

Borough Council of  
**King's Lynn &  
West Norfolk**



# Tenancy Strategy 2012

Adopted 4<sup>th</sup> Sep 2012



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## Introduction

Under the Localism Act 2011 the Council has a duty to prepare a tenancy strategy. The local authority tenancy strategy is intended primarily to guide choices around the use of fixed term tenancies that have been introduced as part of a package of housing reforms.

This document sets out in very broad terms the Council's approach to a number of new housing reforms contained within the Act. The Council welcomes the new flexibilities created by the Act which will help in its work, particularly in relation to ensuring the best use of existing social housing stock and preventing homelessness. Clearly, one of the most significant reforms relates to the introduction of fixed term tenancies. The reason for introducing fixed term tenancies (to be used in most circumstances) is to ensure that social housing is used to benefit those in most need, and is not used beyond the time it is no longer needed.

From April 2012 all registered providers of social housing 'RPs' can choose to introduce fixed term tenancies. Whilst the local authority tenancy strategy is not statutorily required until January 2013, it is important that the Council's direction on these matters is understood as soon as possible, as new flexible tenancies are likely to be used from April 2012 onwards.

RP's must have regard to the local authority tenancy strategy appropriate to the area(s) where they manage housing stock.

'To have regard' is not defined in statute but case law suggests that it means more than a tick box exercise; registered providers should:

- Be actively informed of the direction provided by the tenancy strategy, and
- Be able to evidence that they have considered the content, even if they choose not to follow it, and
- Consider the tenancy strategy every time they review their policies.

It is important that RPs have something to guide their policies for housing stock in this area. This document provides a starting point for that guiding direction, and sets out some key principles. It may be appropriate to refine the document as more is understood about the impact of flexible tenancies (and affordable rents) in due course.

## Scope

This document covers the Council's approach to the following matters:

- 'Affordable rent' tenure
- Fixed term tenancies
- To use the private rented sector to discharge the homelessness accommodation duty

In addition to these matters the Localism Act has introduced greater freedoms for local authorities to determine which categories of applicant should qualify for social housing. Councils are now able to close the housing register to some categories of applicant. This document does not cover this area of the Council's work, and any proposed changes to the existing social housing allocations policy will be considered separately.

## Affordable Rent

The Council does not believe it has a role in determining the rents set by independent RPs. The Council does however expect that when setting rent RPs will give regard to the affordability of its rented homes to existing and potential tenants. The Council's expectation is that account will be taken particularly of the impact on households where no housing benefit or only part housing benefit is received. It is important that social housing should continue to provide an important role for households who can not afford to pay a market price for the accommodation they require.

The Council will expect RPs to monitor and analyse any impacts of the affordable rent regime, and share (with the Council and other stakeholders) the findings of these activities. The importance of the opportunity to review the impact of affordable rent cannot be overstated given the changes planned in the Welfare Reform Bill. In the same way the Council will have an expectation that information on the impact of flexible tenure will be collected, analysed and fed back.

The following table shows for comparison purposes average levels of social rent, affordable rent, and market rent in the Borough. The figure in each category is an average of the figures supplied by four Registered Providers. The social and affordable rents charged vary amongst Providers whilst market rents can vary depending on location and condition of property.

<b>Property Type</b>	<b>Market Rent</b>	<b>80% of Market Rent ie affordable rent</b>	<b>RP Social Rent - average (inc service charges)</b>	<b>Difference (+/-) between average RP Social Rent and 80% of Market Rent</b>
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1 Bed	£94.61	£75.68	£72.85	£2.83
2 Bed Flat	£108.91	£87.15	£81.06	£6.09
2 Bed House	£119.76	£95.84	£81.29	£14.55
3 Bed House	£135.30	£108.22	£90.03	£18.19
4 Bed House	£159.81	£127.83	£98.50	£29.33
5 Bed House	£175.27	£140.22	£107.98	£32.24

### **Fixed term tenancies**

From the 1<sup>st</sup> April 2012 revised regulatory standards come into effect and the main tenure reform provisions of the Localism Bill come into force. These changes will allow housing associations to offer fixed term tenancies both on social rent and affordable rent properties.

The Council has to ensure that the new flexibilities are fully utilised to ensure that social housing is available to those who most need it, particularly the vulnerable and to families facing homelessness. The Council acknowledges that the new flexibilities present potential opportunities and threats. For example, the Council may find that its ability to help those in greatest housing need improves, but that higher turnover of housing stock may have in some situations a negative impact on community cohesion.

It is important that one of the key benefits of social housing namely 'stability', and the assurances that it offers vulnerable households in crisis, is not eroded. It is therefore intended that RP's of social housing give regard to the Council's principles and expectations in relation to the use of fixed term tenancies.

### ***Key principles***

- Policies should have regard to the Council's key priority of reducing and preventing homelessness. The Council would not support for example an approach that would see someone becoming homeless and in priority need as a result a fixed term tenancy being terminated.
- If a tenants circumstances changed to the extent that they no longer needed social housing, a tenancy would be terminated with appropriate help offered to tenants to help them consider their options.
- That the landlord would consider a tenant at review (at the end of a fixed term) for another tenancy or other affordable housing product(s), if the tenant could (even if their circumstances had improved) not afford a market price for their housing requirements.

### ***The tenancy policy of registered providers (RPs) of social housing***

RP's need to set out their approach to using flexible tenancies in a published tenancy policy, which should include the following:-

- 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
- Their policy on appeals which clearly sets out the way in which a tenant or a 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. This should also set out the arrangements for vulnerable client groups to ensure that all communication is appropriate to their needs.
- Providers must ensure that all appeals are dealt with in accordance with the procedures set out in Statutory Instrument 2012/695 Flexible Tenancies (Review Procedures) Regulations 2012.
- Their policy on taking into account the needs of those households who are vulnerable by reason of age, disability or illness, 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.

The Council will take an interest in the outcomes of the changes relating to use of flexible tenancies.

### ***The Council's expectations of Registered Provider's***

The Council expects RP's to give regard to the points set out below:

- To use 5 years as the minimum term for most fixed term tenancies.
- In exceptional circumstances a shorter term tenancy could be appropriate, but where a tenancy is less than 5 years it must not be for less than 2 years. The 'exceptional' circumstances should be set out in the RPs own Tenancy Policy.
- Expect RP's to continue their existing approach to introductory tenancies
- Providers of specialist older people's supported housing are expected to use lifetime tenancies.
- Those receiving long-term support that is related to their housing to receive lifetime tenancies, or longer fixed term tenancies, depending on their needs.
- RP's to give consideration to the need for stability for households with school age children and consider fixed term tenancy durations and reviews to avoid unnecessary disruption to school careers.

- RP's to carry out an assessment of the housing options for any potential tenant who would require a major adaptation to ensure the sustainability of the tenancy granted and the best outcomes for the tenant.
- Effort is made to create and to maintain sustainable communities – areas where longer tenancy terms may be appropriate could be new communities in a regeneration context, or areas of historically high turnover

### **Tenancy review**

The Council's expectation is that partner RP's will ensure a meaningful and transparent tenancy review process is undertaken. It is envisaged that matters such as changes in personal circumstances including changes in income, employment, training or education are considered by RP's at review. It is important that the landlord sets out reasons for the decision that is taken. A reasonable level of advice or signposting assistance is provided in respect of alternative accommodation. In circumstances where a tenancy is being terminated, it is expected that the landlord explores where possible a change of tenure that would allow the tenant to remain in their home eg switching to affordable rent or shared ownership, where the tenant is eligible and it is considered appropriate to do so. If none of these options are viable or appropriate and the tenant is unable to afford market accommodation the tenant may seek to join the housing register where they will be prioritised according to their circumstances.

The Council recognise that a mechanism to facilitate such offers ie tenure change will need to be discussed and agreed with Providers to ensure that the current system of choice is not compromised.

The Council would expect landlords to undertake such reviews in a timely way to give enough time for tenants to consider their options and make preparations for securing new accommodation where appropriate.

At the end of a fixed term tenancy the Council would expect one of the following outcomes for a tenant:

- To remain in social housing, either in their existing home or in another social home (either at a Social Rent or Affordable Rent)
- To move into the private rented sector
- To move into home ownership, either via a low-cost home ownership route or otherwise
- Advice and information - When a provider decides not to reissue a tenancy at the end of the agreed term, the provider must give notice of this decision 6 months before the end of the tenancy, and must provide adequate advice and assistance for tenants to help them find suitable alternative accommodation. At a minimum this should include advice on all available housing options and sign posting to relevant agencies.

### **Using private rented sector homes to discharge the Homelessness duty**

Under provisions of the Localism Act the Council is now able to discharge its duty to re-house homeless households by offering suitable accommodation in the private rented sector, provided that the tenancy is offered for a minimum of 12 months. Previously an offer to such a household could only be made with the agreement of the household.

The Council supports the changes as they will potentially help minimise the need for temporary accommodation and ensure that households are re-housed quickly. Whilst welcoming the changes it is acknowledged that homes in the private rented sector vary significantly in terms of the state of repair, range of amenities, and the quality of management practices. The Council will ensure that homes made available to homeless households will meet minimum standards and be satisfied that any accommodation will be suitable and appropriate for at least 12 months.

The Council will work with partners to develop effective ways of securing privately rented homes to make available to homeless households. One way the Council is already doing this is working with an independent housing charity that is offering 5 to 7 year leasing arrangements to private landlords, and making homes available to homeless households nominated by the Council. In the case of placing any vulnerable households in the private rented sector, appropriate risk assessments will be undertaken as well as referrals where appropriate to housing/ tenancy support providers. Financial tests to ensure sustainability / affordability of the accommodation will also be undertaken.

The Council will review the outcome of tenancies offered in the private rented sector, and undertake an analysis of the difference the additional freedom has made in reducing the need / time spent in temporary accommodation (and any associated costs), and any impacts on repeat homelessness. It will also be necessary to give regard to any impacts that result from changes to housing benefit, to ensure that any offer of accommodation is affordable and sustainable.

**If you have any queries in relation to the contents of this document please contact the Strategic Housing section on 01553 616726 or email [strategic.housing@west-norfolk.gov.uk](mailto:strategic.housing@west-norfolk.gov.uk)**