

South Kesteven Tenancy Strategy

Agreed:

To be reviewed: not later than January 2016

Introduction

The Localism Act 2011 (the Act), clause 150, sets out a requirement for all local housing authorities to produce a tenancy strategy. In response to this, South Kesteven District Council has produced this tenancy strategy to address the housing-related matters set out in the Act.

This strategy sets out the matters we would like Registered Providers (Housing Associations) to take into account when developing their own tenancy policies in relation to affordable homes they own and manage in the South Kesteven area.

South Kesteven is an ambitious Council with a vision to make the district a destination to live, work and visit where everyone has a good quality of life. The Council's vision has been determined by listening to feedback from communities and understanding the district's profile. The Council's aim by 2021 is to create an environment where vibrant communities want to live, work and invest.

Feedback received from residents helped inform the Council's last review of its priorities: grow the economy; keep SK clean, green and healthy; promote leisure, arts and culture and support good housing for all.

Support good housing for all

This tenancy strategy fits within a wider housing policy framework, which aims to improve access to quality housing across the district. The Council's housing policy framework includes the Housing Strategy 2010-2013, Allocations Policy and Tenancy Policy.

The types of tenancies offered by Registered Providers and how these are managed will contribute to making the best use of a limited housing resource and meeting housing needs. It is our hope that the way landlords offer and manage tenancies will play a positive role in helping residents to contribute to the creation of neighbourhoods and cohesive communities and achieve personal prosperity and a good quality of life.

The legal requirement

The requirement for a local Tenancy Strategy is set out in the Act. Local authorities must publish a 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:

- the kinds of tenancies they grant,
- the circumstances in which they will grant a tenancy of a particular kind,
- where they grant tenancies for a term certain, the lengths of the terms, and

the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

Aims and objectives

The strategy aims to give the Registered Providers operating in South Kesteven, and the Council's own housing service, guidance to inform their policies and practices with regard to flexible tenancies. It also aims to ensure that, through appropriate use of tenure, local housing need is met whilst improving the functionality of the housing market.

The key objective of the strategy is to ensure the social housing stock is used in the best possible way to provide homes for those households who are unable to secure or afford a home in the private sector that meets their needs.

The strategy will also set out the Council's approach to the use of flexible tenancies to assist with addressing under-occupancy and encouraging tenants to have control over their own housing situations, offering support where needed to ensure this is able to happen.

Each Registered Provider must have regard to this strategy when formulating and applying their own tenancy policies.

Why we need to make the best use of the housing stock

Access to the private rented sector has become more difficult for people on low incomes and benefits since the introduction of Local Housing Allowance and will be compounded by wider welfare and policy reform scheduled for implementation during 2013. This has led to higher demand for social rented properties and in turn leads to greater unmet needs. It is important, therefore, that the stock that is available is being used to its full potential in order to assist those people who are not able to afford to rent or buy in the private sector. For example, if used effectively, flexible tenancies can give housing providers more scope to better manage under-occupancy within their stock. This can be achieved through supporting households, in appropriate circumstances, to move to more appropriately sized accommodation. At present, with secure and assured tenancies, housing providers have no powers to move under occupying households in order to free up much needed family accommodation: one of the arguments in favour of flexible tenure is that it enables such moves to take place.

Local context

In order to inform the tenancy strategy, the local context must be determined. This will help inform how the Act can be implemented.

South Kesteven District Council manages its own housing stock and liaises closely with Registered Providers and, increasingly, with private rented sector landlords operating in the district. The current composition of the local housing market is illustrated in the table, below, in the paragraph on tenancy types. SKDC is also undertaking a review of its allocations policy, which should be implemented in early 2013/14; is reviewing its asset management strategy, in order to inform capital investment in the housing stock, and; is planning to commence, during 2013/14, building new Council housing for the first time in many years. These developments will all be reflected in the over-arching housing strategy for 2013-2018 which will set out the strategic direction for the district.

Tenure types

The table places in context the proportions of housing by tenure and highlights the importance not only of making the best possible use of social housing but of liaising closely with private sector landlords and ensuring the best possible provision in the owner-occupied sector.

Tenure	Dwellings	Per cent
Owner occupied	42,067	73.1
Private rented	7,721	13.4
Total Private sector stock	49,788	86.5
Housing Association (RP) stock	1,490	2.59
Council Stock	6,222	10.82
Total social housing	7,712	13.41
Total	57,500	

All figures from 2010 Peterborough Sub-Regional Strategic Housing Market Assessment

Overcrowding & under-occupancy

The Strategic Housing Market Assessment (SHMA) for the Peterborough Sub-Region states that over-crowding affects 1.87% of households. Under-occupation is also an issue which affects South Kesteven: although the extent of this has not been comprehensively quantified, it is estimated that more than 1,000 council tenancies, and a significant number of tenants of Registered Providers, will be affected by the April 2013 welfare reforms and will experience a reduction in availability of housing. This makes the planned and effective use of the housing stock of increased importance to both tenants and landlords. Mechanisms to address under-occupation will be explored in conjunction with this strategy.

Housing need & demand

The SHMA sets out the need for an additional 667 social rented homes annually in South Kesteven in the period to 2026.

(Data from Strategic Housing Market Assessment 2010)

The housing needs as identified through the SHMA are broken down by the number of bedrooms required below. This clearly shows that there is a high need for 1, 2 and 3 bedroom properties across Central Lincolnshire (please note: these figures also include the intermediate housing products).

1 bedroom homes:	68.2%
2 bedroom homes:	16%
3 bedroom homes:	10.2%
4 or more bedroom homes:	5.6%

Affordability

In calculating the housing needs figures for Sub-Region the SHMA estimated that 19.2% of households were unable to afford housing at current market prices/rents without the need for some form of subsidy (e.g. Local Housing Allowance or Housing Benefit). Social housing tenants typically have lower incomes than other households. The typical gross income for a social housing household was estimated at £9,559.

The Local Housing Allowance and average rents within South Kesteven are:

Property size	SKDC rent (48 week rate converted to 52 week equivalent)	Private Rented Market (based on median rents from Valuation Office)	Average Local Housing Allowance in SKDC area i.e. affordable
1 bed	£62.54	£90.69	£82.95
2 bed	£70.49	£114.23	£105.38
3 bed	£77.23	£137.31	£121.15
4 bed	£80.04	£198.75	£153.85

The tenancies we expect to see used

Having regard to the local context, and to feedback received from stakeholders during consultation on the strategy, the Council's position is as follows:

The Council supports the use of assured or secure tenancies where the providers consider it appropriate to the household's need or property type. In particular the Council considers that use of assured or secure tenancies may be appropriate when letting specialist accommodation suitable for vulnerable households.

The Council supports the use of flexible tenancies under certain circumstances where the provider considers it appropriate to the household or property type. In these circumstances the Council would hope to see fixed term tenancies of five years or more used.

The use of flexible tenancies may be necessary where a newly provided affordable home is required to be let on a flexible basis by the Homes and Communities Agency.

The Council considers that tenants who are transferring or exchanging and already have indefinite assured or secure tenancies should retain their security of tenure wherever possible.

Factors to take into account when reviewing flexible tenancies

Where a landlord chooses to make use of flexible tenancies, the Council expects that their tenancy policies will set out what will be taken into account when reviewing individual tenancies.

The Council expects that the following factors will be incorporated into the review of flexible tenancies and any decision to renew or end a tenancy:

Housing need and vulnerability:

The review of the tenancy should consider whether the household continues to need the size and type of home they are occupying. In carrying out this assessment the Council expects that providers will have regard to the Council's allocations scheme. Where the household is under occupying by one room only, the tenancy should not be ended on these grounds alone. The provider may also take into account any vulnerability or special needs which may make it appropriate for a household to remain in a particular property, in a particular location.

Income and Assets:

The review of the tenancy should include consideration of affordability, income and assets in their review. The Council has a commitment to improving the economy and improving prosperity and lifestyle for residents. As a result the Council would not wish tenants to feel discouraged from pursuing employment.

Tenancy Conduct:

If there is a serious breach of tenancy condition which would warrant an outright possession order in Court, a registered provider may take the decision not to renew a flexible tenancy. The Tenancy Strategy expects that criteria used by the registered provider to assess grounds of unacceptable

behaviour should be broadly compatible with the criteria in the Council's Allocations Scheme.

Advice and information for tenants

The Council expects that providers will fully explain to new tenants at the outset the type of tenancy they have been granted, how the tenancy review will be carried out and the factors which will be considered upon review.

Providers should carry out timely reviews, including home visits to those at risk of their tenancies not being renewed.

Assistance should include welfare rights advice and assistance in accessing possible transfer opportunities within the social sector. Providers should assist tenants with accessing agencies and landlords which may be helpful to them. In cases of vulnerable tenants, the provider should consider more tailored assistance to support the tenant in moving on in a satisfactory manner. Providers should always take into account the household's circumstances and any particular welfare issue.

A provider may also choose to offer incentives and service to help households choose to move to alternative accommodation, even if they are not required to as a result of the review.