaining councils will need to produce their own tenancy policy on the type of tenancies they grant. This means that, as a stock retained Council, West Lancashire Borough Council produce both a tenancy strategy and tenancy policy.

5.4 The Council recently updated its Tenancy Policy for 2021 and its content is in harmony with the principles of this Tenancy Strategy.

Tenancy Policy

5.5 In addition to considering the content of this Tenancy Strategy, when producing their tenancy policies, RP's are also expected to consider the Tenancy Standard requirements as published by the Regulator of Social Housing. The Tenancy Standard is intended to help shape their operational policies particularly as it relates to their approach to tenancy management, including interventions to sustain tenancies and prevent unnecessary evictions, and tackling tenancy fraud.

5.6 The following is an extract from the, "tenure" part of the Tenancy Standard. It is listed for completeness to demonstrate the matters to be considered by such a tenancy policy:

- The type of tenancies they will grant;
- Where they grant tenancies for a fixed term, the length of those terms;
- The circumstances in which they will grant tenancies of a particular type;
- Any exceptional circumstances in which they will grant fixed term tenancies for a term of less than five years in general needs housing following any probationary period;
- The circumstances in which they may or may not grant another tenancy on the expiry of the fixed term, in the same property or in a different property;
- The way in which a tenant or prospective tenant may appeal against or complain about the length of fixed term tenancy offered and the type of tenancy offered, and against a decision not to grant another tenancy on the expiry of the fixed term;
- Their policy on taking into account the needs of those households who are vulnerable by reason of age, disability or illness, and households with children, including through the provision of tenancies which provide a reasonable degree of stability;
- The advice and assistance they will give to tenants on finding alternative accommodation in the event that they decide not to grant another tenancy;
- Their policy on granting discretionary succession rights, taking account of the needs of vulnerable household members.

5.7 Additionally, this Council also requires that RP's specifically consider the requirements of the Domestic Abuse Act 2021 and related legislation on how their housing management structures can respond to any matters or concerns arising out of any known or suspected incidences of Domestic Abuse (as defined in the Act itself) being experienced by its tenants and / or their dependents.

6.0 PREVIOUSLY DEVELOPED REGISTERED PROVIDER TENANCY POLICIES

6.1 It is acknowledged that all developing RP's from 2012 onwards, will have already developed tenancy policies as a requirement of their grant agreements with the then Homes and Community Agency (HCA) and subsequently with its replacement body, Homes England (HE).

6.2 It is expected that that upon the stated review date for those tenancy policies that the review process will aim to work to complement this Tenancy Strategy in line with any direction or requirements contained in published guidance from the social housing regulator in respect of developing and publishing tenancy policies and associated items of legislation.

7.0 HOUSING MANAGEMENT, TENANCIES AND BEST USE OF HOUSING STOCK

Tenancy Management

7.1 The Council expects RP's who own or manage stock within the Borough, to provide effective tenancy management services, including:

- Managing all conditions of the tenancy agreement effectively;
- Ensuring that social housing tenants act appropriately and in accordance with their tenant responsibilities;
- Deal effectively with the impacts on local communities of anti-social behaviour, alcohol or drug misuse;
- Tackling tenancy fraud;
- Managing tenancy changes, mutual exchanges and the Right to Buy process;
- Assisting in reducing the risk of homelessness;
- Supporting the development of sustainable neighbourhoods.

Tenancy Sustainment

7.2 It is important that RP's ensure that tenants who are vulnerable or who need additional support to sustain their tenancy, can access appropriate services when required. Such assistance can help to enable tenants to remain in their community and their support networks, reducing the risk of homelessness through loss of tenancy.

Tenant Involvement

7.3 All housing providers in the Borough are encouraged to ensure regulatory requirements are met and to invest in meaningful, inclusive tenant involvement opportunities, which are promoted to their tenants. RP's should use this as an opportunity to continuously improve the quality of services, improve the quality of neighbourhoods and ensure they meet the needs of their tenants.

Local Lettings Policies

7.4 It is recognised that there will be a need for RP's to adopt local lettings policies in certain circumstances /situations in respect of a particular area and that their policies will be developed to reflect this.

7.5 The Council will work with the RP where appropriate in such circumstances.

Making Best Use of Social Housing

7.6 Tenants may at some point need to move, and we support household mobility. This can be for a number of reasons including health reasons, to reduce overcrowding and to make best use of our housing stock by addressing under occupation. We expect the tenancy policies of RP's to embrace this and actively support and encourage mobility.

7.7 Flexible Tenancies offer an opportunity to increase the number of re-lets in social housing stock.

7.8 The Council has developed a 'Tenants Downsizing Scheme', which provides a modest financial incentive and support to assist people living in the Council's social housing to downsize, helping to free up larger properties. We would like to see RP's to adopt similar approach to making best use of their housing stock.

Under Occupation

- 7.9 RP's will be expected to assist the local authority by endeavouring to make best use of their housing stock and, as part of this, to assist those households seeking to move into smaller accommodation following a change in circumstances.
- 7.10 At the same time it is noted that RP's may be restricted by the type of stock owned in an area and such assistance may therefore involve sign-posting to alternative providers or entering into Service level agreements with other providers in the area.

Overcrowding

- 7.11 RP's will be expected to work to alleviate overcrowding in both the way that they allocate accommodation and the way they manage their own housing stock.

Adapted Properties

- 7.12 As part of its requirement to make best use of its housing stock, each RP will want to take account of the way that it allocates and manages tenancies for adapted properties such that the accommodation is primarily used by households requiring the particular features provided.

Abandoned Properties

- 7.13 Where it comes to the attention of an RP that a tenant may have abandoned their property the RP should undertake the necessary investigations in accordance with the RP's abandonment procedure and secure the property as required. Where there is an overdue gas safety check and there is considered to be an immediate health and safety risk to neighbouring residents then it is expected that swift action will be taken by the RP, being mindful of any legal matters, to cap the tenant's gas supply and otherwise make the property safe and secure.

Addressing Social Housing Fraud

- 7.14 Affordable housing is a limited resource, and therefore great importance should be placed on tackling social housing fraud. RP's are actively encouraged to prevent and uncover fraud, and work with the Council and its partners to both address this issue and share good practice.

Nomination Rights

- 7.15 Where the Council and RP have entered in to a Nomination and Data Sharing Agreement which allows for the Council to provide housing nominations to the RP from the Council's housing register, then there is a requirement for the RP to ensure that it complies with the nomination percentages agreed.
- 7.16 All vacancies subject to a Council nomination are required to be advertised through the Council's choice-based lettings (CBL) system to ensure fairness and transparency, subject to those local arrangements being in place - West Lancs Homefinder – www.westlancshomefinder.co.uk
- 7.17 In most cases where a Nomination and Data Sharing Agreement is in operation the nomination percentages are usually based upon:
- 100% nomination rights for first letting
 - No less than 50% nomination rights for subsequent lettings

- 7.18 Any queries about nomination rights and agreements should be directed to Jonathan Mitchell, Housing Strategy & Development Programme Manager. E-mail: jonathan.mitchell@westlancs.gov.uk

Tenancies

- 7.19 Following the introduction of the Housing Act 1985, social housing tenants were offered an Assured or Secure Tenancy, which granted them a home for life. Flexible / fixed term tenancies were introduced as part of the Localism Act 2011 with the aim of helping RP's to make best use of their stock and respond to changing housing needs.
- 7.20 RP's may still offer the types of tenancies they currently use, such as Introductory, Secure and Assured Tenancies: Flexible Tenancies are an additional tool. The Council is keen to ensure that the different types of tenancies are used to support sustainable communities and ensure that vulnerable tenants are provided with the level of stability they need.

Using Introductory Tenancies

- 7.21 The Council recommends that all new tenants should be granted an Introductory Tenancy, sometimes also referred to as probationary or provisional tenancies, for an initial period of 12 months, which can be extended by up to another six months.

Before the start of the Introductory Tenancy, prospective tenants should be told:

- That they do not have the same rights as Secure or Flexible tenants; for example they cannot:
 - Apply for the Right to Buy/ Acquire their home
 - Carry out a mutual exchange with other tenants.
- Whether they will be granted a Secure or Flexible Tenancy at the end of the introductory period.
- The reasons why the landlord may refuse to grant a tenancy at the end of the Introductory Tenancy, such as
 - the property is no longer suitable for the tenant and an alternative affordable home is being offered that is in a location and of a type and size that will be more appropriate for the tenant in the foreseeable future;
 - the tenant's financial circumstances have improved to a level where other forms of tenure could be affordable, such as shared ownership or open market purchase;
 - the conduct of the tenant is such that they would not be accepted onto the council's Housing Needs Register, including rent arrears or other housing debts and their history of addressing these issues;
 - the tenants have breached the terms of their tenancy or have been involved in criminal activity or anti-social behaviour;
 - the tenancy was obtained fraudulently.
- The process for reviewing tenancies and the factors that will be considered.
- The process for appealing against a decision not to grant a further tenancy.

7.22 The Council expects RP's to provide appropriate tenancy support to help vulnerable people to sustain the tenancies, but also expects providers to take robust measures to deal with tenants who commit anti-social behaviour to protect individuals and communities.

Using Flexible Tenancies

7.23 The Council, in its own housing stock, chose to introduce fixed term tenancies in 2013, however following a review, it was decided that with effect from July 2019 fixed term tenancies would no longer be offered, as the Council values the stability that a lifetime tenancy offers to its tenants particularly those in the most vulnerable client groups. With this in mind the Council would expect that use of such tenancies by RP's operating in the Borough are kept to an absolute minimum, but where they are to be used, they are appropriate to the local operating context and would only be introduced to maximise use of RP's housing stock in a manner that will better assist in meeting housing need in the Borough.

7.24 It is acknowledged though that there may be specific estate based factors and / or property types that may also influence the use of flexible / fixed term tenancies. External factors such as welfare reform may also influence the type of tenancy that RP's apply to their housing stock. Where flexible tenancies / fixed term tenancies are to be operated then we would expect the landlords to review the tenant's circumstances at the end of a specified period to identify the most suitable housing option for them. This may include moving to another affordable rented property more suited to their needs, or other options such as shared ownership or home ownership. This approach supports the Council's desire to ensure that best use is made of the limited housing stock in the Borough, whilst taking into account tenants' personal circumstances.

7.25 It is essential that all prospective tenants understand the type of tenancy they are being offered before they are obliged to accept it.

7.26 Where RP's use Flexible Tenancies, the Council expects the following factors should be taken into account:

- Flexible Tenancies should be for a minimum of five years, with consideration given for longer terms in appropriate circumstances;
- Longer Flexible Tenancies should be considered for families with young children, older households and for vulnerable tenants who would benefit from increased stability;
- Shorter tenancies of two years should be used only in exceptional circumstances, for example where accommodation is intended to be short term, or there have been significant previous tenancy breaches, or there are concerns about affordability. This should be clearly explained in any tenancy policies ;
- All prospective tenants should be given clear information before the start of a tenancy, on the tenancy type, the reasons why that tenancy is being offered, and explain the rights and responsibilities specific to the tenancy and the process for reviewing Flexible Tenancies;
- In most cases it is expected that a further Flexible Tenancy will be granted for the same property at the end of the fixed term;
- Decisions to end a Flexible Tenancy by accelerated legal proceedings should be proportionate and clear guidance should be given to tenants on the process, how to access independent advice, and how to secure suitable alternative accommodation.

7.27 In some circumstances a Flexible Tenancy will not be suitable and a lifetime Assured or Secure tenancy is more appropriate, for example:

- Housing designated for older people, or;
- General needs housing where the occupant will be 60+ years of age;
- Housing designated for vulnerable people such as those with learning or physical disabilities, or anyone with any enduring mental health issues. The exception to this will be where the accommodation is designed for move-on to more permanent housing or where specific adaptations may not be required long term.

7.28 This list is not exhaustive and there may be other circumstances where a Flexible Tenancy may not be appropriate.

7.29 It is recognised that RP's will need to take due account of their own circumstances, including loan covenants, asset management considerations and making best use of its stock.

7.30 At the same time it is acknowledged that RP's may wish to retain the use of flexible tenancies in certain circumstances. The RP's should be able to demonstrate the housing management business case for such an approach if required by the Borough Council.

Reviewing Flexible Tenancies

7.31 RP's should explain in their tenancy policies the process for reviewing Flexible Tenancies, detailing the frequency of review and what factors will be considered.

7.32 The council recommends that Flexible Tenancies are reviewed between six and twelve months before the end of the term. The review should establish how the tenant has conducted their tenancy, how the tenant has managed their property, whether the property is still suitable to their needs, and whether the tenant has the means to move to alternative accommodation.

7.33 If the circumstances of the household are broadly similar to those at the time of the original letting, there should be a presumption that Flexible Tenancies will be renewed. Examples of significant changes to a tenant's circumstances include:

- The property is no longer suitable for the tenant and an alternative affordable home is being offered that is in a location and of a type and size that will be more appropriate for the tenant in the foreseeable future;
- The tenant's financial circumstances have improved to a level where other forms of tenure could be affordable, such as shared ownership or open market purchase;
- The conduct of the tenant is such that they would not be accepted onto the Council's Housing Register, including rent arrears or other housing debts and their history of addressing these issues;
- The tenants have breached the terms of their tenancy or have been involved in criminal activity or anti-social behaviour;
- The tenancy was obtained fraudulently

Ending Flexible Tenancies

7.34 Where a tenancy is to be ended without a breach of tenancy, reasonable efforts should be made to offer suitable alternative accommodation, and the Council preference is for

fixed term tenancies to be renewed at the end of the fixed term, other than in exceptional circumstances.

- 7.35 Where a tenancy is to be ended consideration given to extending the tenancy until alternative suitable accommodation can be made available.
- 7.36 The RP should give at least 6 months' notice to a tenant where there is an intention not to renew a tenancy.
- 7.37 The reason for ending the tenancy should be clearly set out and information provided to the tenant on how to appeal. The appeal process should be clearly publicised and be a transparent process.
- 7.38 When ending a tenancy, it is essential that landlords take effective steps to avoid homelessness by working with the Council at the earliest opportunity, so that tenants understand their housing options and organisations act together to relieve homelessness before the tenancy comes to an end. The tenant may obtain free, independent advice by contacting homelessness@westlancs.gov.uk
- 7.39 It would be acceptable to decide not to renew a tenancy in the following circumstances:
- Where the tenant wishes to end the tenancy at that point;
 - In the case of homes with 3 or more bedrooms, where the home is now larger than required by the household;
 - The home contains significant disabled adaptations which are no longer required by that household, and the adapted home would meet the needs of another household on the housing register;
 - In the case of designated move-on accommodation, where the tenant is now able to live independently in more permanent accommodation
- 7.40 The Council would prefer RPs not to base decisions on whether to renew tenancies on grounds of breach of tenancy conditions, until all other tools available have been explored to tackle such issues.
- 7.41 The Council does not want tenants to be disincentivised from bettering their circumstances, and therefore would not be supportive of decisions made not to renew a tenancy on the basis that the tenant had gained work or otherwise improved their financial circumstances.
- 7.42 The Council expects that procedures for bringing tenancies to an end will comply with the Equality Act 2010 and the Human Rights Act 1998.

Mutual Exchanges

- 7.43 The Council recognises that mutual exchanges are an important option available to help tenants to improve their housing situation and for landlords to make more effective use of their housing stock.
- 7.44 The introduction of Affordable Rents and Flexible Tenancies has implications for tenants who wish to exercise their right to mutual exchange. It created a new mechanism for mutual exchanges to protect certain lifetime tenants. If Assured Lifetime and Secure Lifetime tenants who were granted their tenancy before the 1 April 2012 exchange with a Flexible Tenant, then a new Tenancy is issued to each party and the tenant is granted another Secure or Assured tenancy. The Flexible Tenant is granted

a new tenancy, but there is no particular provision regarding its status. It will be a matter for the RP's to decide what type of tenancy to offer.

- 7.45 The Council would encourage RP's to consider granting a degree of security equal to that which is being given up, even if they are not obliged to do so, to ensure that mutual exchanges remain an effective tool.
- 7.46 RP's should ensure that tenants who are mutually exchanging are aware of the implications to their tenancy, including:
- Any changes to their Secure or Assured status;
 - Any change in rent level between Social Rent and Affordable Rent;
 - Any gain or loss of the Right to Buy

Right of Succession

- 7.47 Under the Housing Act 1985, a range of family members were able to succeed to a tenancy on the death of a Secure Tenant, including spouses, partners, civil partners, parents, grandparents, children, grandchildren, aunts, uncles, nephews, nieces and adopted children.
- 7.48 The Localism Act 2011 introduced changes to the succession framework, whereby there can only be one succession, and when one joint tenant dies, this counts as the one succession. Under the Localism Act, Secure Tenancies that started after 1 April 2012 are limited to the succession of the spouse or civil partners as an automatic right.
- 7.49 RP's can make express provision in the tenancy agreement to expand the group of family members that can succeed. It is anticipated though that successions to tenancies will be applied in accordance with legislation and government guidance applicable at the time of the succession application.
- 7.50 Following the death of a tenant, if there is someone living in the home as their principal residence, who is not entitled to succeed, the RP should:
- Provide housing advice and assistance to the person on their options;
 - Consider the interests of vulnerable people and make sure that their policies offer appropriate protection;
 - Where appropriate, offer alternative accommodation that meets the household's needs

8.0 SUPPORTED HOUSING AND SPECIFIC NEEDS ACCOMMODATION

- 8.1 All RP's policies should take into account the needs of vulnerable tenants.

Older People's Accommodation

- 8.2 There are three main types of accommodation provided for older people in the Borough:
- housing specially designated for older people with no support necessarily offered (formally Category 1 Sheltered Housing)
 - housing with support provided on site (formally Category 2 Sheltered Housing)
 - extra care housing

- 8.3 For all older people's housing RP's should consider the nature of the tenants and the reasons they move into such accommodation. It is anticipated that older people's accommodation is likely to benefit from longer / lifetime tenancy approaches, as many older households will be retired and on lower incomes than the general population. It is for these reasons that we would encourage lifetime tenancies to continue in this type of accommodation

Short Term Supported Accommodation

- 8.4 People or families in a short term supported accommodation are likely to have support needs. This type of accommodation is often used for the following client groups - Single Homeless People/Homeless Families with Support needs, people with Mental Health problems, Young People at Risk, Teenage Parents, ex-offenders, people at risk of or fleeing domestic violence and substance misusers.
- 8.5 Households in short term supported schemes receive accommodation based support for a maximum of two years, and therefore usually have a tenancy or a Licence depending on the model of the scheme.

Long Term Supported Accommodation

- 8.6 People in long term supported housing are likely to belong to the following client groups:
- people with Learning Disabilities or Difficulties
 - people with Mental Health Problems
 - people with Physical Disabilities or Sensory Impairments
 - (plus Older People's client groups already covered above)
- 8.7 It is likely that people in these long term client groups will currently have lifetime tenancies which will be necessary for the wellbeing of the tenants due to their particular needs. The use of flexible tenancies would cause unnecessary uncertainty which would not be conducive to the wellbeing of such vulnerable client groups.
- 8.8 The Council would not usually consider Flexible/Fixed term Tenancies to be appropriate to any client groups listed above in this section whether older people, short term or long term accommodation based support unless there were exemptions outlined in the local tenure policy.

Housing for Particular Groups

- 8.9 Housing that is specifically provided for a particular group should be treated the same way as general needs housing in regard to affordable rent and flexible tenancies unless there is a specific additional need which is clearly expressed in the policy.
- 8.10 Households' needs may change in such specific housing, and flexible/fixed tenancies will allow homes to be accessed by the most in need more often than lifetime tenancies.

Incidences of Domestic Abuse

- 8.11 The Secure Tenancies (Victims of Domestic Abuse) Act 2018, states that all Local Authorities and Registered Providers of social housing in England are required, when rehousing an existing Secure Tenant who needs to move or has recently moved from their social home to escape domestic abuse, to grant a Secure Tenancy for their new home.

- 8.12 The Council wants to ensure that survivors of Domestic Abuse will not fear losing security of tenure and to provide families with a stable new home. The impact of this on the turnover of social housing stock should be minimal and should be offset by the subsequent eviction of the perpetrator from the former home, thereby freeing up another affordable property.

Homelessness

- 8.13 Homelessness can occur for many reasons. The Council expects Registered Providers of social housing to ensure that where it is necessary for recovery action to take place for one of their tenancies, they only use such recovery action as a last resort, having first tried all reasonable activity to fully engage with their tenant, including providing advice, assistance and signposting to other agencies who may be able to assist their tenant to resolve the "cause" of the recovery action.
- 8.14 Where the Registered Provider of social housing is aware that homelessness is going to occur as a result of recovery action, then the Councils Homelessness Advice & Prevention Team should be alerted no less than 56 days ahead of the known homeless date. Homelessness prevention advice can be found at Homelessness Advice & Prevention - West Lancashire Borough Council (westlancs.gov.uk) or by emailing homelssness@westlancs.gov.uk
- 8.15 The Council may seek assistance from Registered Providers of social housing in rehousing an applicant who is homeless or threatened with homelessness. In such circumstances, it is expected that Registered Providers of social housing will assist the Council in accordance with existing nomination approaches and in line with duty to co-operate and other related legislative requirements.

9.0 FINANCIAL RELATED MATTERS

Rent Tenures and Affordability

- 9.1 The Council and RP's aim to supply homes for households on lower incomes. Due to the shortage of affordable housing, only those in most need are likely to be granted a Council or RP tenancy. Rents need to be affordable, but also set at a level that enables sufficient investment to maintain the stock to a good standard. Information about new affordable rent developments is discussed at paragraphs 9.9, 9.16 to 9.23 below.
- 9.2 Rents are set under two rent regimes known as Social Rents and Affordable Rents. The Ministry of Housing, Communities & Local Government (MHCLG) produced a "Policy statement on rents for social housing" in February 2019, which sets out the government's policy for setting social housing rents from 1 April 2020 onwards. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/781746/Policy_Statement.pdf
- 9.3 From the 1 April 2020, RP's may not increase Social Rents or Affordable Rents by more than CPI (at September of the previous year) plus 1% in any year for a period of five years.
- 9.4 The Council expects all RP's to comply with the most recent Policy Statement on Rents for Social Housing, the Rent Standard and any subsequent amendments in legislation, regulation or guidance.

Social Rents

- 9.5 Social Rents must be calculated using the formula, the relevant information and annual uplift contained in the Policy Statement on Rents for Social Housing.

Affordable Rents

- 9.6 Affordable Rent will not exceed 80% of gross market rent (including applicable service charges). This means rent levels charged can be up to 80% as opposed to must equal 80%.
- 9.7 Gross market rent is the rent the property would reasonably be expected to be let for in the private sector. Factors including property size, location type and service provision will be taken into account when determining gross market rent.
- 9.8 RP's must comply with the terms of any agreements with Homes England or the Secretary of State when setting Affordable Rents.
- 9.9 RP's should do their best to ensure that Affordable Rent levels do not prohibit or prevent tenants or household members from looking for work by creating a 'benefits trap'. Where Affordable Rents are used, suitability and RP household income/expenditure checks need to be robust to prevent this ahead of allocating an Affordable Rent tenancy.

Converting existing Social Rent properties to Affordable Rent

- 9.10 The Council recognises the importance to RP's business plans of rent levels in their existing stock, and wish to work with them to use existing housing assets to maximise their capacity to develop much needed affordable housing.
- 9.11 The Council would like all RP's who are considering converting Social Rent homes to Affordable Rent to first discuss their proposals with the Council to assess the potential impact locally and for effective monitoring to take place.
- 9.12 In overall terms it is the Council's preferred position that conversions are kept to an absolute minimum in order to maximise the affordability of such housing to prospective tenants.

Service Charges

- 9.13 Service charges are subject to separate legal requirements as set by The Service Charges (Summary of Rights and Obligations and Transitional Provision) (England) Regulations 2007 No.1257 Reg.3), including tenancy agreements.
- 9.14 The cost of service charges can be a challenge in terms of affordability to lower income households. It is expected that RP's will endeavour to keep service charges to a minimum and any increases within the Guideline Limit of CPI plus 1% per annum.

The Council expects that RP's will:

- Set reasonable and transparent service charges that reflect the service provided to tenants;
- Ensure that services and works are of a reasonable standard;
- Supply tenants with clear information on how service charges are set;

- Identify service charges separately from the rent charge;
- Where new or extended services are introduced, and an additional charge may need to be made, the RP will consult with tenants;
- If actual expenditure is less than the current charge, the service charge will be reduced accordingly.

New Affordable Rent development in West Lancashire

- 9.15 Affordable housing is usually developed through:
- a) Planning obligations, whereby a proportion of a market housing site may be required to provide a percentage of dwellings as affordable housing in line with Local Plan requirements;
 - b) 100% affordable housing schemes developed directly or commissioned by RP
- 9.16 In respect of (a) above, the Council will consider delivery of a range of affordable housing tenures including Social and Affordable Rent. In the case of (b) above, and where the affordable housing consists of a rent product, it is most likely going to be in the form of Affordable Rent, simply because the current affordable housing grant programme administered by Homes England, prioritises delivery of Affordable Rent over Social Rent from a grant provision perspective.
- 9.17 Affordable Rent housing is an important tool in helping to create financially viable affordable housing programmes. The Council recognises that RP's must strike a balance when setting rent levels, particularly as there is a need to balance rent levels with providing the best outcome for tenants in relation to affordability, overall tenancy sustainment including avoiding creating a benefit trap and homelessness prevention.
- 9.18 It is recognised that RP's who have entered into grant or strategic partner agreements with Homes England will be aware that where a rental tenure is to be used on a development site, Homes England will expect use of the Affordable Rent tenure (unless, and exceptionally rare, an exception to use Social Rent has been agreed), meaning that ordinarily, Homes England will expect rents to be set at up to 80% of local market rents on new homes for new tenants at the point of letting.
- 9.19 When considering the rent level to charge for an Affordable Rent in a West Lancashire context, this Council requires RP's to fully explore and negotiate robustly with all stakeholders in the development process in order that the final rent charged is as low as possible (less than 80% of market rent), with the principal aim of not exceeding Local Housing Allowance (LHA) rates, wherever possible for the type, size and location of the property being considered. Further information about LHA can be found in paragraphs 9.24
- 9.20 The Council is therefore requiring that those RP's developing new affordable housing in West Lancashire use their best endeavours to limit rent levels to LHA or as close to LHA as possible, including exploring use of any recycled capital and /or any other receipts which would assist in that objective.
- 9.21 The Council is not insisting that rents must be no more than LHA, but does expect RP's to keep Affordable Rents as low as possible, whilst also achieving economically viable and deliverable new affordable housing schemes.
- 9.22 Whilst the provision of quality affordable housing, even at 80% of market rent, is preferable to that of rented housing supplied at higher prices (in the general rental market) and where the properties may not be as thermally efficient and/ or well

managed, improving the affordability (keeping rent as low as possible) is seen as important for the tenant occupying the Affordable Rent property, particularly as household incomes are often variable with employment contracts and working hours being unpredictable at times. In essence, the more manageable the rent, the more chance a household has of weathering the variable nature of employment and or the impact of any limits and help with their rent and council tax, should the households circumstances change to the extent where they become reliant upon Housing Benefit or Universal Credit.

9.23 Therefore when assessing rent to be charged, RP's should have regard to:

- The local housing market context, including the Local Housing Allowance for the Broad Rental Market Area in which the property is located;
- Appropriate steps to mitigate the impact on residents on average or below average earnings

Local Housing Allowance rates

9.24 The Valuation Office Agency Rent Officers determines Local Housing Allowance (LHA) rates used to calculate housing benefit and universal credit for tenants renting from private landlords.

9.25 LHA rates are based on private market rents being paid by tenants in the broad rental market area (BRMA). This is the area within which a person might reasonably be expected to live

- West Lancashire is covered by four broad rental market areas each with their own LHA levels.

9.26 LHA rates are based on rents, and limited by legislation. These rents are being paid by people with the same number of bedrooms as the property where the RP property may be located.

9.27 It is important to be mindful of the LHA rate, particularly when looking to develop new affordable housing for Affordable Rent. While there is no legal requirement for a RP or private landlord to restrict the rent they charge to LHA levels, LHA levels are a benchmark of how much housing benefit or universal credit may be awarded to tenants of private landlords who are reliant on those benefit types to help pay some or all of the rent charged. The LHA is only a starting point in those calculations and may be affected by other matters or restrictions such as:

- A tenant is working
- the benefit cap applies
- other adults live in the house and are expected to contribute

9.28 Only private tenants come under LHA meaning that tenants of a RP property will not be subject to LHA restrictions in respect of their rent. However, if the household become less reliant on housing benefit or universal credit, due to securing work or improving their circumstances generally, then it may become more challenging for them to reach a point where they can afford to pay their full rent or for them to consider other tenure options such as seeking to buy a home.

9.29 Every household's circumstances are different and rent levels form only one aspect of a household's ability to be able to afford their household outgoings, but none the less, the lower the rent, the more affordable for an occupying tenant.

9.30 The following link may be useful, as it enables a post code search, to find out the LHA level for a property in the subject area. By entering the postcode and clicking submit (without filling in any of the other fields), it will also show the relevant LHA bedroom amounts.

- <https://lha-direct.voa.gov.uk/search.aspx>

9.31 West Lancashire LHA rates for 2021/22 are below:

BRMA	LHA April 2021				
	Shared Accommodation	1 Bed	2 Bed	3 Bed	4 Bed +
Wigan	£61.33	£80.55	£103.56	£114.84	£155.34
Central Lancs	£66.50	£90.90	£115.07	£132.33	£182.96
Greater Liverpool	£65.25	£92.05	£108.16	£120.82	£156.00
Southport	£76.50	£94.00	£124.27	£153.04	£189.86

9.32 This link may be used to access current rates during the life of the strategy:

- <https://www.westlancs.gov.uk/bills-benefits/benefits/local-housing-allowance.aspx>

10.0 JOINT WORKING

10.1 The Council considers it has good working relationship with RP's operating in West Lancashire. We are keen to continue to improve these relationships, and we welcome views from RP's on whether there are particular areas where better joint working would be beneficial.

11.0 EQUALITIES

11.1 We are committed to ensure that this Tenancy Strategy does not impact disproportionately on different equality groups. This strategy has been subject to an Equalities Impact Assessment (EIA). We expect all RP's to undertake and publish an EIA of their own tenancy policies.

12.0 MONITORING AND REVIEWING THE TENANCY STRATEGY

12.1 The Council will monitor the impact of this Tenancy Strategy through its strategic housing function on a regular basis raising specific issues with RP's as appropriate and relevant.

12.2 An annual desktop review of this Strategy will be conducted with a further review, no less than six months ahead of the end of its operating of 2025 or sooner if legislative or regulatory changes are such that they fundamentally change the operating principles in which such Tenancy Strategies and Tenure Policies operate.

12.3 Minor changes which do not make a significant difference to service provision will be made to the document by delegated authority to the Head of Housing & Regulatory Services.

13.0 COUNCIL CONTACT

13.1 If you would like to discuss any aspect of this Tenancy Strategy then please contact:

- Jonathan Mitchell
- Housing Strategy & Development Programme Manager
- Tel: 01695-585244
- E-mail: jonathan.mitchell@westlancs.gov.uk

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Tenancy Strategy
2022 – 2025