

Southend-on-Sea Borough Council

Strategic Tenancy Strategy

2013-2018



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1. Introduction

The Localism Act 2011 requires local housing authorities to publish a Tenancy Strategy, setting out the framework for the future delivery of new housing & tenancy policies. It is a requirement that Registered Providers operating in the borough of Southend should have regard to this document when formulating their own tenancy policies.

This contents of this document have been informed through regard to the relevant legislative framework, communication with Registered Providers who manage properties in Southend and consideration of the emerging best practice and guidance concerning social tenancy reform.

Southend, as part of the Thames Gateway South Essex housing group has worked with the other Local Authorities (Basildon, Castle Point, Rochford and Thurrock) and have engaged closely with Registered Providers (RPs) to produce a Draft TGSE Tenancy Strategy **Appendix 1** that has provided interim guidance for RPs while local tenancy strategies were being developed.

2. Strategic context

The Localism Act 2011 introduced a range of new powers and duties for local housing authorities and housing providers to consider, including; introduction of fixed term tenancies for new tenants, changes to way social housing is allocated, laws relating to discharge of a Local Authorities homelessness duty and the abolition of the Housing Revenue Account subsidy. These powers should be considered in line with the major changes being enacted through the Welfare Reform Act 2012.

Southend-on-Sea, Context

Southend on Sea is located on the north side of the Thames Estuary approximately 40 miles east of London. It is 16.1 square miles in size and its 5,500 businesses generate more than £2.5 billion of economic output.

In addition to being a residential and business hub in its own right, Southend is an integral economic component of the Thames Gateway regeneration area, and has strong economic links with London, which is within easy commuting distance. According to the 2011 Census Southend has a population of 173,600¹ which represents a large increase on the figure from 2001.

Over a third of households (35%) are single person against 28% in the East of England. Our average household is 2.22 persons, slightly lower than the East of England average of 2.37 persons.

¹ Census, 2011

73% were owner occupied in line with the East of England average however the percentage of households renting from a private landlord was 14% compared to 11% in the East of England with the public sector both Council (8%) and Registered Social Landlords (5%) with the East of England having 12% & 5% respectively.

The population of Southend on Sea is set to increase over the next 5 years by 1.2%, while the 65 and over age group is predicted to increase by 10%. The proportion of the population aged 15 and under will decrease by 1% and there will also be a 5% reduction in the number of 55-64 year olds compared to the mid 2007 estimates. Proportions of Black, Asian and Minority ethnic (BAME) communities in Southend have increased in recent years with a rise in BME groups from 7.2 percent to 10.3 percent since 2001. From the information sources available, population increases in these communities appear highest among school age children².

3. The role of Affordable housing in the borough

Of the 78,000 housing units in Southend approximately 9,500³ are managed by social housing landlords (approximately 6,200 Southend Borough Council and 3,300 by Housing Associations). Further information on the housing market in Southend, focusing on the affordable housing sector is included within **Appendix 2**.

Aims and objectives

The measures used in this strategy are intended to help realise the vision as set out in the Southend-on-Sea Housing Strategy 2011-21 to Ensure housing in the Borough meets the diverse needs of our communities and contributes towards creating a place where people want to live.

We aim to achieve this by:

- Targeting subsidised affordable housing to those most in need in a fair and transparent way.
- Ensuring residents on social/new affordable rent live in homes that are appropriate to their housing needs.
- Ensuring residents in social/new affordable rent remain in their homes but with rent that better reflects the actual cost of housing and their ability to pay.
- Creating a link with tenancies that will support and incentivise work.
- Encouraging Mobility between tenures where appropriate.

² Southend Joint Strategic Needs Assessment, 2009

³ HSSA 2010/11

The above aims, together with our Homelessness Prevention Strategy, Allocations Policy and new government legislation⁴, have shaped the principles included within this Strategic Tenancy Strategy.

4. Flexible Tenancies

Under the Localism Act, housing authorities (Registered Providers and Local Authority landlords) can now let properties with flexible tenancies. A flexible tenancy is a fixed term tenancy, which is subject to review after an agreed set period of time.

Registered Providers were previously expected to grant the 'most secure form of tenancy'. However, the new 'Regulatory Framework for Social Housing in England' now states that:

'Registered providers must grant general needs tenants a periodic secure or assured (excluding periodic assured shorthold) tenancy, or a tenancy for a minimum fixed term of five years, or exceptionally, a tenancy for a minimum fixed term of no less than two years, in addition to any probationary tenancy period.'

Where appropriate, Southend Borough Council accepts the use of flexible tenancies as they give social landlords the opportunity to make best use of housing stock. However, we also recognise that a flexible tenancy may not be appropriate in every situation or for all groups of people (See section 5 *Non-Flexible tenancies*).

Generally Flexible tenancies should begin with a 1 year introductory tenancy. If the tenant keeps to the terms of the tenancy, including rent payments and is still entitled to the tenancy at the end of the year then a new tenancy will be issued. This will usually be a fixed term tenancy unless the tenant is eligible for a lifetime tenancy.

Although tenancies shorter than 5 years would generally not be considered appropriate it is considered that 2–5 year tenancies could be granted in exceptional circumstances.

Flexible Tenancy review and renewal

The Homes and Communities Agency in its role as social housing regulator require all landlords to have in place a Tenancy Policy outlining the how they will take advantage of new fixed term tenancies. Under s150 of the Localism Act SBC in its role as social housing landlord role is required to set out the circumstances in which tenancies will be renewed. It is proposed that this will be developed in partnership with South Essex Homes for consultation in 2013 having some regard to the principles outlined in this strategy. Until this policy is in published, SBC will be unable to offer fixed term tenancies to new residents.

⁴ The Localism Act 2011 & the Welfare Reform Act 2012

An applicant may seek a review of the proposed length of the flexible tenancy. The review will consider whether the decision on the proposed length of tenancy is in accordance with the Landlord's tenancy policy.

No less than 8 months prior to the fixed tenancy expiring, the housing provider shall conduct a tenancy review. The purpose of the review is to determine whether the tenancy should be renewed or terminated.

The tenancy review shall assess the extent to which a household's circumstances have changed, whether the current property remains suitable and if it makes best use of local housing stock. The following criteria should be used when conducting a tenancy review:

- Is the property a suitable size for the household?
- Has the tenancy been conducted in a satisfactory manner i.e. has there been anti-social behaviour or rent arrears?
- Does the property still meet the housing needs of the tenant, e.g. does it have suitable adaptations?
- Are there any special circumstances that make re-housing necessary?
- Have there been any other significant changes regarding income/assets?

Unless there have been significant changes in the household's circumstances, the housing provider should renew the tenancy for a further 5 years.

Should the housing provider decide not to renew the tenancy, the tenant shall be informed, in writing a minimum of 6 months prior to the tenancy expiring. The notice shall contain the reasons for the tenancy not being renewed and also advise of the right to appeal within 21 days (as set out in Government Regulations). On or before the day the tenancy expires, the tenant shall be given a notice requiring possession. Where a decision is taken to end a tenancy the Localism Act determines that 2 months notice must be served before the end of the term.

Upon informing the tenant of the decision not to renew the tenancy, appropriate advice will be offered to support the tenant into finding alternative accommodation. All housing providers should work proactively with any tenant who has been served notice to assist them to explore their options for alternative accommodation. The Council's Housing Options team will continue to be a source of advice for those seeking alternative housing in Southend.

Succession to flexible tenancies

One right of succession for spouses and partners will be permitted for flexible tenancies. Where a succession is granted it shall only be for the remainder of the fixed term. At the end of the fixed term the successor shall have their tenancy reviewed using the criteria set out in the housing provider's tenancy policy.

5. Under-Occupation

In Southend, as at October 2012 there are currently 565 people in receipt of housing benefit that are under-occupying council homes (figure from Revenues and Benefits department). Welfare reforms will see these people having a 14-25 percent cut in their current income levels. All those affected are being notified so that solutions can be explored before the changes come into effect.

For those under-occupying Council housing, incentives will continue to be offered to transfer to alternative, size appropriate social housing. Not only will this reduce the risk of rent arrears/homelessness for those that are in receipt of Housing Allowance, but it will free up much needed family sized properties.

Currently, tenants receive priority when downsizing by 2 rooms or more. Under the Council's draft new allocations policy, the Council propose to extend under-occupancy priority to those who are downsizing by one bedroom.

The use of flexible tenancies shall enable us to prevent future incidents of under-occupation. If a tenant is found to be under-occupying a property when their tenancy is reviewed, they shall be given assistance to find suitable, alternative accommodation.

The Strategic Tenancy Strategy acts in tandem with the draft Allocations Policy to reflect the size criteria to be introduced according to the Welfare Reform Act in April 2013. This will ensure that the Allocations Policy and Housing Benefit bedroom eligibility criteria are harmonised to ensure that households do not move into accommodation and immediately be classed as under-occupied potentially leading to difficulties in paying the rent.

6. Non Flexible tenancies

In the majority of cases accommodation could be reasonably let under a flexible or fixed term tenancy. However, in order to promote best use of housing stock, meet the needs of vulnerable people, ensure social mobility and meet legal obligations, there will be times where it is more appropriate to use alternative tenure types including secure/assured tenancies.

Lifetime tenancies

The Council consider that it is sensible to automatically award secure tenancies to prospective tenants aged over 60 who are going into sheltered accommodation. There may also be other groups of people including those with enduring or lifetime health conditions who could be considered for lifetime tenancies dependent on their individual circumstances, each case will need to be considered on its own merits.

Tenants requiring adapted properties

A fixed term tenancy may be granted to a person with disabilities in a property that has been built or adapted to meet their needs. If the original disabled tenant is no longer resident at the end of the fixed term tenancy a landlord should consider alternative accommodation for the remaining residents. This will ensure that the adapted property can continue to be used to meet the needs of disabled persons in Southend.

Transfer applicants with existing secure tenancies

Existing affordable housing tenants seeking a transfer (including decant cases) should be entitled to offer of a tenancy with no less security of tenure. Existing assured or secure tenants should be offered a comparative secure or assured tenancy. This does not preclude the landlord making an offer of a property on a flexible tenancy which meets the needs of the household although the tenant would be able to review and if necessary refuse said offer.

Other forms of tenancy

Some accommodation eg supported housing, will be let on assured shorthold tenancies and will continue to do so where considered reasonable and appropriate.

Registered Providers will continue to be able to apply to the courts for demotion of tenancies for a time limited period in cases where anti-social behaviour has been proven.

The Council shall continue to promote the use of mutual exchange through websites such as Homeswapper.

7. Affordable rent

Converting stock to Affordable Rent

Affordable Rent tenancies were introduced in 2011 and provide social housing landlords the opportunity to increase revenue through rents higher than social rent, to be set at a maximum of 80 per cent of local market rents.

Up to date housing market information should be used when determining whether or not it is appropriate for a property to be converted to an Affordable Rent tenancy. Ensuring homes remain affordable will remain a key objective.

Southend's market rent levels vary between localities. These variations will be reflected in the affordable rents calculated for each locality.

The Council wants to avoid scenarios where particular localities experience a disproportionately high level of conversions, thus limiting the opportunities available for existing social rent tenants to transfer to the areas of their choice.

The council would like affordable housing providers to ensure that rents charged for affordable properties do not exceed local Housing Benefit Allowance and would consider consultation on a scheme by scheme basis mandatory to avoid excessively high affordable rents in high value areas.

The Council recognises that in order for larger affordable properties to be built and not be subject to the Benefits Cap, there may be a requirement to cross-subsidise on schemes and charge higher rents for smaller properties.

Residents who are on existing social rented tenancies should be safeguarded and not transferred to Affordable Rent tenancies unless they are happy to bid for an Affordable Rent property via CBL.

Disposal of Registered Provider Stock

As well as the ability for Registered Providers to set Affordable rents, the Affordable Homes Programme 2011-15 underlines the role that the sale of Registered Providers existing social housing stock can play in funding new affordable housing.

Southend has a severe shortage of social housing therefore we do not encourage the disposal of stock. If a Registered Provider intends to sell a property on the open market, the local authority is to be given notice of this. In circumstances, when the property no longer best meets housing needs, SBC will consider accepting a disposal where accepted by the HCA and where the proceeds are to be used to provide additional affordable housing in the town.

8. Changes to the Allocations Policy

In preparing this Strategic Tenancy Strategy, the local authority is required under Section 151 (3) of the 2011 Localism Act 'to have regard' to its:

- Current scheme of allocation; and
- Homelessness strategy

In preparing this draft Tenancy Strategy, Southend Council has had regard to the Southend-on-Sea Borough Council Allocations Policy 2009, the Homelessness Prevention Strategy 2012 and the Housing Strategy 2011. The document has been prepared concurrently with a revised draft Allocations Policy which ensures a complementary approach to social housing provision in the town.

The draft Allocations Policy includes provision to:

- Increase the number of lettings made to working and volunteering households
- Increase the local connection residency criteria
- Close entry onto the housing register for some households who are not considered in 'housing need'

- Reflect new LA duties to recognise those who serve/have served in the armed forces
- Give extra priority to those households who are under-occupying social housing

Working and Volunteering households

Creating sustainable and well balanced communities is key to Southend being a place people want to live and work. The Council believe that improving support to low income working households will contribute towards achieving this goal.

In order to achieve this objective SBC have outlined within the draft Allocations Policy a Work Plus scheme which aims to prioritise 20% of voids within the borough, and up to 50% in selected neighbourhoods, to working households.

It is recommended that the housing provider uses the following criteria to determine whether an applicant is deemed a low income worker:

- Suitable proof of employment/voluntary work as outlined in draft Allocations Policy
- Whether there has been any change in the household's circumstances
- Whether household income is greater than £60k which matches the cap for eligibility for shared ownership properties, draft Allocations Policy and draft Pay to Stay proposals

9. New Homelessness powers

The Council currently uses the private rented sector to house a proportion of households to whom it owes a statutory duty. The Localism Act increases the scope of Local Authorities being able meet their statutory homelessness duty by providing good quality accommodation in the private rented sector.

This new power allows Local Authorities, in line with changes made to the Allocations Policy (see section 8 Changes to the Allocations Policy), to review the options available to homeless and threatened with homelessness applicants.

As per requirements of the Localism Act, statutory homeless households whose duty is discharged through placement in private rented sector accommodation must be for a minimum tenancy of 12 months. If the household become homeless again in the proceeding 24 months will automatically have their duty refreshed with placing LA.

Southend-on-Sea Borough council shall consider use of powers brought in by the Localism Act that enable local authorities to more easily discharge homelessness duty into suitable private sector accommodation. The three over-arching options available are;

1. Do not adopt the power.
2. End the duty for some, but not all, cases through a targeted approach.
3. Adopt the power to end the duty for all accepted cases.

A policy outlining exactly how the Council will choose to exercise these powers will be developed through consultation having regard to the revised draft Allocations Policy. The policy will be developed in line with the principles set out in Southend's Homelessness Prevention Strategy 2012-14.

Whichever policy option is developed, each homeless case will be judged on its own merits and where no suitable private rented accommodation can be sought other options will be explored including an allocation of social housing. Southend has a healthy private rented sector and the Council will look to work with local landlords and agents to continue the improvement of the available stock.

In line with proposed recommendations from the Suitability of Accommodation Order 2012 the Council will be looking to ensure that applicants are placed with accredited landlords and that where non-accredited landlords properties are used a visit will be undertaken where appropriate and feasible.

10. Consultation

We have already undertaken consultation with Registered Providers on the principles of this Strategic Tenancy Strategy through the Thames Gateway South Essex Registered Provider forum and in the form of a questionnaire sent to all RPs managing properties in the town. The results from this questionnaire have informed the development of this strategy.

A copy of this Strategic Tenancy Strategy shall be sent to every registered provider of social housing in the borough to comment on the proposals and reviews of the document will be regularly undertaken to ensure it remains fit for purpose.

11. Equality & Diversity

The Council will need to ensure that the Strategic Tenancy Strategy meets the equality requirements set out in the 2010 Equalities Act, ensuring that the nine protected characteristics which cannot be used as a reason to discriminate against people unfairly. The nine characteristics are as follows: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; or sexual orientation. The Council will seek to ensure that this Strategic Tenancy Strategy meets the 2010 Act requirements and will publish an equalities impact assessment to set out how it has achieved this objective.

Appendices

Appendix 1 Draft TGSE Tenancy Strategy Statement

Appendix 2 Housing demand, prices and earnings in Southend-on-Sea