

Tenancy Strategy 2018

1.0 Introduction

The Localism Act 2011 requires local authorities to develop a Tenancy Strategy to guide Registered Providers of social housing in their area in developing tenancy policies for their own stock and it requires the Registered Providers to have due regard to the strategy.

The Act introduced flexible tenancies which can be offered for a minimum of two years and indicate the move away from life-long social housing tenancies, to tenancies for a period of housing need.

This strategy takes account of changes in the legislation and sets out how the council will use fixed term tenancies to make the most effective use of its housing stock in meeting the needs of people unable to find suitable accommodation through the open market. Medway Council recognises the valuable role social landlords play in meeting housing need. It hopes that they will have due regard to the principles of this strategy whilst recognising they work across borough boundaries.

This new strategy has been written to take the requirements from the Housing and Planning Act 2016 regarding flexible fixed term tenancies and voluntary pay to stay for high income social tenants into account. Some provisions of the Housing and Planning Act 2016 have not come into force yet and no date has been set for this. The Ministry of Housing, Communities and Local Government released its Green Paper, A new deal for social housing in August 2018. This discusses the use of fixed term tenancies and states the government is proposing it does not make fixed term tenancies mandatory for local authorities whilst recognising the benefits of fixed term tenancies and still permitting the use of introductory and fixed term tenancies by social landlords.

1.1 Council values

The Council Plan 2016-17 to 2020-21 sets out how we will provide the best possible services for our residents, our priorities and ways of working. These are;

Priorities

- Medway: A place to be proud of
- Supporting Medway's people to realise their potential
- Maximising regeneration and economic growth

The Council Plan can be found here

https://www.medway.gov.uk/info/200138/your_council/342/the_council_plan/1

Ways of working

- a) Giving value for money
- b) Finding the best digital innovation and using it to meet residents' needs
- c) Working in partnership where this benefits our residents

The Housing Strategy 2018-2022 sets out how we aim to improve housing within Medway and our priorities which are to;

- Deliver homes that meet the identified needs of Medway residents.
- Improve the quality of homes and lives
- Ensure people can access housing and service to keep them independent

This will be available for consultation of www.medway.gov.uk website.

The Homelessness Prevention Strategy 2017-19 sets out our aims to address homelessness in Medway. Its priorities are to;

- Use early interventions to prevent homelessness before crisis point is reached
- Provide timely housing information enabling people to make informed housing decisions and plan ahead
- Ensure fair access to a supply of housing to meet housing needs
- Ensure access to services to help people with housing support needs to sustain independent living

The strategy can be found here

https://www.medway.gov.uk/downloads/file/1499/strategic_housing_homelessness_prevention_strategy and its action plan is monitored quarterly.

The Allocations Policy 2012 aims to ensure that the limited number of social homes available are allocated to those in greatest housing need as set out in the legal definition of reasonable preference. The Policy will be reviewed in the next 12 months however, the key objectives will remain and the Policy can be found here

https://www.medway.gov.uk/downloads/file/1509/strategic_housing_allocations_policy Its key objectives are to:

- Provide a fair and transparent system by which people are prioritised for social housing
- Help those that are most in housing need
- Promote the development of sustainable communities
- Encourage tenants to take up employment and training opportunities
- Provide greater flexibilities for the movement of existing social housing tenants
- To assist in the mitigation of the impact of welfare reform
- Recognise applicants that are making a contribution to their local community

The council has had due regard to these documents when drafting the tenancy strategy.

1.3 Local Housing Market

The 2011 census showed 13.2% of households in Medway lived in socially rented homes, showing a lower proportion of socially rented homes than for Kent (13.9), the southeast (13.7) or England and Wales (17.6%).

On the 1st April 2018 the council owned and managed 3016 lettable homes. During the year 2017-18 approximately 6% of the stock became available for reletting. Other social landlords manage a further 12396 lettable homes and approximately 4 % of their stock became available for reletting.

The main issues Medway faces regarding housing are;

- Demand for affordable housing currently outpaces demand
- High levels of homelessness
- The high cost of renting in the private rented sector

The local housing allowance is lower than the private sector rents, leaving tenants with a rent shortfall to top up. A buoyant housing market leaves a significant section of the population unable to afford to buy a home in Medway. These factors can lead to a large number of households seeking the lower rents found in the socially rented sector. Currently 64.6% of Medway Council tenants are in receipt of housing benefit indicating they would be unable to afford to buy their own home and may struggle to pay the rent in a privately rented home.

On 1 June 2018 there were 1,749 households registered with Homechoice in active bands A-D with a housing need, 749 registered for sheltered housing or extra care accommodation only and 3,269 on the inactive register.

1.4 Background

The Tenancy Strategy 2012 was developed in response to the Localism Act 2011 which required local authorities to publish a Tenancy Strategy. The strategy set out how introductory and fixed term tenancies would be used by Medway Council and recognised that with the limited number of social rented homes available it is important to manage the stock as effectively as possible to assist those in greatest housing need.

The Localism Act 2011 and then the Housing and Planning Act 2016 amended the Housing Act 1985 and the Housing Act 1996 to reform social tenancies. Social housing no longer has to be let as a life long tenancy and social housing providers can choose to let a home on a fixed term tenancy. The minimum length of a fixed term tenancy is two years, though the government has indicated that five year should be the norm. Landlords are expected to review a fixed term tenancy six months before it is due to end to decide whether it should be renewed and must publish guidance on the process and criteria to be used in assessment. Social landlords may offer introductory tenancies for new tenants, normally of one year, which can be followed by a fixed term tenancy.

Medway Council will continue to grant tenancies for a fixed term and an assessment will be carried out to determine whether they will be renewed on a case by case basis. It will normally grant a tenancy for a fixed term for five years for households not moving into specially designated housing including sheltered housing.

Following a Department of Communities and Local Government consultation exercise in 2012, the government introduced a discretionary power that allows social landlords to charge the full market rent to tenants with an income of £60,000 or more. The scheme is known as 'pay to stay' and has been adopted by Medway Council for its tenants. Medway Council fixed term tenancy agreements include a clause that tenants should inform the council when their income reaches £60,000.

The Secure Tenancies (Victims of Domestic Abuse) Act 2018 requires that a household granted a tenancy to flee domestic abuse that has a qualifying social tenancy must be granted an old style secure tenancy.

Medway Council uses a small number of its homes for households in temporary accommodation. These households are given a non-secure tenancy until they leave temporary accommodation.

1.5 Consulting with social landlords

We posted a copy of the strategy to every social landlord with housing stock in Medway. Feedback received from the consultation has been taken into account in the subsequent development of the strategy.

2.0 Tenancy Preferences

The Localism Act 2011 requires local authorities to publish 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;

1. The types of tenancies they grant,
2. The circumstances in which they will grant a tenancy of a particular type,
3. Where tenancies are granted for a certain term, the lengths of the term, and
4. The circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy

Medway Council will let its socially rented stock in accordance with the guidance below and encourages other social landlords to consider these options.

Tenancy Preferences in Medway

The council would encourage social landlords to consider offering new tenants an introductory 12 month tenancy followed by a fixed term tenancy to the majority of tenants not moving into specially designated housing, including sheltered or extra care housing.

2.1 Types of tenancy

Introductory tenancies for 12 months allow the landlord and tenant to test whether the tenancy is suitable. At the end of a satisfactory introductory tenancy a fixed term tenancy, or for specially designated housing an old style secure tenancy, could be granted.

Fixed term tenancies could be offered as a way of making the best use of limited housing stock.

Old style secure tenancies (or assured tenancies should non local authority social landlords offer them) could be provided where

- The landlord required the tenant to move home on a like for like basis.
- The tenant has left a qualifying social tenancy to flee domestic abuse

- The tenancy is for specially designated housing including sheltered or extra care housing

These types of tenancy will provide us with the ability to make the best use of available housing, reduce the likelihood of homes being under-occupied and use the stock fairly for the households who need it most.

2.2 The circumstances in which they will grant a tenancy of a particular type,

The council would encourage social landlords to consider granting these tenancies in these circumstances;

Introductory tenancies to be offered to households that do not currently have a social tenancy.

Fixed term tenancies to be offered to households following a satisfactory introductory tenancy.

Old style secure tenancies (or assured tenancies should non local authority social landlords offer them) will be provided

- where the landlord required the tenant to move home on a like for like basis.
- to households with a qualifying tenancy fleeing domestic abuse
- where the tenant has moved into specially designated housing, including sheltered housing and extra care housing, having completed a satisfactory introductory tenancy if a new tenant

2.3 Where tenancies are granted for a certain term, the lengths of the term

The council would encourage social landlords to consider granting tenancies of these terms;

12 month introductory tenancies could be offered to households that do not currently have a social tenancy. They can be extended by six months in the circumstances described in section 125A Housing Act 1996.

Fixed term tenancies would generally be for five years but social landlords are encouraged to extend this where the households include young children. Old style secure tenancies (assured tenancies for non local authority social landlords) will run for the life of the tenant.

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

The council would encourage social landlords to consider granting further tenancies in these circumstances;

A fixed term tenancy will be granted following an introductory tenancy if the introductory period was completed satisfactorily.

When a fixed term tenancy is coming to an end, before a further fixed term tenancy will be granted the landlord will consider;

- The tenants financial circumstances and their ability to access appropriate accommodation through the private housing market
- The level of occupation of the home and any special requirements members of the household may have regarding their health and wellbeing
- General conduct of the tenancy (only to be used in extreme situations such as serious rent arrears or anti-social behaviour cases)

We anticipate that the majority of fixed term tenancies will be renewed however it is possible that the make up of the household has changed and another property would be more appropriate or that the household no longer needs a socially rented home.

3.0 Monitoring

The strategy will be reviewed once the government releases any changes to policy following the Green Paper and periodically to ensure it remains relevant to making the best use of the housing stock owned by the council and other affordable housing providers with homes in Medway.