Overview and Scrutiny Board – Update on Oldham Council’s Tenancy Strategy 2013-16

John Rooney - Head of Housing and Response Services
Zillur Rahman - Principal Housing Strategy Officer

2nd December 2014 at 6 pm
Crompton Suite

A PURPOSE OF THE REPORT

To update the Board on the recent revision to the Oldham Council’s Tenancy Strategy 2013 – 2016

B BACKGROUND

The Localism Act 2011 requires each local authority to produce a Tenancy Strategy, which sets out how social housing in their area will be let and how long tenancies should be granted for. This strategy enables the council and housing associations in its area to manage social housing more efficiently and help people in the greatest housing need.

Prior to Localism, most new council and housing association tenants would normally be granted a ‘lifetime’ tenancy if they comply with the conditions of their introductory / starter tenancy.

Social landlords now have the freedom and flexibility to grant new tenancies on a fixed term basis and, at the end of the fixed term, to renew the tenancy, offer the tenant alternative social housing, or ask the tenant to move out and work with them to find them somewhere else to live. Regulations require tenancies to be for a minimum of five years, or in exceptional cases the statutory minimum of two years may be used.

C CURRENT POSITION

In April 2013, the Cabinet member for Housing, Transport and Planning approved the publication of Oldham Council’s Tenancy Strategy which recommends the use of Fixed Term Tenancies (FTT) on a range of properties, including:

- family accommodation of three bedrooms or more
- heavily adapted homes
- shared accommodation
- tenancies linked to employment.
- tenancies intended to be short term due to impending regeneration or demolition proposals, and
- tenancies granted to customers who present a high risk of tenancy failure.
D  RECENT REVISION

In August 2014, the strategy was revised to extend the use of FTTs on the Council’s Extra Care and Sheltered Housing Stock. This revision was necessary due to a review the Council carried out into its Extra Care and sheltered housing scheme following the publication of the Tenancy Strategy.

The review found that of the 185 occupants in Extra Care phase one 90 (49%) no longer had an extra care need. The figures were even higher in Phase 2 where of the 128 occupants, around 83 (65%) were not FACS eligible, in other words do not have an extra care need.

Many of these occupants are surviving partners of tenants who were allocated these homes because of their poor health but passed away after moving in, or their health deteriorated so much that they subsequently moved to residential care, leaving the healthy partner to succeed the tenancy. Also, historical placement of tenants who were moved into ECH temporarily following renovation/demolition of their flats and did not wish to return has also contributed to this imbalance.

In addition, there are around 380 tenants in living sheltered bungalows who have opted out of paying the court managers service, which is an indication that they have no support needs and therefore not making best use of the services and facilities that these schemes offer.

Although there are legal grounds for the Council to take possession, the legal process can be long and protracted, with no guarantee that the courts would grant possession.

The Council has recently introduced a scheme to encourage these tenants to relocate to more suitable accommodation by offering a package of incentives. For all new tenancies, however, the Council will issue Fixed Term Tenancies to enable us to make best use of our limited housing stock. We also amended the strategy to enable us to issue FTTs in cases when homes are allocated to foster carers.

At the end of the Fixed Term, depending on their circumstances these tenants will either have their tenancies reviewed or offered alternative accommodation.

E  RECOMMENDATIONS

That the report be noted.

F  OLDHAM COUNCIL’S TENANCY STRATEGY

See Appendix 1
Appendix 1

Oldham Council
Tenancy Strategy 2013 – 2016
(Revised)
Contents

1. Introduction

2. Kinds of registered tenancies preferred

3. The circumstances a provider should have regard to in granting a particular type of tenancy

4. Recommended terms and length of fixed term tenancies

5. Circumstances RPs should have regard to in granting a further tenancy on the coming to an end of an existing tenancy

6. Affordable Rents

7. Homelessness

8. Appeals and Complaints

9. Monitoring and Review
1. Introduction

1.1 The Localism Act 2011 places a duty on all local authorities to produce a tenancy strategy, setting out the objectives which the registered providers operating within our boundaries, 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.

1.2 This strategy is our response to that duty. It sets out how we would like registered providers in the borough to respond to the relevant changes introduced by the Localism Act.

1.3 It is important to note that registered providers need only ‘have regard to’ our Tenancy Strategy in developing their own tenancy policies and there is little scope for us to insist that all registered providers operating in the area adopt the same approach.

1.4 In producing this strategy, the Council has taken into consideration the local economic circumstances of the borough, the local housing market and housing need across all the tenures as well as its own Homelessness Strategy 2013 -16 and Allocations Scheme and the GM Tenancy Strategy Principles.

1.5 The aims of this strategy are to:

- Contribute to sustainable communities
- Make best use of housing stock in the borough
- Provide protection to vulnerable people who may be disadvantaged by the tenure reforms, and
- Help shape the tenancy policies of registered providers operating in the borough.

2. Kinds of tenancies to be offered by register providers

2.1 Oldham Council strongly supports registered providers (RP) continuing to let their homes on permanent or longer-term tenancies, which are compatible with the purpose of the accommodation, meets the needs of the individual household, makes best use of its housing stock and contributes towards the sustainability of the community. In particular it expects each RP that is building and letting homes in Oldham will have regard to the following:
• Continue to issue one year starter/introductory tenancy for all new tenancies, unless a lifetime tenancy is granted.

• If an RP wishes to use Fixed Term Tenancies, the council would prefer that for general needs housing, these are for a minimum of 2 years (in line with HCA Tenancy Standard) and ordinarily 5 years, particularly where there are dependent children. The actual length of tenancy will be made clear when advertising the property. There may be other circumstances, such as shared lets or time limited leave to remain in the UK where a shorter Fixed-Term tenancy period would be appropriate.

• Issue lifetime tenancies where the registered provider deems it is appropriate and in line with their own policies.

• Publish a Tenancy Policy which details the circumstances when Fixed Term Tenancies will be issued and situations when these will or will not be renewed.

3. The circumstances a provider should have regard to in granting a particular type of tenancy

3.1 The council expects RPs to make best use of its housing stock and would find it appropriate to issue Fixed Term Tenancies in the following circumstances.

• Offer of family accommodation.

• Offer of specially adapted accommodation suitable for the prospective tenant.

• Joint tenants in sheltered housing or extra care housing, where the tenancy was granted due to the medical need of one of the tenants.

• Tenants with an assured or secure tenancy transferring to sheltered or extra care housing.

• Shared accommodation and/or student lets.

• Households with specific support needs (e.g. supported housing, family intervention project cases) requiring specialist but time limited accommodation and/or support.

• Households with limited leave to remain in the UK.

• Tenancies linked to employment.

• Tenancies intended to be short term due to impending regeneration or demolition proposals.

• Tenancies granted to customers who present a high risk of tenancy failure.
• Any other such tenancies that RP can demonstrate adherence to the principles of this strategy and the AGMA principles and/or where the RP can demonstrate a business need.

3.2 The council may not deem it appropriate for RPs to use Fixed Term Tenancies in the following circumstances:

• Tenants with an assured or secure tenancy transferring to another property.

4. Recommended terms and length of fixed term tenancies

4.1 The Council expects the minimum term of fixed term tenancies to be 5 years, however, RPs may choose to offer longer term tenancies to households with dependent children.

4.2 Where an offer of heavily adapted properties or one which are appropriate for adaptations to suit the prospective tenant’s needs, the Council expects the initial term to be 5 years, with the condition of a further tenancy being granted unless the household member needing the adaptations is no longer in residence.

4.3 The Council expects that RPs will make clear the terms and length of tenancy when advertising the property in the Council’s Choice Based Lettings Scheme or making a direct offer outside the CBL system.

5. Circumstances RPs should have regard to in grantig a further tenancy on the coming to an end of an existing tenancy

5.1 When carrying out tenancy reviews, the Council expects registered providers to proceed on the basis of a presumption that a new fixed term tenancy for a term which is equivalent to the current or previous will be granted to the tenant, unless the following applies:

• The household make-up has changed significantly which has resulted in the property being under-occupied under the Government’s Welfare Reform definition.

• The property is no longer suitable, because the adaptations in the property which were provided for the disabled household member no longer reside at the property.

• The property was let as a joint tenancy and the tenant who met the age criteria at the time of the offer no longer resides at the property and the other does not meet the age restriction to continue to reside there.
5.2 When a provider decides not to reissue a tenancy at the end of the agreed term, the council expects the RP to give notice of this decision 6 months before the end of the tenancy and provide detailed advice and assistance for tenants to help them find suitable alternative accommodation.

6 Affordable Rents

6.1 Oldham Council recognises that the use of Affordable Rents is essential to financing the delivery of new social housing, particularly homes which are delivered as part the Homes & Communities Agency’s Affordable Housing Programme. However, they do have discretion over the number of existing homes that will be converted to affordable rent when they become available for re letting.

6.2 Householders in Oldham generally have low incomes and therefore the council expects RPs to take this into consideration and ensure affordable rent conversions are genuinely affordable for local tenants and that affordability is monitored closely.

6.3 The Council expects RPs to offer prospective tenants the opportunity to discuss and evaluate if a tenancy at an Affordable Rent level is a sustainable housing option for them.

6.4 RPs should consult with the council at an early stage on proposals for affordable rent levels on new properties and conversion from social to affordable rent.

7 Homelessness

7.1 The Localism Act allows councils to discharge their homelessness duty by providing good quality private rented homes. Government believes that this option could provide an appropriate solution for people experiencing homelessness. The council therefore may exercise the powers granted by s.148 of the Localism Act 2011 to end the homelessness duty by making an offer of suitable accommodation in the private rented sector, without requiring the applicant’s agreement. The council will seek to ensure that any offer of private rented housing is appropriate to the needs of the household and the minimum length of any tenancy will be 12 months.

8 Appeals and Complaints

8.1 The council expects all RPs to offer a fair, open and transparent review and appeals process which provide tenants the opportunity to question decisions about granting of all tenancy types and the serving of notices.

9 Monitoring and Review

9.1 Oldham Council will monitor and review the Tenancy Strategy annually. This will be based on an assessment of data submitted by Registered Providers. This will include the monitoring of:

- The number of fixed term tenancies issued
- The number of fixed term tenancies reviewed and the outcome of the review
• Reasons for non-renewal of tenancies
• The number of Affordable Rents implemented (through new build and conversion)
• The profile of tenants who have accepted Affordable Rent tenancies
• The number and location of social rented homes converted to affordable rent.

10. Contacts

If you require any further information about this Tenancy Strategy, please contact the Oldham Housing Strategy team on the following:

Housing
Neighborhoods Directorate
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Oldham Business Centre
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OL1 1BB
Email: housing.strategy@oldham.gov.uk