

BABERGH DISTRICT COUNCIL

To: Strategy Committee	Report Number: M129
From: Head of Economy	Date of meeting: 17 January 2013

TENANCY STRATEGY FOR BABERGH AND MID SUFFOLK DISTRICT COUNCILS

1. Purpose of Report

- 1.1 The Localism Act 2011 requires Councils to adopt a Tenancy Strategy and from January 2013 this becomes a legal requirement.
- 1.2 This document describes the Council's approach to Housing Associations' conversion of social tenancies to ARTs, fixed term tenancies etc. The Greater Haven Gateway (sub-regional partnership) has agreed and produced the document in consultation with partner housing associations.
- 1.3 To advise Members where this element of the Tenancy Strategy fits into the overall Tenancy Strategy document.
- 1.4 Members of the Housing Panel supported the report and its recommendation on the 14th December 2012.

2. Recommendation

- 2.1 That the Tenancy Strategy (Housing Associations) attached at Appendix 1 be approved.

3. Financial Implications

- 3.1 The Council has recognised some concerns from Registered Providers about a greater reliance on revenue streams to fund future development programmes with the reduction in capital grant for new build homes. As such there may be an impact on the viability of schemes if rents are kept artificially low. Equally the higher the rent levels, the greater the likelihood of a tenant requiring housing benefits to pay some or all of the rent.
- 3.2 Other financial implications are considered on page seven of the Tenancy Strategy (Housing Associations) attached at Appendix 1.

4. Risk Management

- 4.1 This report is most closely linked with the Council's Corporate / Significant Business Risk No. Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Impact on supply of affordable homes	Unlikely	Low	Annual monitoring of the Tenancy Strategy will take place and steps taken to minimise any impact on housing supply.

5. Consultations

- 5.1 This Tenancy Strategy has been developed with nine Local Authorities and Registered Providers in the Greater Haven Gateway Housing Partnership (GHGHP) who share the Gateway to Homechoice choice-based lettings system and allocations policy. The nine authorities involved are: Babergh DC, Braintree DC, Colchester BC, Ipswich BC, Maldon DC, Mid Suffolk DC, Suffolk Coastal DC, Tendring DC and Waveney DC (note: - Tendring DC are not partners to the Gateway to Homechoice but have participated in the Tenancy Strategy preparation).
- 5.2 The draft Tenancy Strategy was circulated for consultation across all Local Authorities and Registered Providers (Housing Associations) for a three-month period from June to August inclusive. The consultation responses were collated and analysed by the Sub-Regional Housing Co-ordinator and the results of the consultation are shown at Appendix 3.
- 5.3 The Tenancy Strategy was developed on this basis so that Registered Providers working across a wider geographical area than just one local authority would have more “regard” to a strategy that is common over a wider area.
- 5.4 An initial interim report was considered by the Housing Panel on the 30th April 2012.

6. Equality Analysis

- 6.1 An Equality Analysis Assessment has been carried out for the sub-regional Tenancy Strategy and is attached at Appendix 2.

7. Shared Service / Partnership Implications

- 7.1 Both Babergh and Mid Suffolk District Council are considering this report within the same committee cycle. The Strategic Housing and Housing Options teams will carry out monitoring of the Tenancy Strategy on an annual basis to inform any future reviews. This work will be carried out in conjunction with the GHGHP Sub-Regional Housing Co-ordinator.

8. Key Information

- 8.1 The Localism Act 2011 Part 7, Chapter 2, Section 150 requires all Councils to adopt a Tenancy Strategy by January 2013, the key elements of which are set out below:-
- “A local housing authority in England must prepare and publish a strategy (a “tenancy strategy”) setting out the matters to which registered providers of social housing for its district are to have regard to formulating policies relating to –
 - (a) the kinds of tenancy they grant,
 - (b) the circumstances in which they will grant a tenancy of a particular kind,
 - (c) where they grant tenancies for a certain term, the lengths of terms, and
 - (d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy”.

- 8.2 The proposed Tenancy Strategy (Housing Associations) for Babergh and Mid Suffolk is attached as Appendix 1. This is an entirely new area of strategy for the two Councils and an entirely new document. Until this Act became law, social housing providers have only been able to provide lifetime tenancies. The government thinks that this is unfair and a poor use of a valuable public resource because people are allocated a tenancy at a moment of crisis in their lives, and continue to live there long after their need for it has passed.
- 8.3 The government intends to protect the security and rights of existing tenants, including when they move to another social rented home. With the introduction of the Localism Act 2011, landlords are now able to grant tenancies for a fixed length of time. The minimum length will be for two years in exceptional circumstances with five years being more the norm.
- 8.4 Page two and three of Appendix 1 lists the Principles in the Common Framework that the partner local authorities have drawn together and will be used to monitor Affordable Rent lettings activity across housing associations working in our districts.
- 8.5 Whilst the Tenancy Strategy will be monitored on an annual basis, the real significance of it may not be felt for some time. Having carried out extensive consultation with our housing association partners, in most cases we expect such tenancies to last for 5 years or 6 where a 12-month introductory tenancy has been granted first. Such tenancies will only be granted on those properties coming forward for Affordable Rent or those properties that Registered Providers are converting to Affordable Rent when they become available for letting.
- 8.6 The legal requirement is that other partners and stakeholders 'should have regard' to Tenancy Strategies, thereby making them the documents which should influence but not bind their policies and actions.
- 8.7 The majority of the social housing stock in Babergh and Mid Suffolk is owned by the two Local Authorities (6,862 properties currently) and the number of new Affordable Rented homes across the two councils being developed by registered providers will be in the region of 100 new units each for 2012/13.
- 8.8 Supported housing stock including those properties allocated for older people will continue to be let on the basis of lifetime secure tenancies, not fixed-term.
- 8.9 The effects of the new forms of tenancy are not likely to be felt for five years. Most registered providers have advised that if the tenants have a good tenancy record over those five years, unless their circumstances have changed markedly in that time, it is highly likely that the tenancy would be renewed. How tenancies will be reviewed by registered providers will be subject to an agreed joint protocol which will set out the minimum level of housing options advice provided to tenants.
- 8.10 A number of reports on various elements for the Localism Act 2011 have already been considered by Housing Panel and Strategy Committee (Flexible Tenancies, Greater Haven Gateway Allocations Policy review and Discharge of Homelessness Duty into the Private sector). There will be a period of consultation on the proposed changes to the Succession Policy and also Flexible Tenancies. Once these have been concluded, an over-arching Tenancy Strategy will be reported to the relevant committees at both Babergh and Mid Suffolk.

9. Appendices

Title	Location
(a) Appendix 1 – Babergh and Mid Suffolk District Councils Tenancy Strategy 2013.	Attached
(b) Appendix 2 – Tenancy Strategy Equality Analysis Assessment	Attached
(c) Appendix 3 – Consultation analysis on the new proposed Tenancy Strategy	Attached
(d) Appendix 4 – Housing Panel report 30.4.12	Attached

10. Background Documents

10.1 The Localism Act 2011 Part 7, Chapter 2, Section 150.

10.2 An introduction report to the Tenancy Strategy was considered by the Housing Panel on the 30th April 2012 which is attached at Appendix 4. This report sets out the context for the Tenancy Strategy and the collaboration work across the Greater Haven Gateway Housing Group to produce a strategy framework.

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Babergh and Mid Suffolk District Councils Tenancy Strategy

Based on a Common Framework with
Babergh DC; Braintree DC; Colchester
BC; Ipswich BC; Maldon DC; Mid Suffolk
DC; Suffolk Coastal DC; Tendring DC
and Waveney DC.

Principles in the Common Framework

1A - Housing costs are affordable if they do not exceed 25% of an individual's full time income. Income is based on the gross median income of an individual in the local authority where they live.

1B – Affordable rents are not set at a level which exceeds a Universal Credit cap which means that households would have to subsidise their rent from their basic living allowance.

2A - In the broad market area no more than the conversion rate agreed with Homes and Community Agency should be re-let annually as an Affordable Rent (AR) to ensure there is a sufficient balance of tenures to meet housing need.

2B – RP's will share with local authorities' information which shows the number and percentage of social rent properties that are re-let annually as affordable rents.

2C – RP's have due regard to local authority's evidence and understanding of affordability issues when deciding what property types they will convert from social rents to affordable rents and in what locations. Local authorities and RPs will have an open dialogue where there are concerns.

2D – RP's make best efforts, using income generated from affordable rents, to focus their development capacity on areas and property types which meet LA strategic housing needs within the broad market area.

2E - In situations where s106 agreements have been agreed but where the sites have not been built there is an open discussion between local authorities, RP's and developers about the most appropriate affordable housing tenure mix. That this discussion is based on a robust viability assessment of the particular site and this data informs any proposed changes to the s106.

3A - Where a RP is using flexible tenancies and offers an introductory tenancy a minimum five year fixed tenancy will normally follow if the terms of the tenancy have been satisfactorily met.

3B – RP's will share with tenants and local authorities a list of exceptional circumstances which would result in the offer of a tenancy for less than five years.

3C - Fixed term tenancies will be renewed unless one or more items in the exclusion list are met.

3D - Sheltered housing will normally continue to be let on secure or fully assured tenancies.

3E – If supported housing is intended to meet the long term needs of an individual then the tenancies will normally continue to be let on secure or fully assured tenancies.

4A - Standards for a minimum level of housing options advice are included within this strategy and are delivered through a joint protocol. This includes at the start of a tenancy and at the end of a fixed term tenancy when it is not being renewed.

5A - Barriers to downsizing are removed to enable households to move to smaller properties that meet their aspirations, whilst also ensuring that they are fully aware of any changes to their security of tenure.

5B - Fixed term tenancies will normally be used for properties that are in the greatest demand by households so preventing future under occupation in larger properties.

5C - Tenants that currently live in an adapted property will have their tenancy renewed unless other circumstances apply (see principle 3C).

6A - Working together RPs and LAs will explore opportunities to maximize alternatives to disposal or potential joint redevelopments to meet both housing needs in the broad market area and RP development programmes.

6B – By recording capital derived from disposals of properties in each local authority RPs will be able to share this information with LAs, indicating, where possible, if the capital is reinvested outside the broad market area.

Tenancy Strategy – A Common Framework

Introduction

Why have a Strategy?

The Localism Act 2011 requires Local Authorities to publish a strategic tenancy. The Act specifically sets out the scope of a tenancy strategy:

“A local housing authority in England must prepare and publish a strategy (a “tenancy strategy”) setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to:

- (a) the kinds of tenancies they grant,*
- (b) the circumstances in which they will grant a tenancy of a particular kind,*
- (c) where they grant tenancies for a term certain, the lengths of the terms, and*
- (d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.”*

This strategy refers to flexible and affordable rent tenancies arrangements for RPs. Local Authorities with their own housing stock, who are part of this agreement, will be developing their own strategic housing policies to address these flexibilities.

How was it developed?

This tenancy strategy has been developed and jointly written by a partnership of nine local authorities in Essex and Suffolk plus Registered Providers (RPs) that work within the broad geographical area. The ten authorities are: Babergh DC, Braintree DC, Colchester BC, Ipswich BC, Maldon DC, Mid Suffolk DC, Suffolk Coastal DC, Tendring DC and Waveney DC.

Working together the local authorities acknowledge that many significant strategic tenancy issues are general to all localities and this has allowed us to produce a ‘common framework’ which all parties have endorsed and (will) sign up to. The ‘common framework’ consists of a set of key principles with supporting statements relating to each issue. Affordable housing markets vary within the nine authorities; for example rent levels are different in each local authority but using the principle of affordability in the framework this will show whether a household on a median income is able to afford rent for their home. A short summary of the local housing market of each authority can be found in Appendix 1.

Objectives of the strategy

The context for this strategy is that it supports and fits with other wider housing and planning policies of each Local Authority to achieve growth, economic prosperity and increased provision of Affordable Housing. Both local authorities and registered providers will continue to foster good relations, which will be of mutual benefit, to help achieve these aims.

The main objectives of the strategy are to:

- provide guidance that RP's will have 'regard to' in developing their own policies
- ensure a more consistent and transparent strategic approach to tenancy and other related policies across LA boundaries
- take account of affordability and sustainability of tenancies for households on low incomes
(see principles 1a, 1b, 2a, 2c, 3a, 3c)
- make the best use of social and affordable housing to reduce housing need and facilitate tenant mobility
(see principles 3a, 3d, 3e, 5a, 5b)
- ensure LA's take account of the implications of affordable rent tenures in their allocations policy and homelessness strategies
(see principle 4A).

What do we mean by 'have regard to'?

'To have regard to' is not defined in statute but case law suggests that it means in this context registered providers are:

- ✓ actively informed of the direction provided by the tenancy strategy, and
- ✓ able to evidence that they have considered the content, even if they choose not to follow it, *and*
- ✓ consider the tenancy strategy when they review their own policies.

This document has been developed and written some time after RPs had to make critical business decisions about fixed tenancies, affordable rents, conversions and disposals as part of their bid for grant under the 2011-15 HCA affordable homes programme. In recognition that some RPs have already produced their own landlord tenancy policies this common framework should be understood as a process rather than a static document. Coming together to develop the framework has created the environment to do more than write a document. It has encouraged an open dialogue between RPs and local authorities about the strategic impact of legislative changes to tenancies. It has enabled local authorities, over a wide market area, to set out common principles which reflect their ideas for balancing the housing needs of their local communities.

Monitoring and Review

It is agreed that monitoring the tenancy strategy will be a critical part of understanding and evaluating the impact of tenancy changes and will provide the necessary intelligence to review and revise policies. Data will be collected for each financial year and an annual meeting will be held with RPs and LAs to evaluate the monitoring information and amend the strategy as necessary.

The following sections contain the key themes and general principles in the common framework. The background to developing the affordability principle can be found in appendix 2.

Local Amendments to the Common Framework

This version of the Strategy has been adapted specifically for the Babergh and Mid Suffolk Districts. The principles are adopted unchanged from the common framework but changes have been made to reflect local circumstances and in response to local consultation.

Passages changed in this way are highlighted. This is to help Registered Providers in particular (who may be working across Local Authority boundaries) to identify changes in emphasis we may have introduced locally.

1. Affordability and sustainability of new tenures

1A - Housing costs are affordable if they do not exceed 25% of an individual's full time income. Income is based on the gross median income of an individual in the local authority where they live.

1B – Affordable rents are not set at a level which exceeds a Universal Credit cap which means that households would have to subsidise their rent from their basic living allowance.

The Localism Act takes its definition of Social Housing from Section 68 of the Housing and Regeneration Act. It defines 'Social Housing' as low cost rental accommodation and low cost home ownership. Low cost rental accommodation is described as accommodation which is available to rent below market rate in accordance with procedures to ensure that it is available to those whose needs are not served by the commercial housing market.

Our intention is to adopt a 'benchmark' for affordability. The principle effectively means that affordable housing in Babergh and Mid Suffolk should be affordable to a full-time worker on a typical local income. There are 3 stages of assumptions here:

1. **Median income** is the middle income for all the full-time working people in the district. By definition, half the district's workers earn more and half less than this figure. We have assumed that affordable housing should meet the needs of the lower 50% of wage earners.
2. We have used the income of a **single full-time worker** because it is reasonable that a single person or a single parent should be able to afford 'affordable' housing. We recognise that we cannot find a benchmark that suits every individual situation, such as part-time workers and households with 2 people working.
3. **25% of gross median income** being spent on rent and any service charges is established as a reasonable measure of affordability in a range of research and publications, including Strategic Housing Market Assessments. For someone on £24,000 per year, we are indicating that housing costs of around £6,000 per year (£120 per week) should be affordable. This is very similar to the calculation undertaken by mortgage lenders when they assess what people can afford to borrow.

Typical local incomes are set out in the appendix to this document and will be updated annually, once the Annual Survey of Household Earnings (ASHE) data is published.

Housing affordability

The local authorities adopting this strategy have therefore agreed a principle definition of affordability which measures whether a household can access and sustain the cost of housing. This principle is based on key sets of data and an informed judgment of what is an affordable ratio of housing costs to income. This common definition will enable local

authorities to assess affordability and 'localise' the housing market information and advice they give Registered Providers working in their area. It will also provide the means to compare information across local authority boundaries and identify 'housing market area linkages'.

Affordable rents and Universal Credit (UC)

Government plans are to carry forward the current provisions for help with housing costs into Universal Credit, then move towards a more flat rate approach for assessing housing costs. However, rents vary significantly depending on the type of landlord (private, housing association or council) and on geographical location. Housing costs form a significant part of most claimants' overall benefit. As a result, households will face major budgeting problems if the housing element of their UC does not accurately reflect their housing costs. (see appendix 3)

The impact of this policy

We recognise that this policy risks limiting the development of affordable housing. Lower rents than the 'norm' of 80% of market rent will require a higher subsidy or may prevent RPs from fulfilling their agreements with the HCA. Our intention is to make sure rent levels are seriously considered, other sources of funding are explored to subsidise rent levels and that we discuss with RPs if lower rent levels are feasible.

In common with all of this Strategy, RPs are asked to 'have regard' to it and it is not binding on providers. However, we hope that providers will maintain a dialogue with us about rent levels in new homes. We are fearful that the consequence of high rents (particularly for larger family homes) could be people refusing offers of housing because the rent is too high making it more and more difficult for us to find housing solutions for people who desperately need them. Similarly, tenants may be evicted for rent arrears because the amount they were expected to find was significantly more than it is prudent for them to agree to.



Monitoring

Principle 1

We want to understand how the introduction of affordable rents will affect household's choices when they are rehoused; whether a household's income level will affect who is rehoused; will more households be rehoused from lower priority bands on the housing register?

We will monitor annually:

From the housing register

- a) number of non working households rehoused
- b) number of working households rehoused and their income level
- c) number of retired people rehoused
- d) band on the housing register (reason e.g. overcrowding)
- e) whether new applicant or transfer

From CORE

- f) number and type of tenancy
- g) Basic weekly median rent payable for social rent and affordable rents

From Department of Work and Pensions

- i) Universal Credit levels for household types

2. Converting Social Rents to Affordable Rents

Registered Providers have the flexibility to let new properties and convert a proportion of vacant Social Rent properties to Affordable Rents at re-let, at a rent level of up to 80% of market rent. Registered Providers are able to convert properties to Affordable Rents where they have signed an investment agreement with the Home and Communities Agency (HCA). Not all Registered Providers have entered into the new funding arrangement which means they will continue to let their properties on Social Rents.

We recognise that converting a proportion of existing stock to Affordable Rents is a crucial element in generating additional financial capacity for RPs to deliver more affordable housing. Moreover that due to delays in signing HCA funding agreements that RPs will need to convert more properties initially to meet the proportion of 50% conversion of re-lets that was proposed. However, LAs have a role in balancing the housing market would like to maintain a supply of properties with social rents to meet the needs of working low income households.

Principle 2A - In the broad market area no more than the conversion rate agreed with Homes and Community Agency should be re-let annually as an Affordable Rent (AR) to ensure there is a sufficient balance of tenures to meet housing need.

Principle 2B – RPs share with local authorities' information which shows the number and percentage of social rent properties that are re-let annually as affordable rents.

Principle 2C - RPs have due regard to local authority's evidence and understanding of affordability issues when deciding what property types they will convert from social rents to affordable rents and in what locations. Local authorities and RPs will have an open dialogue where there are concerns.

Principle 2D – RPs make best efforts, using income generated from affordable rents, to focus their development capacity on areas and property types which meet LA strategic housing needs within the broad market area.

Principle 2E - In situations where s106 agreements have been agreed but where the sites have not been built there is an open discussion between local authorities, RPs and developers about the most appropriate affordable housing tenure mix. That this discussion is based on a robust viability assessment of the particular site and this data informs any proposed changes to the s106.

Local authorities would like to work with RP's to help balance competing needs between RPs converting properties to give them the greatest financial headroom to develop new properties with the need for properties to be affordable for households on low incomes and in housing need.

Before conversions take place we would encourage RP's to work with LAs to consider the potential impact on the supply of affordable housing where specific types of properties may be in short supply or market levels may be very high.

Income from the increased Affordable Rents rental stream will, in the foreseeable future, contribute to the funding base for new affordable housing development. Local authorities would like to be informed of how the income, available for development, from Affordable

Rents will be invested i.e. at a local authority, housing market area or county area level to meet strategic housing need. An informed and shared understanding of how these resources are used will promote transparency and accountability.

We recognise that the area of operation of housing associations varies considerably. Associations working with the HCA will pledge to raise finances from conversions in one or more locations and invest in another. Throughout this document, we have used the term 'broad market area'. This is intended to indicate an area that is larger than a single district. For Babergh and Mid Suffolk we would regard our broad market area as including all surrounding districts and the districts covered by the area of the 'Gateway to Homechoice' scheme.

By seeking information about the general pattern of where associations are investing resources from conversions, it may help LA's to make decisions about future associations they wish to work with on key developments locally.

Some s106 agreements that have already been agreed on sites that have yet to be developed have included Social Rents as their preferred affordable housing tenure. During this transition period, as Affordable Rents are introduced, further discussion and assessment will be required with RPs and developers to decide the most appropriate affordable tenure mix.



Monitoring
Principle 2

We will monitor annually:

- a) number and % of RP re-lets converted to Affordable Rents
- b) the size of properties converted to Affordable Rents

3. Length of tenancy – Fixed term tenancies

The Localism Act has created a new type of tenancy called a flexible tenancy. Housing providers will no longer have to let a tenancy for life, but can let it on a fixed term, which will be reviewed. The new legislation is intended to make the housing system more flexible and allow more people on the waiting list and in overcrowded conditions to be re-housed.

Principle 3A - Where a RP is using flexible tenancies and offers an introductory tenancy a minimum five year fixed tenancy will normally follow if the terms of the tenancy have been satisfactorily met.

Principle 3B – RPs will share with tenants and local authorities a list of exceptional circumstances which would result in an offer of a tenancy for less than five years.

Principle 3C Fixed term tenancies will be renewed unless one or more items in the exclusion list are met.

Principle 3D - Sheltered housing will normally continue to be let on secure or fully assured tenancies.

Principle 3E – If supported housing is intended to meet the long term needs of an individual then the tenancies will normally continue to be let on secure or fully assured tenancies.

Where providers use these new flexibilities, they will offer tenancies for a fixed term of at least 5 years, except for in 'exceptional circumstances' where they may offer a tenancy of between 2 and 5 years.

It is anticipated that unless there is a significant change in tenant's household circumstances that the fixed tenancy will be renewed for a further period. This general principle benefits all parties: tenants are able to remain in their homes and maintain their social networks in that area; RPs do not have an unnecessary turnover in their stock with the associated administrative burden and voids; applicants on the housing register are not disadvantaged because the housing stock continues to be used for those with the greatest need.

The following list details the circumstances in which a fixed tenancy may not be renewed:

- Increase in tenant's financial circumstances. (after full financial assessment)
- The property has become permanently under-occupied.
- The property is overcrowded and the household requires a larger one.
- The property was allocated to meet particular needs that are no longer present e.g. the need for a single story dwelling because a member of the original household had a disability but now no longer lives there.

- The terms of the tenancy have been breached i.e. neglect of property, rent arrears.

Registered providers using the new tenure flexibilities will publish a tenancy policy which will be made available to the Local Authority where they operate. It is critical that tenants taking up fixed term tenancies are fully informed about what will happen at the end of the fixed term. We therefore expect that providers will have very clear, published information that sets out the information we are requesting and in most cases, there is no reporting burden for providers. In short, we expect the overwhelming majority of fixed-term tenancies to be for 5 years.

Our major concern is that there may be circumstances when an individual is offered a shorter fixed-term than 5 years. We want to be clear in the advice we give to homeless households seeking our help and to applicants to our register. We want to be able to tell them what they can expect from housing providers. We believe this to be a fundamental part of our role and would therefore like to monitor exceptions and discuss them with the providers.



Monitoring

Principle 3

We would like to record the number of exceptions to the above principles and the reasons why to ensure consistency and transparency across local authorities in the common framework.

We will monitor annually:

- a) number of general needs tenancies let on less than five years fixed term and reasons why
- b) number of exceptions where sheltered housing and supported housing is let on a fixed term tenancy and the reasons why

4. Housing Options Advice

Households will require sufficient information for them to assess at different stages of their 'housing pathway' what is the best choice for them in their current circumstances and the implications of exercising that choice. It will also be necessary to make arrangements for advocacy to be available when a tenant requires representation in appealing a decision which terminates their tenancy.

4.A - Standards for a minimum level of housing options advice are included within this strategy and are delivered through a joint protocol. This includes at the start of a tenancy and at the end of a fixed term tenancy when it is not being renewed.

The provision of adequate housing options advice also clearly links to local authority's homelessness strategies and their statutory homelessness duties.

At the tenancy sign up stage RPs already provide information, advice and support for their new tenants. An additional element will be the requirement to provide information about the fixed length of the tenancy and highlight to any households moving from fully assured or secure tenancies the implications of this move (in line with principle 5A on downsizing and transfers).

The need for housing options advice at the renewal of a fixed term tenancy is a new requirement and could be provided or procured by RPs, for example through a service level agreement from a local Citizen Advice Bureau. Establishing a clear protocol for providing housing options advice to tenants, at the point at which their fixed tenancy is not renewed, will achieve clarity for tenants and also for other housing and housing related service providers within the area. It will minimise the scope for the ending of a fixed term tenancy to become a contested area between organisations with different policies and priorities.

Ideas for a draft protocol for the provision of housing options advice is attached as appendix 4.

Monitoring

Principle 4

Local authorities want to work with RPs to ensure that a joint protocol is used to provide or procure a minimum level of housing options advice at each stage of a household's housing journey.

We will monitor annually:

- a) number of complaints associated with non renewal of fixed term tenancies
- b) review the housing options advice joint protocol with reference to lessons learned through monitoring complaints, non renewals and evictions.

5. Maintaining and enhancing mobility

We are keen to work with RPs to ensure that best use is made of the social housing stock including managing overcrowding and under occupation. We want to manage the impact of Affordable Rents and fixed tenancies so that there are not any unintended consequences that impede mobility and reduce effective use of the stock.

5.A - Barriers to downsizing are removed to enable households to move to smaller properties that meet their aspirations, whilst also ensuring that they are fully aware of any changes to their security of tenure.

5.B - Fixed term tenancies will normally be used for properties that are in the greatest demand by households so preventing future under occupation in larger properties.

5.C - Tenants that currently live in an adapted property will have their tenancy renewed unless other circumstances apply (see principle 3C).

This area of the common framework links most closely with allocations policies. For members of 'Gateway to Homechoice' choice based lettings scheme, the allocations policy provides the operational detail. For other local authorities this detail will be found in their own allocations policies.

As referred to in principle 4A we want to see comprehensive housing options advice available so households are aware of the tenancy implications of making a decision to move – which in some circumstances may involve moving from a secure or fully assured tenancy to a fixed tenancy or a Social Rent to an Affordable Rent, or both.

To make best use of the social housing stock RPs and LAs are agreed that it is important to support tenants to downsize, as this has the effect of releasing additional bedroom capacity for larger households in most need. To ensure that households are given as much encouragement and incentive to move as possible additional flexibility may be required to offer 'like for like' tenancies.

Households that are overcrowded and are moving to larger properties are likely to be offered fixed term tenancies, particularly households moving to four bedroom and larger three bed houses. Using fixed term tenancies will ensure that when a household no longer needs a larger property it may be re-let to a larger household in need.

There is a high demand for adapted properties. We acknowledge that this is an area where more flexibility may be required because of the often complex needs of the household.

Monitoring principle 5

To minimize barriers to making best use of the housing stock we will identify trends by monitoring annually:

- a) number of transfers – with reasons (under occupiers, overcrowding, adapted properties)
- b) number of mutual exchanges by similar categories

6. Disposals of homes owned by Registered Providers

Disposals of properties

There are two main issues relating to the disposal of RP properties; which properties are disposed of and where the income from the properties is reinvested.

6.A - Working together RP's and LA's will explore opportunities to maximize alternatives to disposal or potential joint redevelopments to meet both housing needs in the broad market area and RP development programmes.

6.B – By recording capital derived from disposals of properties in each local authority RP's will be able to share this information with LA's, indicating, where possible, if the capital is reinvested outside the broad market area.

Local authorities would like RP's to talk to them about which properties they are proposing to dispose of prior to any decision being made. Local authorities want to be included in an early dialogue as they may wish to influence choices about which properties will be disposed of or discuss alternative options or in some cases they may wish to acquire/enable others to acquire the properties to meet housing need. RPs and local authorities can work together at a local level to address viability issues, poor property conditions, emerging need and management issues on potential disposals. This joint approach will maximize the opportunities for retaining the property or the potential for redeveloping it without grant.

We understand that national RP's may make strategic business decisions about the disposal of affordable housing units and may not be able to recycle this capital within the same geographical area. However we consider it essential to have transparency about the use of this capital so that information is openly available to residents, local authorities and the Homes and Communities Agency.

Monitoring principle 6

Local authorities want to be involved and influence the disposal of affordable housing in their area. To understand the impact of disposals and any trends we will monitor annually:

- a) number and type of properties disposed of
- b) the value of the properties disposed of
- c) whether capital realized from disposals is reinvested within the broad market area

Appendix 1 - Registered Providers and Local Authority housing stock

Information	Babergh	Braintree	Colchester
Number of LA owned affordable homes	3,416	27 units of temporary accommodation (HSSA 2011 submission)	6,300
Number of Housing Association (RP) affordable homes	1,680 Includes Shared Ownership & Intermediate rented homes.	10,233 (HSSA 2010)	3,090
Number of RP's in LA area	17 RPs including supported housing providers (8 developing)	27	18

Information	Ipswich	Maldon	Mid Suffolk
Number of LA owned affordable homes	8,230 HSSA 2008	0	3,446
Number of Housing Association (RP) affordable homes	4,570 HSSA 2008	2,875	1,463
Number of RP's in LA area	26 CORE lettings	10 (7 developing)	17 RPs including supported housing providers (6 developing)

Information	Suffolk Coastal	Tendring	Waveney
Number of LA owned affordable homes	0	3,181	4,651
Number of RP affordable homes	5,156	2,451	1,924
Number of RPs in LA area	12		10

Appendix 2 – 25% gross income as a measure of affordability

Table 1 below uses the 2010 Annual Survey of Hours and Earnings to provide the median gross income for each of the local authorities within the common framework area. The middle column gives a figure for 25% of the median income in each area. The shaded column shows what would be an affordable rent per week based on 25% gross income.

**Table 1: Weekly affordable rents based on 25% median gross income figures
Figure 7.7a Median annual pay - Gross (£) - For full-time employee jobs: UK,
2010**

Description	Median gross income	25% of median gross	Weekly affordable rent threshold based on 25% of median gross
Babergh	22,341	5,585	107.4
Braintree	23,599	5,900	113.46
Colchester	24,583	6,146	118.19
Ipswich	23,251	5,813	111.79
Maldon	24,402	6,101	117.33
Mid Suffolk	21,260	5,315	102.21
Suffolk Coastal	27,375	6,844	131.61
Tendring	20,941	5,235	100.67
Waveney	22,322	5,581	107.33

Source: Annual Survey of Hours and Earnings, Office for National Statistics.

The following tables take the principle of 25% gross income and apply these to likely Affordable Rent levels. There are 3 different 'rental market areas' identified for Babergh (Ipswich, Colchester and Bury St Edmunds) for the purposes of assessing Housing Benefit. In the example in the Bury St Edmunds broad market rental area of Babergh we can see in the table below that rents for one and two bed properties are affordable whereas three and four bedroom properties are not affordable. Actual affordable rents are likely to vary considerably between small areas in the district as the location will be taken into account during a rental valuation.

Table 2: Affordability in Ipswich rental market area based on 25% gross income and affordable rent tenancies for different sized properties

	80% market rent weekly ¹	25% gross income	Affordable Yes/No
1 bed	81.01	107.40	Yes
2 bed	101.26	107.40	Yes
3 bed	119.67	107.40	No
4 bed	193.31	107.40	No

**Market Rent- Hometrack May 2011(1 to 3 beds only) 4 bed figures are not listed on Hometrack, figures have been calculated by looking at a sample of properties on Rightmove, producing a conservative estimate of market rent of £950 pcm.*

Table 3 - This table looks at the affordability of Affordable Rents within estimated Universal Credit payments. The table below shows the housing award within Universal Credit for different family sizes living in the Ipswich rental market area of Babergh and compares this to Affordable Rent levels for different sized properties. The proposed cap for Universal Credit will be £350 for a single person and £500 for couples and couples with children both of which include a housing allowance. It shows that Affordable Rents are affordable however this may not be the case in parts of the district with higher private rented markets. This is why a general principle has been included within the strategic tenancy strategy to say that Affordable Rent levels should not exceed the housing award for their size household – so that households do not have to subsidise rent payments from their basic living allowance.

Table 3: Affordability of LQ flat/maisonette based on 25% median gross income

Description	Median gross income	3.5 income multiplier for mortgage eligibility*	LQ flat or maisonette August 2011**	Annual cost of 25 year repayment mortgage***	25% of median gross income	
Babergh	22,341	78194	72,000	5273	5585	Affordable
Braintree	23,599	82597	85,000	5570	5900	Affordable
Colchester	24,583	86041	87,500	5802	6146	Affordable
Ipswich	23,251	81379	76,000	5488	5813	Affordable
Maldon	24,402	85407	106,950	5760	6101	Affordable
Mid Suffolk	21,260	74410	78,250	5018	5315	Affordable
Suffolk Coastal	27,375	95813	102,000	6462	6844	Affordable
Tendring	20,941	73294	70,000	4943	5235	Affordable
Waveney	22,322	78127			5581	

Source: Annual Survey of Hours and Earnings, Office for National Statistics.

*figures have been rounded

**Hometrack

¹ EELGA Broad Market Rent analysis -

<http://www.eelga.gov.uk/documents/Housing/East%20of%20England%20LGA%20Briefing%20ANNEX%20Affordable%20Rent%20Tenancy.xls>

Appendix 3 – Affordability and Universal Credit

This appendix looks at the affordability of Affordable Rents within estimated Universal Credit payments for non working households. The table below shows the housing award within Universal Credit for different family sizes living in the Bury St Edmunds rental market area of Babergh and compares this to Affordable Rent levels for different sized properties. The table below shows the housing award within Universal Credit for different family sizes and compares this to Affordable Rent levels in Babergh for different sized properties. The proposed cap for Universal Credit will be £350 for a single person and £500 for couples and couples with children both of which include a housing allowance. It shows that Affordable Rents are affordable however this may not be the case in parts of the district with higher private rented markets. This is why a general principle has been included within the strategic tenancy strategy to say that Affordable Rent levels should not exceed the housing award for their size household – so that households do not have to subsidise rent payments from their basic living allowance.

Table 1: Babergh affordable rents and Universal Credit housing award (non working household)

	80% market rent weekly	Universal Credit – single person +35yrs housing award	Universal Credit – couple housing award	Universal Credit – couple 2 children award	Universal credit – lone parent 3 children housing award	Universal credit – couple 3 children housing award
1 bed	81.01	£81.01	£81.01			
2 bed	101.26			101.26		
3 bed	119.67				119.67	
4 bed	193.31					£193.30

Universal Credit calculations based on Policy in Practice Estimate of Universal Credit Entitlement <http://policyinpractice.co.uk/universal-credit/universal-credit-calculator/universal-credit-claim/>

Appendix 4 – Draft Housing Options Protocol

RP responsibilities

- Provide or procure a full housing options service covering private renting, and low cost home ownership to help tenants resolve their own housing needs. This will include up-to-date and in-depth advice on housing options and how to pay for them.
- Ensure that tenants have six months notice that their fixed tenancy will not be renewed and start the housing options advice at this early stage.
- Not to discriminate on the grounds of race, gender, ethnic origin, disability, age or sexual orientation.
- Make it clear what you are able to do and what you cannot do and refer tenants to specialist agencies for debt advice, legal advice and benefits advice as appropriate. Provide personalised referrals to other organisations if unable to help
- Advise in clear and easy to understand language and ensure any information meets 'Plain English' standards and provide relevant leaflets, and/or written information, and clear information about on-line resources
- Provide a named person to work with and provide advice to the tenant. Respond fully and promptly to ongoing tenant requests for advice and information.
- Arrange a home visit/s if the tenant is unable to attend your office
- Provide clear information on complaints policy if the tenant is unhappy with the service they have received
- Ensure tenants are aware of a clear and defined independent appeals procedure

Tenant responsibilities

- Attend appointments on time or give notice if unable to attend
- Provide relevant information as soon as possible to help speed up the process of giving advice and assistance
- Provide any relevant changes of circumstances

Setting specific standards and monitoring

Service standards need to be developed and agreed and below are examples of what could be included:

- Expectations/requirements in relation to staffing levels, training, qualifications and experience.
- RP policies, procedures and systems to ensure a consistent and quality service e.g. complaints procedure.
- Involvement of users in developing the service offered

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Equality Impact Assessment Form - An Analysis of the Effects on Equality

Section 1: screening stage

Name of policy, service or strategy to be assessed:

- Greater Haven Gateway Tenancy Strategy

1. What is the main purpose of the policy, service or strategy?

The new Localism Act says that all local authorities have to develop a tenancy strategy for affordable social housing whether they have their own social housing stock or whether they have transferred it to a housing association. The aim of the strategy is to work with housing associations to maximise the opportunities for developing new affordable homes whilst at the same time maintaining a range of tenancies that most meet the housing needs of residents.

The strategy has been developed as a set of principles which nine local authorities and housing providers in the geographical area can sign up to. The advantage to this is that there is transparency and consistency across a wide area which simplifies the policies which registered providers have to 'have regard to'.

2. What main areas or activities does it cover?

- Affordability and sustainability of new tenures
- Converting Social Rents to Affordable Rents
- Length of tenancy – Fixed term tenancies
- Housing options advice
- Maintaining and enhancing housing mobility
- Disposals of homes owned by registered providers

3. Who are the main audience, users or customers who will be affected?

- Registered providers
- People living in social housing
- People in housing need applying for social housing

4. What outcomes do you want to achieve from the policy, service or strategy?

- Ensure there are a range of tenancies available for low income households
- Make the best use of existing stock
- Maintaining equitable access to housing and support to ensure that the effects of limited supply do not fall disproportionately on vulnerable households.
- Maintain and enhance housing mobility

5. Are other service areas or partner agencies involved in delivery? If so, please give details below:

- Nine local authorities: Babergh DC, Braintree DC; Colchester BC; Ipswich BC; Maldon DC; Mid Suffolk DC; Suffolk Coastal DC; Tendring DC; and Waveney DC
- Registered Providers with property within the sub region
- National Housing Federation

6. Does the policy, service or strategy help to further or facilitate to our 'general duty'¹ to:

- (a) eliminate unlawful discrimination, harassment and victimisation?
- (b) advance equality of opportunity between people who share a 'protected characteristic'² and those who do not?
- (c) foster good relations between people who share a protected characteristic and those who do not?

- Yes – see below.

If you have answered 'no', please give details of the reasons for this decision:

7. If you answered 'yes' to any of the sections in Question 6 (above), please complete the following in order to identify how the policy, practice or strategy furthers the aim of the 'general duty':

¹ these 3 points summarise the 'general duty' as it applies to public sector organisations in the Equality Act 2010

² The Equality Act's 'protected characteristics' include age, disability, gender reassignment, pregnancy and maternity, race, religion or belief and sex and sexual orientation. It also covers marriage and civil partnerships, but not for all aspects of the duty.

'Protected characteristic' group		How does it help to 'eliminate unlawful discrimination, harassment and victimisation'?	How does it help to 'advance equality of opportunity between people who share a protected characteristic and those who do not'?	How does it help to 'foster good relations between those who share a protected characteristic and those who do not'?
Age	Older people (60+)			The Tenancy Strategy encourages the use of incentive schemes to stimulate downsizing which often frees up family sized properties for younger households. This process can help to foster good relations between older and younger people.
	Younger people (17-25) and children (0-16)		Younger people with children particularly benefit from this framework as it helps to maximise the supply of appropriately sized affordable housing.	The Tenancy Strategy encourages the use of incentive schemes to stimulate downsizing which often frees up family sized properties for younger households. This process can help to foster good relations between older and younger people.
Disability	Physical			
	Sensory			
	Learning			
	Mental health issues			
	Other – <i>please specify</i>			

'Protected characteristic' group		How does it help to 'eliminate unlawful discrimination, harassment and victimisation'?	How does it help to 'advance equality of opportunity between people who share a protected characteristic and those who do not'?	How does it help to 'foster good relations between those who share a protected characteristic and those who do not'?
Ethnicity ³	White			
	Black		There is evidence to suggest that Black Minority Ethnic (BME) households have a larger average household size. This framework may particularly benefit this group because it will ensure that the supply of larger homes is maximised.	
	Chinese			
	Mixed Ethnic Origin		There is evidence to suggest that Black Minority Ethnic (BME) households have a larger average household size. This framework may particularly benefit this group because it will ensure that supply of larger homes is maximised.	
	Gypsies/ Travellers			
	Other – <i>please state</i>			
Language	English not first language			
Pregnancy and Maternity	Women who are pregnant or have given birth in last 26 weeks			

³ Census 2011 categories are: Bangladeshi, Indian, Pakistani, Other Asian (Asian or Asian British); African, Caribbean, Other Black (Black or Black British); White and Black African, White and Asian, White and Black Caribbean (Mixed); British, Irish; Other White (White); Chinese, Other (Other ethnic group).

'Protected characteristic' group		How does it help to 'eliminate unlawful discrimination, harassment and victimisation'?	How does it help to 'advance equality of opportunity between people who share a protected characteristic and those who do not'?	How does it help to 'foster good relations between those who share a protected characteristic and those who do not'?
Religion or Belief	People with a religious belief (or none) ⁴			
Sex	Men			
	Women			
	Transsexual / gender reassignment			
Sexual Orientation	Lesbian, gay and bisexual			
Marriage and Civil Partnership ⁵	People who are single, married or in a civil partnership		not applicable	not applicable

⁴ For example, Buddhist, Christian, Hindu, Jewish, Muslim, Sikh or no religious belief.

⁵ Our legal duty in respect of 'marriage or civil partnership' extends only to the need to eliminate unlawful discrimination.

8. Are there any concerns that the policy, service or strategy could have a differential impact in terms of equality?

- Yes – see below.

Please use the table below to indicate how the policy, service or strategy could have a positive or negative effect on any of the following equality groups (known under the Equality Act as ‘protected characteristics’). Include reference to any consultation, data or information that you have used in making this assessment about positive or negative effects.

‘Protected characteristic’ group		Positive Impact	Explain how it could benefit the group	Negative Impact	Explain how it could disadvantage the group
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'Protected characteristic' group		Positive Impact	Explain how it could benefit the group	Negative Impact	Explain how it could disadvantage the group
Age	Older people (60+)	X	Sheltered housing will normally continue to be let on secure or assured tenancies rather than a fixed term tenancy		
	25-60			X	A single person or couple of this age band whose household reduces in size, as a child leaves home, could be more vulnerable to losing a fixed term tenancy as a result. A single person or couple of this age band is more likely to under-occupy their home as children leave the parental home. Households on a low income in this situation are more likely to have to move due to a reduction in benefits.
	Younger people (17-25) and children (0-16)	X	Fixed term tenancies will normally be used for properties that are in the greatest demand by households so preventing future under occupation in larger properties. This may benefit children who are currently living in overcrowded situations	X	Under a fixed tenancy changes in circumstance (such as another child leaving home) could mean that the remaining household would need to move to a smaller property. This could particularly impact on any remaining children in the household.
Disability	Physical	X	If supported housing is intended to meet the long term needs of people with a disability then the tenancies will normally continue to be let on secure or assured tenancies, rather than a fixed term tenancy.		
	Sensory	X			
	Learning	X			
	Mental health issues	X			
	Other – <i>please specify</i>				

'Protected characteristic' group		Positive Impact	Explain how it could benefit the group	Negative Impact	Explain how it could disadvantage the group
Ethnicity	White				
	Black	X	There is evidence to suggest that Black Minority Ethnic (BME) households have a larger average household size. This framework may particularly benefit this group because it will ensure that supply of larger homes is maximised.		
	Chinese				
	Mixed Ethnic Origin	X	As above		
	Gypsies/ Travellers				
	Other – <i>please state</i>				
Language	English not first language				
Pregnancy and Maternity	Women who are pregnant or have given birth in last 26 weeks				
Religion or Belief	People with a religious belief (or none)				
Sex	Men				

'Protected characteristic' group		Positive Impact	Explain how it could benefit the group	Negative Impact	Explain how it could disadvantage the group
	Women	X	There are more women on the housing register than men. This framework may particularly benefit this group because it will ensure that supply of affordable housing is maximised.	X	A woman's housing status as a major carer/ single parent may be dependant upon their child which could make this group more vulnerable to losing a fixed term tenancy once that child has left home. Women are more likely to be the major carer and may be more affected by the impact of children leaving home. On average women earn a lower wage and if they under-occupy their home their benefits will be reduced which in turn makes it more likely they will have to move.
	Transsexual / gender reassignment				
Sexual Orientation	Lesbian, gay and bisexual				
Marriage and Civil Partnership	People who are single, married or in a civil partnership				

9. Could the policy, service or strategy discriminate⁶ against any 'protected characteristic', either directly or indirectly?

⁶ Direct discrimination occurs when a person is treated less favourably than another in a comparable situation because of their 'protected characteristic' whether on grounds of age, disability, pregnancy and maternity, ethnicity; religion or belief; sex (gender), sexual orientation, or Marriage and Civil Partnership. Indirect discrimination occurs when an apparently neutral provision or practice would nevertheless disadvantage people on the grounds of their 'protected characteristic' unless the practice can be objectively justified by a legitimate aim.

No.

10. If you have identified any negative impacts above, have you been able to minimise or remove them, and if so, how?

Age 25-60 - A single person or couple of this age band whose household reduces in size as a child leaves home could be more vulnerable to losing a fixed term tenancy as a result.

Housing options advice will be provided at the beginning of the fixed term tenancy and at least one year before the fixed term tenancy is due to end. Standards for this housing advice have been set to ensure consistency of service between landlords. This will help to prevent to homelessness and increase the opportunity to find suitable alternative accommodation.

Age 25-60 - A single person or couple at the older end of this age band are more likely to under-occupy their home as children leave the home. Households on a low income in this situation are more likely to have to move due to a reduction in benefits.

Although income considerations are beyond the scope of the Equalities Act it has been raised as an issue that there will be an income related impact on these households which may result in them having to move. To militate against this situation timely advice or signposting to advice will be given; including options such as lodgers.

Children (0-16) - Under a fixed tenancy changes in circumstance (such as another child leaving home) could mean that the remaining household would need to move to a smaller property. This could particularly impact on any remaining children in the household.

As above housing options advice will be provided to help the household ensure that remaining child is subject to a minimum of disruption to education and social networks.

Women - A woman's housing status as a major carer/ single parent may be dependant upon their child which could make this group more vulnerable to losing a fixed term tenancy once that child has left home.

As above housing options advice will be available at the beginning of the fixed term tenancy and at least one year before the fixed term tenancy is due to end.

Women - Women are more likely to be the major carer and may be more affected by the impact of children leaving home. On average women earn a lower wage and if they under-occupy their home their benefits will be reduced, which in turn makes it more likely they will have to move.

Again, as above with households aged 25-60 years, although income considerations are beyond the scope of the Equalities Act it has been raised as an issue that there will be an income related impact on these households which may result in them having to move. To militate against this situation timely advice or signposting to advice will be given; including options such as lodgers.

Note: By monitoring the applications and allocations of property through Choice Based Lettings (CBL) we have a better understanding of how accessible CBL is to these groups and also their specific housing requirements e.g. a small supply of larger family homes, larger adapted property and new pitches for Gypsies and Travellers. This information helps to stimulate a strategic approach which acknowledges that without actively seeking to deliver appropriate accommodation these groups of people may well not benefit from the strategy.

Summary and findings of Initial Equality Impact Assessment – screening stage

11. Please put a tick in the relevant box to confirm your findings, and what the next step is:

Findings	Action required
No likely negative impacts have been identified and this has been justified with reference to consultation, data or information. <input type="checkbox"/>	Sign off screening and finish.
Likely negative impacts have been identified but have been minimised or removed. X	Sign off screening and finish.
Likely negative impacts were identified but have not been minimised or removed. <input type="checkbox"/>	Sign off screening and complete a full impact assessment – Section 2.
There is insufficient evidence to make a judgement. <input type="checkbox"/>	Sign off screening and complete a full impact assessment – Section 2.

12. Name and job title of person completing this form:

- Joy Magna

13. Date of completion:

- 07 August 2012

14. Date for update or review of this screening:

- August 2014

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Consultation on the new proposed Tenancy Strategy ANALYSIS

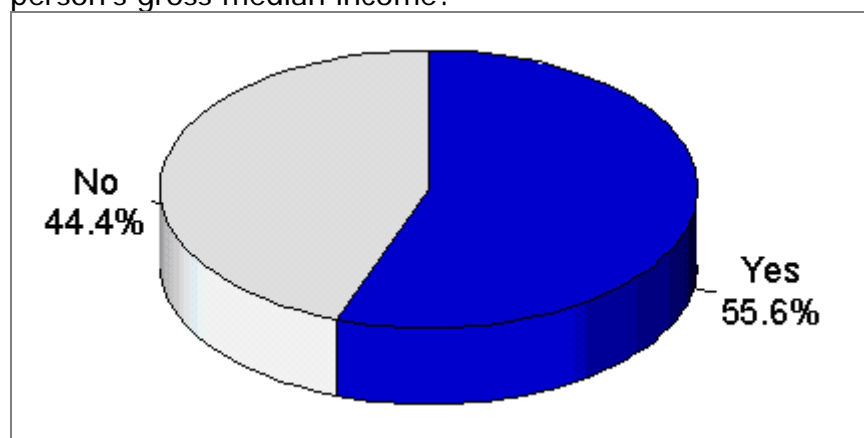
This report looks at the responses from the consultation on the new proposed tenancy strategy.

Overview:

- **13 main questions on the proposed principles**
- **Consultation closed on 24 August 2012 and received 9 responses**

Principle 1A:

Do you agree that housing costs are affordable, if they are no more than 25% of a person's gross median income?



Comments:

Case 7: "Rental levels on new affordable housing are largely dictated by other development costs. Housing associations are committed to affordable delivery but this might require flexibility and discussion with local authorities regarding specific sites."

Case 8: "It is our view that principles 1A and 1B do not need to be covered in this Tenancy Strategy. Registered providers should be allowed to determine this themselves in line with their own local situation, which will vary across locations. An option might be to develop an appendix linked to the Tenure Strategy on affordability. If included, we consider that this principle should refer to the household rather than the individual. Just looking at the individual is in conflict with universal credit rules, which look at everyone in the household. This does cause difficulties, however, as the person on the tenancy agreement is the only one with the legal responsibility to pay their rent and would be the person affected if this requirement is not met."

Case 9: "People should be allowed to choose the proportion of income they spend on housing to allow them to be flexible. What is vital is that they have all the information needed to make an informed decision about their housing costs."

A Slight majority (55.6%) agreed that housing costs are affordable, if they are no more than 25% of a person's gross median income. Only one person that disagreed proposed an alternative percentage figure – **33%**. 3 comments were made (see comment box above), all disagreed with the aforementioned statement.

Consultation on the new proposed Tenancy Strategy ANALYSIS

Principle 2A:

Local authorities are required to help balance the local housing market, so that as far as possible it meets a range of housing needs for residents.

Option	Count	Percent
In the broad market area no more than 50% of general needs properties should be re-let as Affordable Rent (AR).	2	22.2%
In the broad market area no more than the conversion rate agreed with Homes and Community Agency should be re-let annually as an Affordable Rent (AR) to ensure there is a sufficient balance of tenures to meet housing need.	7	77.8%
An alternative solution	0	0.0%
Total	9	100.0%

Comments:

Case 7: "Housing associations will follow their contractual commitments to the HCA in relation to conversions to affordable rent. Conversion rates will vary depending on stock distribution and turnover and individual landlords will not be in a position to amend their own policies based on other landlords in a locality."

Case 8: "We are in favour of the second statement. To develop, registered providers make individual agreements with the HCA to obtain grant funding through dialogue about their local circumstances. We need to continue to have the freedom to do this to meet the local housing need. If local authorities were to set the conversion rate this may mean that an agreement cannot be made with the HCA. Greenfields is a housing association that currently operates only in the Braintree District. For national housing associations who are working outside the district the HCA conversation agreement is even more crucial as they will be looking at housing need in their whole area of operation which may be outside the local authority area."

The majority of respondents chose the second option in response principle 2A (77.8%). There were two comments made (see above); these both supported the section option. No one proposed an alternative.

Principles 2B and 2C:

RPs and Local Authorities (LAs) may have different criteria for which properties will be suitable to convert to ARs. Do you agree that...

- RPs should have regard to LAs understanding of the housing market when deciding which property types and locations are most suitable to convert to ARs to maximise meeting housing need?

Response	Count	Percent
Yes	6	66.7%
No	3	33.3%

Consultation on the new proposed Tenancy Strategy ANALYSIS

The majority (66.7%) of respondents agreed with principle 2B. Of the respondents that commented there was a 50/50 split; cases 2 and 7 agreed with the principle, and cases 8 and 9 disagreed (see below).

Comments:

Case 2: "As long as it is sort as clarification only and not a stipulation as we are bound by our HCA agreement to convert a certain amount of AR's regardless of area".

Case 7: "We would expect there to be a dialogue between local authorities and housing providers on this issue. Ultimately, however, housing associations will be obliged to meet their commitments to their HCA contract and this will determine their decisions on conversions".

Case 8: "It is unclear what is meant by the term 'due regard' in this context, and what it is hoped that this will achieve if it is not a requirement. We consider that it would be better to have more emphasis on the importance of partnership working rather than using this term. We work closely with our local authority and encourage partnership working; however, it is the HCA we would need to be in discussion with about these issues so we do not think this should be a requirement the strategy".

Case 9: "It should be left to landlords to be flexible enough to respond to changing market conditions in partnership with local authorities".

Do you agree that...

RP's share information with LAs e.g. the number and percentage of general needs properties that are converted to ARs each year?

Response	Count	Percent
Yes	8	88.9%
No	1	11.1%

Comments:

Case 7: "Where practical and in line with their own monitoring systems, housing associations will be able to share information. However, monitoring systems need to be in line with what associations are already collecting. They may not be in a position to collect additional information which local authorities would like".

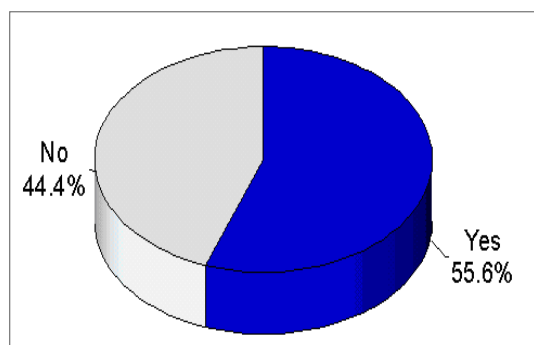
Case 8: "We are happy to share information with the local authority, however are not certain about the value this information will offer the local authority".

Only one respondent disagreed with the principle mentioned above, however they did not comment as to why they disagreed.

Consultation on the new proposed Tenancy Strategy ANALYSIS

Principle 2D and 2E:

2D: Do you agree that best efforts should be made to use income generated from ARs to fund the development of new affordable homes within the broad market area?



Although a slight majority agreed with this statement, all respondents that commented (bar one) disagreed. Respondent 9 was the only respondent to agree.

Comments:

Case 2: "This would not always be possible if we are not preferred partners with a Local Authority".

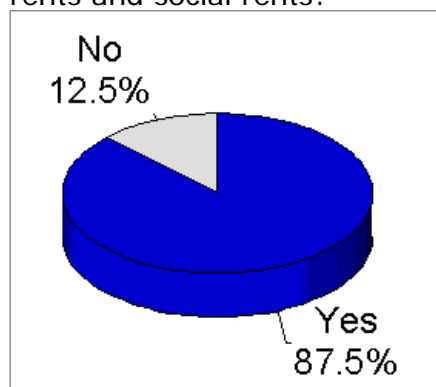
Case 6: "RPs should be free to decide what they do with the additional funding in consultation with their residents. This may result in income going to fund new affordable homes, it may not".

Case 7: "Housing associations will have to meet their commitments within the HCA contract, which will lead to providing new homes based on income generated within the county as a whole. It may not be possible to limit this to a smaller area".

Case 8: "We are unclear about the term 'broad market area' and would like to see some clarity or for it to be changed to reflect either the district or sub-region. Within our district we believe there are four broad market areas, each with different needs and priorities. We consider that it is too restrictive to limit development in the broad market area, and instead should focus on where there is greatest housing need".

Case 9: "we are a local provider committed to the development of affordable housing in Essex".

2E: Do you agree that RPs and LAs discuss the most appropriate affordable housing tenure mix on s106 sites, which are agreed but not yet developed, including affordable rents and social rents?



One respondent did not provide a response for this question. Of those that responded the majority (7 individuals) agreed.

Only respondent 6 disagreed (see comment below).

Consultation on the new proposed Tenancy Strategy ANALYSIS

Comments:

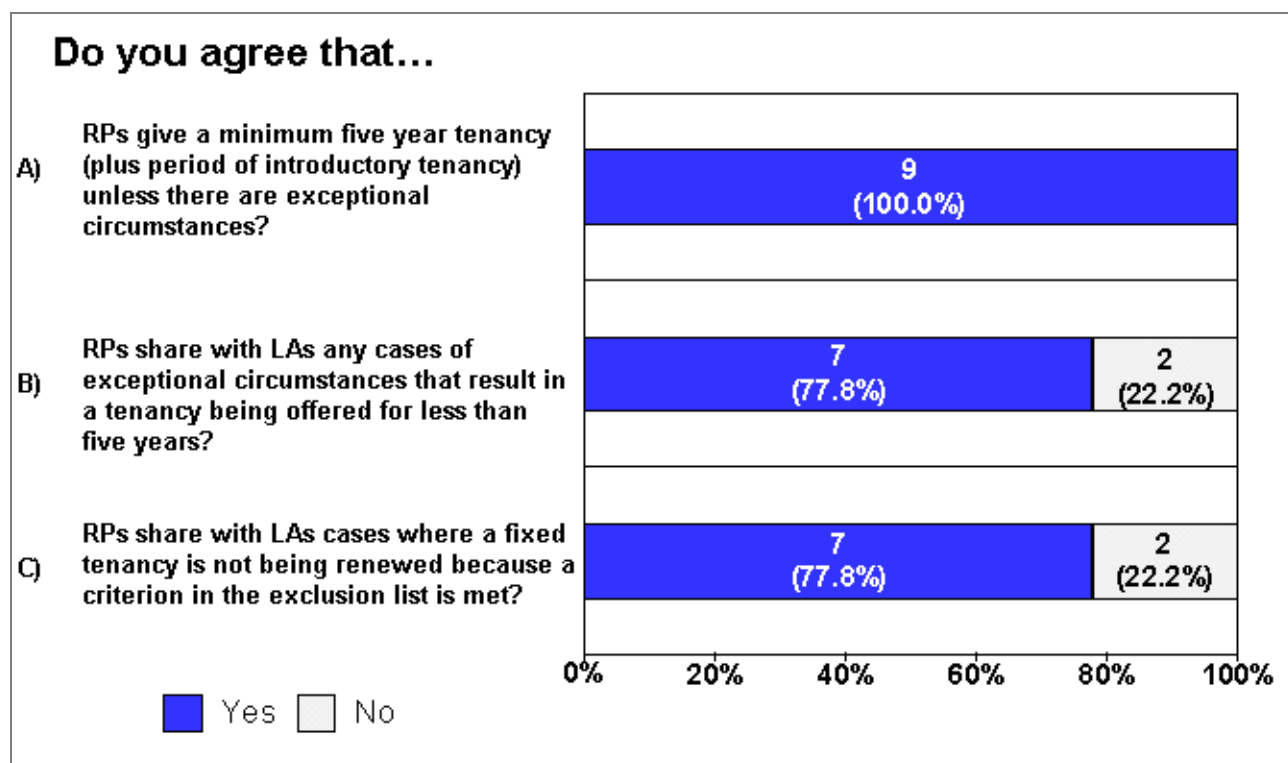
Case 6: "Again, RPs should be free to decide the appropriate tenure mix to ensure viability of the development and to suit market conditions in the specific location".

Case 7: "Housing associations welcome clear discussions about developments. These need to be realistically based on full understanding of development economics".

Case 8: "We agree that the mix of properties and tenure should be identified, discussed and agreed at an early stage".

Case 9: "Both councils and RPs should bring funds and resources to the table to help develop social rented housing where it is needed".

Principle 3A, 3B and 3C:



In each question, the majority of respondents agreed with the statements. Comments can be found below.

2B – Case 7 agreed, Case 8 Disagreed.

2C – Case 7 agreed, Case 8 Disagreed.

Consultation on the new proposed Tenancy Strategy ANALYSIS

Principle 3A Comments:

Case 6: "For all residents in older persons or supported housing, there should be no fixed term tenancies (introductory tenancies may still apply)".

Case 7: "Housing associations which have chosen to offer fixed-term tenancies have expressed an intention that this would usually be for at least five years".

Case 8: "We agree that in situations where we decide to grant a fixed-term tenancy (rather than a lifetime tenancy) it should be for a minimum of five years and that registered provider's Tenure Policies are clear and transparent about cases where exception may be applied".

Principle 3B Comments:

Case 7: "These cases are expected to be minimal".

Case 8: "We do not consider that this information needs to be shared on an individual basis with the local authority. We will work with the local authority to develop our Tenure Policy, where this will be covered. It may be better to put the onus on registered providers sharing their Tenure Policy, which should include exceptions to the 5 years. We would have our own appeals process for this and will then signpost that person back to local authority or other advice agency to offer independent housing advice if the appeal is not successful".

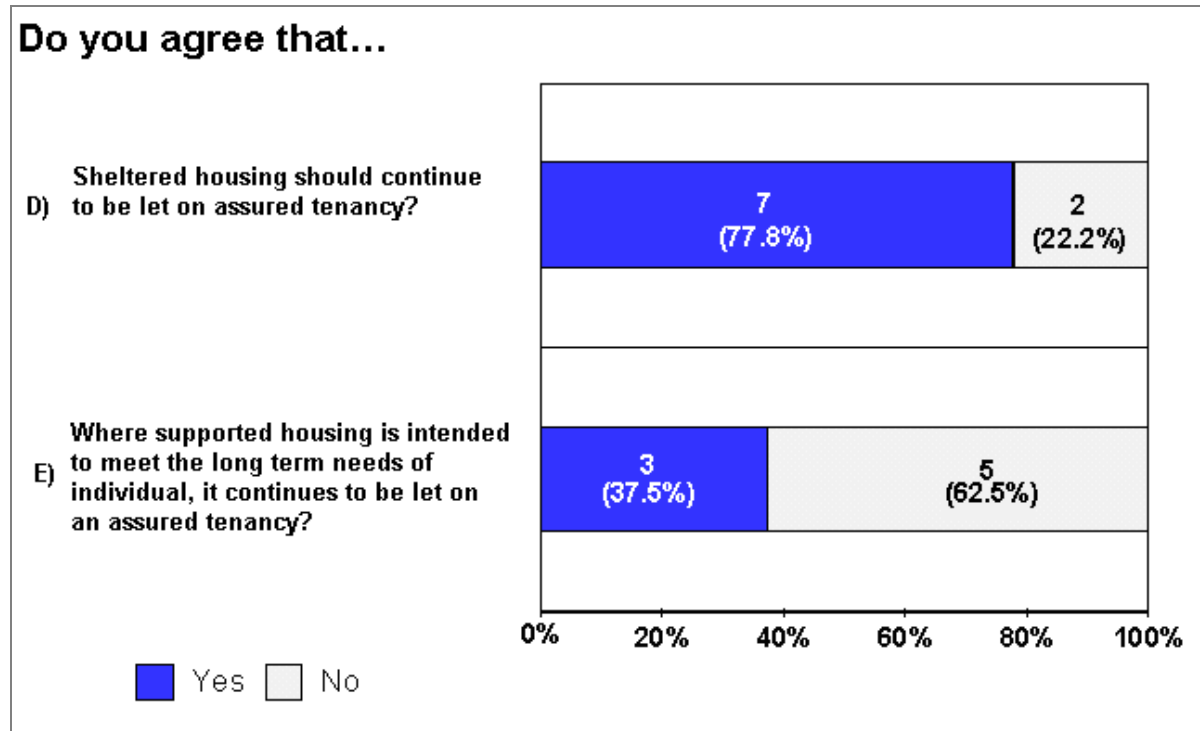
Principle 3C Comments:

Case 7: "This notification might form part of a proactive housing advice approach".

Case 8: "See answer to question 6b. We would like to work with the local authority to ensure that early intervention is available to families where a fixed tenancy comes to an end so they are able to find alternative accommodation. We see the role of the local authority is to provide independent advice if a person wants to challenge a decision".

Consultation on the new proposed Tenancy Strategy ANALYSIS

Principle 3D and 3E:



Although the majority (78%) of respondents favoured the principle of the continuation of letting of sheltered housing on assured tenancy, 56% disagreed that where supported housing is intended to meet the long term needs of individual, it continued to be let on an assured tenancy. Note: principle 3E – one non response.

Principle 3D Comments:

Case 4: "All lettings are on assured tenancies. I assume this means let at a social rent and not on an Affordable Rent Tenancy".

Case 7: "This is very likely to happen, but it is for independent landlords to make this decision for themselves based on their circumstances".

Case 8: "Whilst we have agreed to this statement we believe that this should be up to each registered provider to decide as part of their own Tenancy Policy. For example, there may be some two-bedroomed sheltered properties that are underoccupied and in this case we might want to encourage this person to downsize to make best use of housing stock. The wording could be changed to say 'would normally be let on an assured tenancy'. A suggestion later in the document is to have the same rule for adapted properties. Again, we don't consider that this is relevant when deciding tenancy types. That person's circumstances may change and a different property may be more suitable to their needs".

Consultation on the new proposed Tenancy Strategy ANALYSIS

Principle 3E Comments:

Case 1: "Agree for learning disabilities schemes. In our experience of schemes for those with enduring mental health problems, people do sometimes recover which can lead to properties being occupied by persons without a need for the intensive and costly support services which are being provided. We feel that fixed term tenancies are appropriate for this client group to ensure best use of a scarce resource".

Case 4: "All lettings are on assured tenancies. I assume this means let at a social rent and not on an Affordable Rent Tenancy. Whether they are let as ASTs, fixed term or periodic needs to take into the client group, support funding arrangements etc".

Case 7: "Again, this is the most likely approach but it is for individual landlords to decide based on individual circumstances".

Case 8: "See answer to previous question. Circumstances can change and it should be up to the landlord to decide how they approach this. We would expect dialogue between registered providers and local authorities. This should be covered in registered provider's tenure policies".

Case 9: "May have an adverse affect on supply for some client groups".

Principle 4A:

Do you agree that a joint protocol should be developed with all housing providers to ensure a minimum standard of housing options advice is given to households when a tenancy begins and ends?

Response	Count	Percent
Yes	8	88.9%
No	1	11.1%

Principle 4A Comments:

Case 2: "Most RP's work with numerous LA's across differing locations in the country and therefore their expectations may be different whereas RP's would want to give the same level of service to all its customers".

Case 7: "A joint approach is welcome, but this should not mean shifting housing advice responsibilities purely across to landlords who might have different levels of capacity to respond".

Case 8: "It is essential that local authorities and registered providers work together to develop best practice and that there is early intervention from registered providers and local authorities to ensure families find alternative accommodation".

Case 9: "Good idea - but how will this work in practice/ how will it be regulated/ monitored".

Consultation on the new proposed Tenancy Strategy ANALYSIS

Principle 5A and 5B:

5A:

Do you agree that barriers to downsizing are minimised to enable households to move to smaller properties, and incentives such as offering lifelong tenancies are considered?

Response	Count	Percent
Yes	9	100.0%
No	0	0.0%

Principle 5A Comments:

Case 2: "Can only be a consideration as I do not believe this would be the main barrier to downsizing".

Case 4: "Changes in HB rules will lead to increase demand for this".

Case 5: "If downsizing to a new build affordable rent tenancy then a fixed term would apply if that is the our policy at the time. We would offer social rent and lifetime tenancies for existing tenants who are transferring to a previously converted unit to affordable rent, i.e. is we would convert it back to social rent".

Case 7: "Landlords are currently working on a number of ways to support downsizing ahead of welfare reform changes and will be willing to discuss a variety of approaches".

Case 9: "We agree that barriers should be minimised and recognise that incentives are beneficial to make better use of housing stock. It should be left up to registered providers to decide their package of incentives rather than this featuring in this strategy. The suggestion of offering lifetime tenancies could be creating a problem for providers in the future. This is something we would only consider offering when the person met their minimum requirements, for example, one bed properties".

5B:

Do you agree that fixed term tenancies are used for properties that are in the greatest demand e.g. large family homes?

Response	Count	Percent
Yes	5	62.5%
No	3	37.5%

Principle 5B Comments:

Case 2: "This must be lead by the RP with the knowledge it has of its own stock".

Case 4: "Do not necessarily support fixed term tenancies but if they were used this could be part of a wider strategic approach".

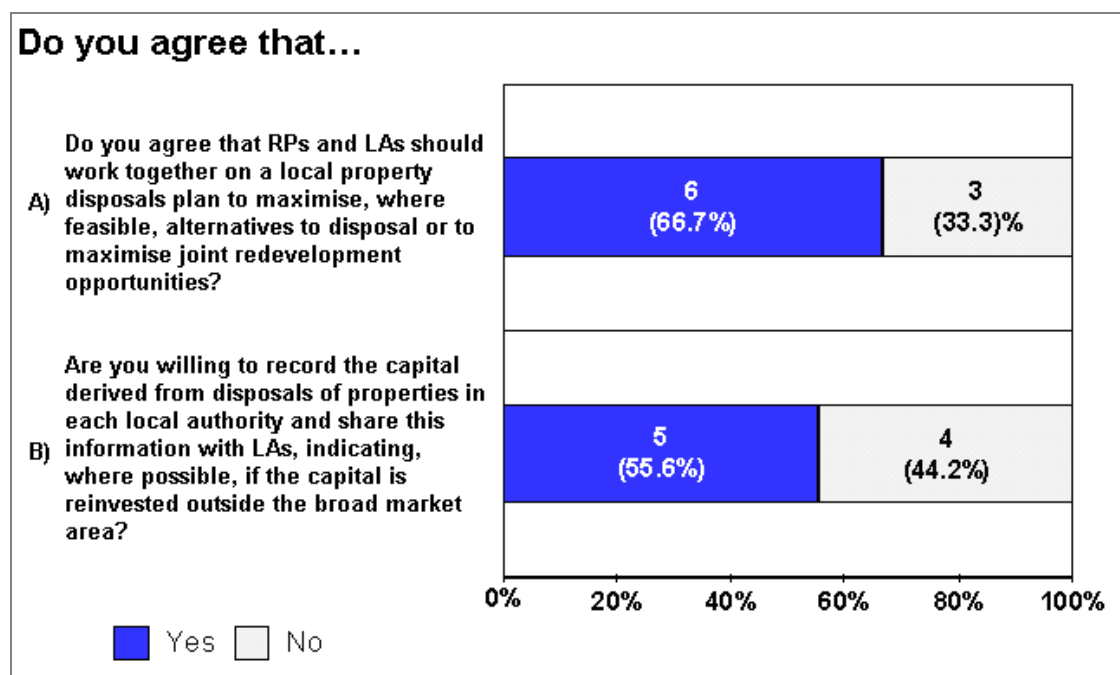
Case 5: "We are not currently offering fixed term tenancies but we may in the future, if we were this would apply to all general need new and relets regardless of the size of the unit".

Case 7: "This is a decision for individual landlords to make based on their circumstances".

Case 8: "We need to be aware of the equality impact on different groups of households and again the issue of how fixed-term tenancies should be used should be determined in the Tenure Policy. There are complex issues here that need to be considered and determined in providers' own tenancy policies in consultation with their local authority, their Boards and residents, and will depend on the local need".

Consultation on the new proposed Tenancy Strategy ANALYSIS

Principle 6A and 6B:



Principle 6A Comments:

Case 7: "A partnership approach can be a positive way forward on these decisions. However, associations must retain the right to take asset management decisions internally which meet their business needs. The regulatory focus on value for money will drive some of this work".

Case 8: "This is a commercial decision that the registered provider should be able to make for their own stock. We do not feel it is appropriate to place such requirements on registered providers. Where a grant has been used to develop homes a nomination agreement will be in place and might be a tool that local authorities can use as part of the discussion with registered providers. However, in the spirit of partnership working we would expect a dialogue between the registered provider and local authority".

Case 9: "RP should be able to execute their own asset disposal strategies".

Of the respondents that made a comment only case 7 agreed with 6A. Of those that responded to 6B and left a comment, only one case (5) agreed.

Consultation on the new proposed Tenancy Strategy ANALYSIS

Principle 6B Comments:

Case 5: "I've put yes as in principal we would share information but I can't say in how much detail or how specific we would be about reinvestment".

Case 7: "Housing associations are unlikely to have the systems in place to record this. Where they are collating the information they are generally willing to share it. It is for individual associations to decide whether collecting the information represents appropriate value for money".

Case 8: "See answer to question 11". (Relates to principle 6A)

Other Comments:

Free Text Comments on whole proposed strategy:

Case 7: "Housing associations very much appreciate the joint approach of this strategy".

Case 8: "Several of the questions weren't a simple yes or no. Whilst we have tried to balance this with our comments we recognise this may be seen as a negative response, but this is not the intention. It is good to have Appendix 1 put together into one document. We would also be interested to see migration levels in this table. We do have concerns over why only ethnicity data is included. Under the Equality Act we should consider all equality strands to ensure a fair process".

Case 9: "In order to be flexible enough to meet changing market conditions it is vital RPs an LAS work in partnership and this means both of them brining funding and resources to the table to meet local needs".

Respondent Information:

- 4 respondents provided gender information. 75% were male.
- 3 respondents provided age information. 66.7% were 40-59, 33.1% (1 individual), was 20-39.
- 3 respondents provided ethnicity information. All described themselves as white.
- 3 respondents provided disability/long term condition information. No-one stated they had a disability/long term condition which limited their daily activities.

BABERGH DISTRICT COUNCIL**FROM: STRATEGIC HOUSING MANAGER****REPORT NUMBER HP****TO: HOUSING PANEL****DATE OF MEETING 30th April 2012****INTERIM STRATEGIC TENANCY POLICY****1. PURPOSE OF REPORT**

- 1.1 To outline the principles that are intended to underpin both Councils Interim Strategic Tenancy Policy (STP) and to provide the first draft of the policy for further consideration and comment.
- 1.2 The Panel is asked to note that this policy does not address the use of flexible tenancies within the Council's own housing stock. Any changes to the current tenancy arrangements and other related matters will be developed further by the Housing Board and incorporated into both Councils' strategic plans.

2. KEY INFORMATION

- 2.1 The Localism Act brings about a fundamental programme of social policy reform. The Housing Panel has received various reports over the last year which explains the detailed impact of these changes. These have included changes to the funding for new affordable housing, the introduction of the Affordable Rent Tenure (ARTs), HRA self-financing and changes which are necessary to its Allocations Policy.
- 2.2 The development of a Strategic Tenancy Policy (STP) is another new requirement under the Act. The government have introduced new types of affordable housing tenancies and expects Councils to come up with plans as to how they are used. The STP must be agreed and published by January 2013.
- 2.3 There are two elements to the STP for stock holding authorities like Babergh and Mid Suffolk. The first sets out a series of expectations for its Registered Provider partners on how they are expected to operate within each District. This report focuses on these arrangements only.
- 2.4 The second element will shape and define each Council's approach to the use, or otherwise, of flexible (fixed term) tenancies. It should be noted that Councils generally appear to be taking the opportunity to develop a STP which takes into account other aspects of the Localism Act, including whether to use private sector tenancies as the means to discharge homelessness duties and how it intends to manage parts of the welfare reform programme which will result in penalties for working age social tenants who under occupy family accommodation. These matters will be considered and then developed further by the Housing Board and form part of a much broader document which addresses the other statutory requirements of the Localism Act.

3. HOW HAS THE INTERIM STRATEGIC TENANCY POLICY BEEN DEVELOPED

- 3.1 The interim STP has been developed by a broad partnership of Councils in Suffolk and Essex together with Registered Providers who work within these geographical areas. All these organisations recognise that many of the significant strategic tenancy issues are general to all localities and there is considerable merit in developing a common “framework” which can be amended to reflect specific housing markets and local conditions as the partners see fit.
- 3.2 The partnership was keen to enter into immediate discussions with its Registered Provider partners because they have already been required to make critical business decisions about Affordable Rent Tenure (ARTs) and the conversion and disposal of tenancies as part of their 2011- 15 Homes and Community Agency Affordable Homes Programme.
- 3.3 Some RPs had already started to develop their own landlord tenancy policies and were seeking both dialogue and direction from their Council partners. With the activities of many RPs covering multiple Council boundaries, individual agreements on these matters are not considered very helpful and therefore the decision to formalise the Councils expectations and main principles is thought to be the most prudent step under the circumstances.
- 3.4 This is the first phase of this project. Because these issues directly relate to General Fund housing activity it is important to seek further views and comments from the Housing Panel and Mid Suffolk’s Community Panel.

4 THE MAIN PRINCIPLES OF THE STP

- 4.1 The partnership expects so far as possible, that its RPs will allocate tenancies which are compatible with the purposes of the accommodation, to ensure the needs of individual households are not compromised and that the efficient use of housing stock is maintained at all times.
- 4.2 The Interim STP policy has established 22 common principles across 7 main headings which we believe provide clarity and certainty in this regard. In particular we expect RPs within the districts will ensure that:
- The rent sets are affordable which means they will not exceed 25% of an individual’s full time income. Furthermore, that no rent is set which triggers the Universal Benefits “cap” and the general principle that households should not maintain their housing costs from benefit income is maintained at all times.
 - No more than 50% of existing homes are relet on an annual basis under an Affordable Rent Tenure (ARTs) and that RPs must have regard to local evidence on needs whenever they make a decision. Furthermore, that there must be discussions and further dialogue with the Council before these decisions are taken.
 - Where a RP intends to dispose of a property, they should commit, where possible, to reinvest the capital receipts within the same locality.
 - Any proposed variations to restrictive covenants (section 106 arrangements) are approved according to each Council’s existing processes.

- No fixed term (flexible) tenancy will be relet for less than 5 years or for 2 years in “exceptional circumstances”. Furthermore, the terms of which constitutes “exceptional circumstances” are clearly published before the tenancy is let.
- Fixed term tenancies are more likely to be used where there is evidence they will be under occupied in the immediate future. Homes adapted for the use of disabled persons and where the property is not likely to be required in future will also be let in this way.
- Sheltered housing and supported housing intended to provide long term stability for customers requiring help with their independence will be exempt from these arrangements.
- Flexible tenancies are renewed if there are no material changes to the household’s circumstances and no breaches of their tenancy agreement. Conversely, that a decision not to renew the tenancy are based on clear evidence of a significant improvement in these circumstances.
- Where the flexible tenancy is not being renewed, the RP provides the household with timely and thorough housing options advice.
- All aspects of the STP will be monitored and reviewed on an annual basis

5. **NEXT STEPS**

- 5.1 The reference group will be consulting further on these proposals, both to confirm the direction of this interim position and in areas where there are clear options and possible alternatives.
- 5.2 It is clearly preferable for proposals which affect the landlord position of both Councils to be sufficiently developed for a consultation timetable to be agreed which allows the both Councils to report these matters to their respective committees. The Housing Board will be discussing these matters and making its recommendations at which point the consultation timetable will be agreed.

6 **APPENDICES**

Appendix 1- The Draft Strategic tenancy Policy

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