

Development Services South Tyneside Tenancy Strategy

January 2013



South Tyneside Council

Introduction

1. The Coalition Government has introduced a number of key changes and requirements which impact on Local Authorities and the meeting of local housing needs; this includes wide ranging changes to housing benefit, the introduction of the Affordable Rent product, flexible tenancies (fixed term tenancies) and greater freedoms for Local Housing Authorities in setting out who can join their Housing Register.
2. The Localism Act 2011 brings in a number of these changes, including the requirement for all Local Housing Authorities to publish a Tenancy Strategy. This Strategy will set out the Local Authority's stance on the use of flexible other tenancies. Registered Providers must have regard to this strategy when formulating their policies in relation to the types and lengths of tenancies they will grant in various circumstances, and the circumstances in which they will grant a future tenancy (in the same property or a different property) on the coming to the end of an existing tenancy.
3. This is South Tyneside's Tenancy Strategy, it sets out our approach and policy position on the use of various types of tenancies in the borough and, while not an explicit expectation of the Localism Act, it also sets out the council's view on the use of the affordable rent product in the borough. We have consulted with Registered Providers who operate in the borough on the development of this strategy in line with the requirements of the Localism Act and will continue to work closely with them to ensure delivery of this strategy¹.

Aims of the Tenancy Strategy

4. The key aims of the South Tyneside Council Tenancy Strategy are:
 - To fulfil the council's legal requirement as set out in the Localism Act 2011 and the Housing Act 1996 Part VI and VII (as amended by the Homelessness Act 2002);
 - To set clear expectations for Registered Providers operating in the borough;
 - To make the best use of the borough's social and affordable housing stock;
 - To create and maintain successful, sustainable communities;
 - To ensure our social and affordable housing meets the needs of our residents and rent levels do not deter people from accessing employment;
 - To maximise opportunities to bring empty properties into use for affordable housing provision;
 - To prevent homelessness;

¹ Consultation included event October 2011 with RPs and Tyne and Wear local authorities and circulation of draft for comment from 6th March to 5th April 2012.

- To ensure registered providers offer tenancies which are suitable for the purpose of the housing stock and the needs of the individual households; and
 - To be transparent and easily understood by customers, stakeholders and registered providers.
5. Existing tenants will not experience any changes to their tenancy arrangements and will only be affected by changes to affordable rent if they choose to move to properties on which an affordable rent is charged.
 6. This strategy has been developed alongside a new Allocations Policy, which is being drafted to reflect the new flexibilities provided by the Localism Act and has regard to the council's current Homelessness Strategy. We are also reviewing our Homelessness Strategy to reflect the provisions in the Localism Act.

Strategic context

7. South Tyneside is home to 69,730 homes, 46,940 of those are private, 18,163 owned by the council and 4,613 owned by housing associations². A high proportion of our population rely on an element of housing benefit to pay their rent; at October 2012 we had 19,687 housing benefit claimants in the borough.
8. The South Tyneside Vision sets out the shared long-term ambitions agreed with our partners for the economic, social and environmental wellbeing of South Tyneside. It identifies delivering better housing and neighbourhoods as one of the most pressing outcomes for the next five years; **“We want South Tyneside to be a place with a housing market and services that offer affordability, quality and choice to attract new residents and meet the needs of current residents. We will improve the standard of existing and new homes”**.
9. This Tenancy Strategy will help us deliver these outcomes, ensuring that our communities are sustainable and housing meets the needs of our current and future population.
10. The council believes that “lifetime” secure tenancies are the preferable type of tenancy, both for the tenant and for delivering successful sustainable communities.
11. We do not believe that it is right for people to be in fear of losing their home if their circumstances change or improve; this could lead to a disincentive for people to gain employment or invest in their home and community and could destabilise communities. However, we do understand the importance of making the best use of stock and will support schemes that help tenants move to the most appropriately sized accommodation. This is particularly important in view of the changes in housing benefit and the introduction of the bedroom tax.

² CLG live table 100 – Dwelling Stock 2011

12. We do not accept that people of different ages or in different circumstances should be treated differently in respect to the type of tenancies they receive. We believe that introductory tenancies followed by secure “lifetime” tenancies should be available to all households that are eligible and qualify to join our housing register.

Use of flexible tenancies

13. The Council supports lifetime secure tenancies and will not be offering flexible tenancies.
14. However, if a Registered Provider operating in the borough does intend to use flexible tenancies we request that they discuss this with the Council prior to offering such tenancies. We would expect flexible tenancies to be for at least five years.

Registered Providers Tenancy Policies

15. It is a regulatory requirement that registered providers of affordable housing must publish clear and accessible policies which outline their approach to tenancy management, including interventions to sustain tenancies and prevent unnecessary eviction, tackling tenancy fraud and granting discretionary succession rights. This will include information on:
- the kinds of tenancies they grant,
 - the circumstances in which they will grant a tenancy of a particular kind,
 - where they grant tenancies for a term certain, the lengths of the terms, and
 - the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy
16. In developing their policies, Registered Providers must have regard to this strategy and should engage with and consult the council to ensure that their policies reflect and align with the expectations set out in this strategy and issue tenancies which are compatible with the purpose of the accommodation needs of individual households; the sustainability of community and efficient use of their housing stock to assist in meeting the housing needs identified in South Tyneside.

Affordable rent

17. We are aware that a number of providers have agreed a framework contract with the Homes and Communities Agency to deliver new build affordable rent properties in the borough and some are also intending to convert some of their existing stock into affordable rent as part of that contract. While we understand the economic rationale behind this, we ask that providers operating in the

borough take significant notice of the prevailing low income levels and reliance on benefit in the borough, our aims to encourage and support people back into employment and our desire to deliver mixed and sustainable communities.

18. Affordable rents set at a high level could be prohibitive to us meeting these aims; we are particularly concerned about affordable rent being only attractive /accessible to households on benefits, which could trap people in benefit dependency. However, the introduction of Universal Credit in 2013 and the “bedroom tax” will put caps on the level of benefit a household is entitled to and housing costs will be a part of this. This means that households may struggle to meet the costs of the new rent levels. We have particular concerns about this in areas with high market rents and larger properties.
19. Any Registered Providers in the borough proposing Affordable Rent should be able to evidence an understanding of how their products will meet our residents’ housing need and have clear policies for ensuring tenants are not trapped into benefit dependency. We also expect Registered Providers to ensure that tenants have access to appropriate financial advice and support.

Allocations Policy

20. Under previous allocations legislation, local authorities had to operate "open" waiting lists for social housing, meaning that anyone was entitled to apply for social housing, subject to some exceptions. We are currently reviewing our allocations policy in light of the Localism Act and following the Code of Guidance.
21. The Government is allowing local authorities to set their own rules for allocations and to determine who is eligible to join the register based on the needs of their areas.

Discharging the Homelessness Duty into the Private Rented Sector

22. Previously, we were able to offer homeless applicants accommodation in the private rented sector but applicants were under no obligation to accept it.
23. The Localism Act introduces significant change to local authorities’ duties to people for whom they have accepted responsibility for under homelessness laws. Local authorities can now discharge, (i.e. fulfil), their duty by an offer of rented accommodation from a private landlord. The private tenancy must be for a minimum term of twelve months and would need to meet the other requirements of suitability currently applied to offers of social housing, such as number of bedrooms.
24. If an applicant accepts an offer of private accommodation by the Local Authority, and then becomes unintentionally homeless within 2 years of being placed in this

property they will be owed a duty to re-house regardless of whether or not they are still in priority need at the time of their subsequent application³.

Use of empty private properties

25. The Council has plans to bring empty properties in the borough back into use. Empty properties attract crime and anti-social behaviour and blight local neighbourhoods. They are homes that could be used by those in need and their existence increases pressure on the Local Authority for new development. With the use of Empty Dwelling Management Orders (EDMO's) the council will force empty properties back into use as affordable homes. With the private sector leasing scheme the Council hopes to work with the owners of empty properties to bring them back into use under council management.
26. These properties will be offered as non secure tenancies.

Monitoring and review of the strategy

27. A Housing Provider's Forum is to be established by South Tyneside Council which will include representation from Registered Providers in the borough. This group will assist South Tyneside Council in the monitoring and updating of the Tenancy Strategy
28. To assess strategy needs we will monitor:
- housing needs information
 - homelessness
 - the effectiveness of the allocations policy
 - rent levels across tenures
 - delivery of new units, including rent level and type of property
 - impact on site viability

We will monitor compliance with the strategy through regular meetings with individual Registered Providers.

Equality Impact

29. In developing this strategy we have taken into account the potential impact of our policy approach for our current and future residents; as stated in the main strategy we feel that secure lifetime tenancies are the best form of tenancies for all residents and that people of different ages, or in different situations should not be allocated different tenancies.

³ s.195A Housing Act 1996

30. If providers do choose to use flexible tenancies it will be extremely important that prospective tenants are clearly informed when a fixed term tenancy is being offered, information and advice needs to be accessible in a range of formats and languages and where necessary extra support given to tenants that are offered these tenancies, particularly near the end of the tenancy to help tenants find alternative accommodation where necessary.