



# **West Lancashire Borough Council Tenure Strategy**

**January 2013**

<b>Contents</b>	<b>Page No</b>
1. Introduction	3
2. Aim of Strategy	3
3. Principles of the Strategy	3
4. Legislative Requirements	4
• Tenancy Strategy	
• Tenancy Policy	
• Definitions of Affordable Housing and Affordability	
• Tenure Options	
5. Registered Social Providers & Tenancy Policies	6
• Tenancy Policy	
• Introductory or starter tenancies	
• Flexible Tenancies & Fixed Term Tenancies	
• Moving House – mutual exchanges	
• Succession to tenancies	
• Under occupation	
• Overcrowding	
• Properties with Adaptations	
• Advice & assistance at end of fixed Term tenancy	
• Local Letting Policies	
6. Review Process	8
7. Housing Options	9
8. Supported Housing and Specific Needs Accommodation	9
• Older Peoples accommodation	
• Short term supported accommodation	
• Long term supported accommodation	
• Floating support	
• Adapted Housing	
• Housing for BME, Religious or Cultural groups	
9. Monitoring	9

## **1.0 INTRODUCTION**

- 1.1 As part of the Localism Act 2011 the Council is required to publish its strategy for delivering tenure policies that all registered social landlords (RSL's) will need to take due regard of when formulating their individual tenure policies.

## **2.0 AIM OF THE STRATEGY**

- 2.1 The Council will work collectively with RSL's in the Borough to ensure that the changes in the Localism Act enhance our progress in meeting housing priorities.
- 2.2 That RSL tenure policies reflect the needs of the homelessness prevention agenda and choice based lettings arrangements, Housing Registers and allocation policies. These define the process for allocating affordable housing and the development of sustainable and stable communities.
- 2.3 To ensure that across the Borough existing and future affordable housing provision is used in a manner that maximises its use to households in need of such accommodation and is suitable for its local context.

## **3.0 OBJECTIVES OF THE STRATEGY**

- 3.1 The objectives will outline how the Borough Council and RSL's will address the issues of:
- rent and tenure reform
  - homelessness duty and the private sector
  - changes to the housing register and priority for social housing
  - the creation of sustainable and stable communities
- 3.2 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 tenure policies.
- 3.3 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 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 LEGISLATIVE REQUIREMENTS**

### **Tenure Strategy**

- 4.1 The Localism Act 2011 states that tenure strategies should set out expectations for landlords in relation to:
- the kinds of tenancies they will grant
  - where they grant tenancies for a fixed term, the length of those terms
  - the circumstances under which they will grant tenancies of a particular type

- 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
- 4.2 In developing the tenancy strategy, the local authority is required to provide a copy of the draft to all RSL's in the area for comment.
- 4.3 Whilst all local authorities are required to produce a tenancy strategy, RSL's and stock retaining councils will need a tenancy policy on the type of tenancies they grant. In developing a tenancy policy for this Borough there must be due regard to this tenure strategy. As a stock retained Council we will need to produce both a tenure strategy and tenure policy. The requirements for the tenancy strategy are set out in the Localism Act, but the requirements of a tenancy policy are outlined in the Directions to the Regulator of Social Housing.

### **Tenancy Policy**

- 4.4 Any tenancy policy must set out if flexible/fixed tenancies are to be offered and take due regard of the Tenure Strategy for the Borough.
- 4.5 RSL's are expected to consider published guidance from the social housing regulator in respect of developing and publishing tenancy policies. [Click here to view the Consultation Draft of the Council Tenure Policy](#) which is going to Council on 17<sup>th</sup> April 2013.
- 4.6 When using flexible/fixed term tenancies, it is anticipated that the following matters would need to be incorporated in a tenure policy:
- use of starter tenancies, introductory and demoted tenancies
  - the Right to Buy/Right to Acquire and fixed term tenancies
  - succession and fixed term tenancies
  - transfers, mutual exchanges and fixed term tenancies
  - ending a fixed term tenancy
  - appeals and complaints mechanisms
  - the benefits of a sustainable and stable community

### **National Affordable Housing Programme (NAHP) & Affordable Rent**

- 4.7 It is acknowledged that some RSL's have already developed tenancy policies as a requirement of their Homes and Community Agency (HCA) funding 2012 – 2015 to develop affordable rent units.
- 4.8 We expect that upon the stated review date for those tenure policies that the review process will aim to work to complement this Tenure 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.
- 4.9 Providers who have entered into development contracts with the HCA will be able to charge Affordable Rents, which can be set at up to 80% of local market rents on new homes for new tenants at the point of letting.

### **Definitions of Affordable Housing and Affordability**

- 4.10 Essentially affordable housing is housing provided at below market cost, either through renting or by a mixture of renting and buying part of the property; commonly known as shared ownership.
- 4.11 The National Planning Policy framework includes 3 types of affordable housing:
- social rented housing which is owned by local authorities and RSL's for which guideline target rents are determined through the national rent regimes
  - affordable rented housing which are subject to rent controls of no more than 80% of the local market rent (including service charges)
  - intermediate housing, which includes shared ownership, and can include shared equity and equity loans, low cost for sale and intermediate rent

**Affordable housing should:**

- meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices
- include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision

**Affordable Rents**

- 4.12 We recognise that providers of affordable housing have already signed contracts with the HCA for the development of new affordable homes. However, there are still a number of points that we ask providers to consider when developing or updating their policies:
- we expect all providers to advertise Affordable Rent properties through the Council's choice-based lettings (CBL) system to ensure fairness and transparency, subject to those local arrangements being in place.
  - we expect conversions from social rented properties to Affordable Rent properties at the point of re-let to be based on the agreed contract with the HCA and that those agreed numbers be consulted upon and shared with the Council in order for effective monitoring to take place
  - we will seek social rent homes on new developments where no HCA grant has been given, in line with our existing tenure split policies, subject to the viability of the scheme in line with local planning policy.
  - we expect all providers to ensure that mechanisms are in place whereby customers understand what an "affordable rent" actually is and the impact on them.

**5.0 RSL's AND TENURE POLICIES**

**RSL's tenancy policy**

- 5.1 RSL's are required to publish a tenancy policy as part of the regulatory framework for social housing. It is expected that RSL's will develop such policies, outlining their own strategic and operational approach, by having regard to this Tenure Strategy and will seek local authorities' views as part of a consultation process.
- 5.2 RSL's shall publish clear and accessible policies which outline their approach to tenancy management, including interventions to sustain tenancies, prevent unnecessary evictions. RSL'S tenancy policies are to be widely available including

on the website. Existing secure and assured tenants' succession rights remain unaltered.

### **Introductory / Starter tenancies**

- 5.3 RSL's will still be encouraged to issue these at both social and affordable rent prior to the issuing of a flexible/fixed term tenancy

### **Flexible tenancies / fixed term tenancies**

- 5.4 These terms are used to apply to all tenancies that are offered for a specified period of time, as opposed to lifetime tenancies. These types of tenancy are intended to make the system more flexible and allow more people on the waiting list and in overcrowded conditions to be housed.
- 5.5 The Council would expect that use of such tenancies would be appropriate to the local operating context and would only be introduced to maximise use of RSL's housing stock in a manner that will better assist in meeting housing need in the Borough. 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 RSL's apply to their stock. Where flexible tenancies / fixed term tenancies are to be operated then we would expect the tenancy policy to outline the criteria in which they will be used.
- 5.6 RSL's policies should outline that they will issue tenancies which are compatible with the purpose of the accommodation, the needs of individual households, the sustainability of the community and the efficient use of the housing stock.
- 5.7 It is recognised that RSL's will need to take due account of their own circumstances, including loan covenants, asset management considerations and making best use of its stock.
- 5.8 At the same time it is acknowledged that RSL's may wish to retain the use of flexible tenancies in certain circumstances. The RSL's should be able to demonstrate the housing management business case for such an approach if required by the Borough Council.
- 5.9 If RSL's are to consider giving flexible/fixed term tenancies the following factors need to be taken into account:
- the fundamental need to build and maintain sustainable and stable communities
  - to ensure the most efficient use of housing stock to meet local housing need
  - to target resources effectively to households in greatest need
  - the minimum term should be 5 years unless the RSL has published an appropriate housing management business case for a shorter tenancy period. As referred to earlier, it is expected that any tenure policy would indicate how such tenancies would be used and so in practice, the tenure policy will provide that "business case" for the approach. This will then enable the Council to understand the operational approach and discuss any concerns it may have with the relevant RSL within the context of the overall strategic housing responsibility of the Council.

### **Moving house – mutual exchanges**

- 5.10 RSL's will be expected to facilitate mutual exchanges within their housing stock in accordance with the provisions of the Localism Act 2011.

### **Successions**

- 5.11 RSL's will be required to comply with the statutory succession rights prescribed in the Localism Act 2011.

### **Under occupation**

- 5.12 RSL'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.
- 5.13 At the same time it is noted that RSL'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**

- 5.14 RSL'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.

### **Properties with adaptations**

- 5.15 As part of its requirement to make best use of its housing stock, each RSL 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.

### **Advice and assistance at the end of fixed/flexible term tenancy**

- 5.16 RSL's should detail in their tenure policy the circumstances in which they may or may not grant another tenancy on the expiry of the fixed term including their approach on taking into account the needs of households who are vulnerable by reason of age, disability or illness and households with children and the need to support sustainable and stable communities.
- 5.17 Where another tenancy is not being offered advice and assistance should be provided to the householder by the RSL to help the tenant find alternative housing at least 6 months prior to the end of the tenancy.
- 5.18 In deciding whether to grant a further tenancy at the end of a fixed term, RSL's should comply with the requirement 'to grant tenancies which are compatible with the purpose of the accommodation, the needs of individual households, the sustainability and stability of the community and the efficient use of their housing stock'.

### **Local lettings policies**

- 5.19 It is recognised that there will be a need for RSL'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.

## **6.0 REVIEW PROCESS**

- 6.1 The Council would expect that each RSL's tenancy policy identifies the mechanisms for the review of decisions and that the review process follows any directions issued by the regulator and provides a realistic timescale for the request of a review.
- 6.2 That procedures for review processes are clear and transparent and afford a full opportunity to understand any decisions made by the provider.
- 6.3 Each RSL will structure its own review process in line with relevant guidance, it is anticipated however that the process will:
- include the right to request a review of proposed length of flexible tenancy if the proposed length does not accord with the landlords policy within 21 days of the offer of a flexible tenancy
  - include the right to a review where a landlord proposes to seek recovery and not grant another tenancy
  - ensure that any review request is carried out and decisions notified before the expiry of any notices served
  - provide notification in writing of the outcome and reasons for decisions which are clear and provide a full explanation

## **7.0 HOUSING OPTIONS**

- 7.1 The housing markets need and demand will continue to change across the Borough and it is anticipated that RSL's will work collectively to achieve a range of housing options.
- 7.2 It is expected that for areas where properties are offered as flexible/fixed tenancies that opportunities to provide property for people who are in the lower housing need categories e.g. those working/in employment will be outlined.
- 7.3 It is expected that policies are compliant with affording provision for reasonable preference groups and take account of the Allocation of accommodation: Guidance for local housing authorities in England issued by the Department of Communities and Local Government (DCLG) on the 29<sup>th</sup> June 2012.
- 7.4 It is anticipated that all tenure forms will be provided through the choice based lettings scheme.

## **8.0 SUPPORTED HOUSING AND SPECIFIC NEEDS ACCOMMODATION**

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

### **Older People's Accommodation**



- 8.2 There are two main types of accommodation provided for older people in the Borough:
- housing with support provided on site (formally Category 2 Sheltered Housing)
- Or
- housing specially designated for older people with no support necessarily offered (formally Category 1 Sheltered Housing)
- 8.3 For all older people's housing RSL'S'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 related to what Supporting People defines as socially excluded client groups. Excluded client groups could include 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 which will be necessary for the well being 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 BME, Religious or Cultural Groups**

- 8.9 Housing that is specifically provided for a particular BME, religious or cultural 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.

## **9.0 MONITORING AND REVIEWING THE TENANCY STRATEGY**

- 9.1 The Council will monitor the impact of this Tenure Strategy through its strategic housing function on a regular basis raising specific issues with RSL's as appropriate and relevant.
- 9.3 This document will be reviewed in three years time or sooner if legislative or regulatory changes need to be included.