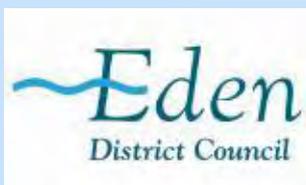


# South Lakeland District Council and Eden District Council



## Tenancy Strategy 2012 - 2017



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## Summary Incorporating Council's Recommendations

- 1.0 The Localism Act 2011 places a duty on local authorities to produce a Tenancy Strategy that will:
- (a) Set out high level objectives to which Registered Providers should 'have regard to' when formulating their own policies on:
- The types of tenancies they will grant;
  - The circumstances in which they will grant a tenancy of a particular kind;
  - Where they grant tenancies for a term certain, the length of the terms; and
  - The circumstances in which they will grant a further tenancy on the expiry of an existing tenancy.
- (b) Summarise or refer to Registered Providers' Tenancy Policies
- 1.1 South Lakeland District Council and Eden District Council have been working in partnership to produce a draft Tenancy Strategy. Both Districts share similarities in terms of rurality, demographics and affordability. Therefore, the Tenancy Strategy covers both South Lakeland and Eden districts. It should be noted that the data contained in Appendix 1a within the South Lakeland document relates solely to South Lakeland. A shared Tenancy Strategy gives Registered Providers a consistent approach that will be helpful in preparing their own tenancy policies.
- 1.2 In developing the Tenancy Strategy the Council has fully considered the housing needs and situation of the Districts in relation to the impact of the Government's housing reforms. This has therefore informed the Council's recommendations to best meet the needs of the Districts bearing in mind the acute housing need that exists, affordability issues and rurality.
- 1.3 Consultation has taken place with Registered Providers in December 2011 and June 2012 and the Tenancy Strategy was placed on the Members Bulletin Board on 12 March 2012. In addition the draft Strategy was considered by the Housing and Community Scrutiny Panel on 7 June 2012. The consultation has helped to shape the Strategy. The Council works in close partnership with Registered Providers and in implementing the recommendations the Council will proactively work with Providers to ensure that needs are met.
- 1.4 Provided that Registered Providers follow the recommendations summarised below, the expected outcomes will be that tenancies will be maintained and provided at a rent that can be afforded thereby minimising the risk of homelessness and instability within our communities. Better use will be made of existing stock by encouraging under occupiers to downsize to accommodation that is better suited to their needs where this is possible. These outcomes will then help to achieve the key priorities outlined in Section 2.1 of this Strategy, namely:
- **Sustainable communities** - to ensure that the Tenancy Strategy supports stability within communities. There is a risk that using flexible tenancies may have an adverse affect by moving households on which can then cause wider implications for schools, shops and businesses.
  - **Making best use of stock** - there is a need to address under occupation and overcrowding, make better use of adapted properties and enable Registered Providers to make best use of their stock.

- **Assist vulnerable households and reduce the risk of homelessness** - to ensure that Tenancy Policies introduced by Registered Providers do not have an adverse affect on vulnerable households nor increase homelessness. This links with other strategies, ie the Homelessness Strategy, Cumbria Housing Strategy and the wider agenda around health and wellbeing.

1.5 The Tenancy Strategy sets out the Council's position in relation to:

- the new form of fixed term/flexible tenancy introduced by the Localism Act 2011;
- Regulation of social housing providers;
- allocating affordable and social rented homes;
- the conversion of social rents to the new higher affordable rents;
- new build affordable rented homes;
- making best use of the social rented stock and safeguarding vulnerable people;
- under occupancy and overcrowding;
- tenancy fraud;
- succession and assignment.

1.6 A summary of the Council's recommendations are shown below.

## Summary of Recommendations

### Flexible/Fixed Term Tenancies

- That on review in the majority of cases these tenancies should be renewed in order to maintain stable communities, except for those circumstances outlined within Table 1a Home Group unlikely to renew if tenant was in arrears.
- When allocating fixed-term tenancies Registered Providers should be clear on the circumstances whereby the tenancy is to be renewed or terminated with the incoming tenant(s).
- Registered Providers should take part in the initiative to set up an early warning system under the Homelessness Strategy for all tenancies that may not be renewed or where the household is struggling to maintain the tenancy due to rent arrears and/or anti-social behaviour. Such a system will ensure that Housing Options Teams can apply early interventions such as floating support, debt advice etc to prevent homelessness.
- Registered Providers will need to consider the review process and have a system in place to carry out a review of a flexible tenancy as required by the Localism Act.
- Older people living in extra care and sheltered housing and people living in supported housing should not be granted a flexible tenancy. People living in supported housing are most likely to be on a licence.
- Registered Providers should consider not granting flexible tenancies to households with school age children, unless the tenancy can be automatically renewed so that there is stability in the schooling.
- In order to maintain stable communities in rural areas we would not expect flexible tenancies to be used outside of the Key Service Centres of Kendal, Ulverston, Grange over Sands, Kirkby Lonsdale, Sedbergh, Windermere, Ambleside, Alston, Appleby, Kirkby Stephen and Penrith) except in a minority of cases where this may be appropriate.  
  
Registered Providers should discuss options around shared ownership and discounted sale properties with households when undertaking a review of the tenancy. This would assist households who are able to benefit from these options as well as releasing a rented property for those households in need of it.
- Flexible/fixed term tenancies should be for no less than five years.

### Tenancy Policies

- Registered Providers should review their Tenancy Policy should Government Regulations stipulate that they can charge the full rent if a household earns in excess of the prescribed amount (this is yet to be determined).

### Regulation of Social Housing

- We are keen to ensure that Registered Providers have consistent standards in place in relation to regulation by working collaboratively.
- Tenants should be consulted on any changes to take account of the reduced role of the Government in this regard.

- Registered Providers to stipulate in their Tenancy Policies how the regulatory process will work in practice, including the role of tenants.
- Providers are encouraged to make use of training from organisations such as the Tenant Participatory Advisory Service who run regulation training for tenants and staff.
- Registered Providers need to take account of and co-operate with the strategic housing role of local authorities, for example by making homes available for the homeless.

### **Allocating Affordable and Social Rented Properties**

- The Allocation Policy (Cumbria Choice) is regularly reviewed and consideration be given in future for affordable rented properties to be allocated to households who are not solely reliant on housing benefit and who may be working already. Checks are carried out by Registered Providers to ensure that the rents can be afforded by the incoming tenant(s) before an offer is made.
- Consideration be given to how social rented homes are allocated under Cumbria Choice to ensure they are let to those households in greatest need of the lower rent.
- Statistics are gathered showing vacancy reasons and any properties that become vacant more than once are highlighted.

### **Affordable Rent Conversions**

- There should be a limit on the number of relets that are converted to affordable rents to maintain a supply of social rented homes. It is recommended that Registered Providers consult the Council when considering how many conversions will take place in future bidding rounds with the Homes and Communities Agency.
- Where conversions are being considered Registered Providers should consult with the Council concerning the percentage of rent to be charged. This is due to the fact that there are likely to be existing planning obligations that may restrict rent set out within Section 106 agreements or covenants. Additionally, the Council will advise on local income levels in particular localities to ensure that the affordable rents are affordable.
- Larger 3 and 4 bedroom properties should remain within the Local Housing Allowance limits to ensure future affordability in light of the introduction of Universal Credit
- Incoming tenants should receive advice and guidance on affordability to ensure that they can afford the rents.
- Tenants who begin to struggle to meet rent payments should be referred to the Housing Options Team for advice and guidance to reduce and prevent homelessness.
- Ensure that a range of property types are available for both social rent and affordable rent.

- Conversions should in most cases be limited to key service centres, ie Kendal, Ulverston, Grange over Sands, Kirkby Lonsdale, Milnthorpe, Windermere, Ambleside, Sedbergh, Alston, Appleby, Kirkby Stephen and Penrith where there is a greater number of relets<sup>1</sup>, thus protecting the sustainability and affordability of rural localities.

### **New Build Affordable Rented Properties**

- Registered Providers should continue to consult the Council's Strategic Housing Section with regard to affordable rents so these can be based on local income data.
- Registered Providers should explore other avenues of providing social rented properties without Homes and Communities Agency funding.
- Registered Providers should look to the Council's statements reflected in the Core Strategy relating to affordable prices for new build properties. This is based on the South Lakeland Strategic Housing Market Assessment 2011 and Eden Strategic Housing Market Assessment 2009.

### **Under Occupancy and Overcrowding**

- Registered Providers set up a system to map the number of under occupying households and contact tenants to discuss their needs and aspirations, for example tenancy audits.
- Registered Providers consider access to tenants to the national home swapper scheme and other options such as working with other local Registered Providers to publicise and enable mutual exchanges or other moves, for example a matching service to match under occupying households with overcrowded households (right size package).
- Where one or each party has arrears this should not preclude them from a mutual exchange, particularly where a household is affected by welfare reform, in order to improve under occupancy and overcrowding issues.
- Registered Providers consider allowing tenants to take in lodgers where appropriate and where this is not already offered under the terms of the Tenancy Agreement.
- Registered Providers consider incentive schemes (unless this is already offered) that offer assistance (such as organising removals/connections/informing utilities etc, handyman for putting up curtains, shelves and other small jobs in the new home, small scale decorating charges covered) and/or financial support to enable under occupiers to move.
- Registered Providers consider publicising the scheme to encourage take up, for example using flyers, tenant newsletters, web-site, holding events on housing options particularly geared around older people.
- Registered Providers could seek referrals from adult social care, Citizens' Advice Bureau etc to be made aware of tenants who are struggling to meet their bills so they can be made aware of options to downsize and reduce outgoings.
- Review priority under the allocations scheme (Cumbria Choice) for under occupiers to allow greater priority to move.

- In certain circumstances, Registered Providers may wish to allow under occupancy by no more than one bedroom. For example, for a household who requires a carer to stay overnight on occasions.
- Registered Providers carry out regular audits of tenants to reveal under occupiers and households who are overcrowded.
- During a review of a flexible tenancy overcrowded tenants could be assisted to move to alternative accommodation either via a mutual exchange or through bidding through Cumbria Choice or obtaining private rented or low cost home ownership options.

### **Tenancy Fraud**

- Registered Providers carry out regular audits of tenants to reveal cases of tenancy fraud.
- Registered Providers encourage neighbours to report suspected incidents of fraud, for example through tenant newsletters, web-site and posters.
- Information is sought from energy companies where fraud is suspected in line with forthcoming regulations to oblige energy companies to release this information.

### **Succession and Assignment**

- Registered Providers ensure tenancy agreements comply with their tenancy policies in respect of assignment and succession.
- In making changes to tenancy agreement that Registered Providers follow the correct legal process.
- Where a household does not qualify to succeed to a tenancy or have a tenancy assigned to them it is recommended that Registered Providers contact Housing Options Teams at the earliest possible convenience so that options can be explored to prevent homelessness.

## **Section 1 - Background and Aims of the Strategy**

### **1.0 Introduction**

The Localism Act 2011 introduced a new duty for Local Authorities to prepare and publish a Tenancy Strategy within 12 months of the relevant section coming into force, in consultation with Registered Providers setting out:

- High level objectives ('matters') that registered providers should 'have regard to' when preparing their tenancy policies on:
  - ✓ The kinds of tenancies to be granted and the circumstances in which a particular tenancy will be granted.
  - ✓ The length of a fixed term where these are to be used.
  - ✓ The circumstances in which a tenancy will be renewed or otherwise.

The Strategy needs to have regard to the current Allocations Policy and Homelessness Strategy.

In addition to the above, the South Lakeland and Eden District Tenancy Strategy will set out the Council's position in relation to:

- Affordable rented properties and their allocation
- Under occupancy and overcrowding
- Tenancy fraud
- Regulation of social housing providers
- The duty to end a homelessness duty in the private sector

A summary of the recommendations is located above.

### **1.1 Development of the South Lakeland and Eden Tenancy Strategy**

South Lakeland District Council and Eden District Council have worked collectively to produce a Tenancy Strategy that will provide a consistent approach for Registered Providers across the two districts. The Strategy has developed in consultation with Registered Providers with whom South Lakes and Eden District Council held a Provider event in December 2011 followed up by consultation on the draft during June and July 2012. Members were consulted in South Lakeland on 12 March 2012 at a Members' Forum and in Eden. An equality impact assessment was completed in April 2012. Tenants were consulted in July 2012 and the draft was placed on the Consultation Hub on the Council's web-site. The consultation has then influenced the Councils' strategic approach.

### **1.2 National, Regional and Local Context**

The Government's "Laying the Foundations" document sets out the Government's strategy for housing to unlock the housing market and 'get Britain building again'. The key priority areas being:

- Increasing supply: more homes, stable growth
- Social and affordable housing reform

- A thriving private rented sector
- Strategy for empty homes
- Quality of housing experience and support
- Quality, sustainability and design

At present there is already a range of tenancies available including secure and assured tenancies, a licence (which is generally used for short-term housing such as temporary accommodation), and probationary or introductory tenancies. The Localism Act allows housing providers to offer shorter-term tenancies shifting away from the 'tenancy for life'. Fixed-term tenancies (sometimes referred to as flexible tenancies) can be for a minimum of two years though the Government's Housing Strategy stipulates that it would expect in most cases that these tenancies should be for five years. This is a significant change designed to encourage providers under the Government's Housing Strategy to make better use of social housing where there is significant demand and not enough supply.

The Government's National Housing Strategy for housing reform recognises the growing demand for social housing outweighing the availability of this accommodation. As well as introducing fixed-term tenancies, discretion can be used in the allocation process as to who can apply for social housing as a 'qualifying person'. The suggestion is that households who are more than capable of meeting their own housing needs should not be allocated social housing. This would have the knock on effect of reducing waiting lists and ensure that only those people who really need social housing move into social housing. The National Strategy also refers to households currently living in social housing and earning well in excess of the national average income. The Government is consulting on proposals for such households to pay the market rent. Registered Providers may need to adjust their Tenancy Policies in response to this.

Further impacts arising from the National Housing Strategy include the commitment to revitalise the Right to Buy by offering increased discounts and replacing properties that are sold, which may or may not be in the area within which they were sold. These properties are likely to be replaced with affordable rented properties as opposed to social rented properties. As of 2 April 2012 the maximum discount available has increased to £75,000 for anywhere in England. The impact of the diminishing social rented housing stock locally is that the Allocation Policy (Cumbria Choice) may need to be reviewed to ensure that only those households in most need of the lower rent are able to secure them. As the stock of affordable rented properties increases thought needs to be given as to how these properties are to be allocated.

Almost all new homes built with subsidy from the Homes and Communities Agency (HCA) are now expected to be offered at affordable rents of up to 80% of the market rent. In addition Registered Providers can now convert relets to affordable rents and whilst the Tenancy Strategy cannot set rents, The Tenancy Strategy provides some guidance relating to affordability and allocations of these properties.

The Government is keen to address the issue of under occupation and overcrowding and the Tenancy Strategy details some good practice in this area which should prove useful to Registered Providers as well as tackling tenancy fraud.

### 1.3 Cumbria Housing Strategy

Cumbria Housing Strategy was published in 2011. The Tenancy Strategy is consistent with and supports the three Key Themes of Cumbria Housing Strategy, namely:

#### **Key Theme 1: Housing Growth, Affordability and Community Sustainability**

We want housing which supports a growing economy and sustainable communities and where the need for affordable and market housing to support economic opportunities identified by the LEP, are delivered. We want to see the housing needed to develop the rural economy, delivered. We want to maximise funding opportunities around growth and use collective procurement to achieve cost effective delivery of new public sector housing. We want the development of new housing to be underpinned by improvements to the physical infrastructure and to support improvements to health and well-being.

#### **Key Theme 2: Vulnerable People, Supporting Independence**

We want vulnerable people to be empowered to live independently with the ability to purchase the care/support needed to maintain their tenancy and fully engage in their local community, either through access to personal budgets, direct payments and/or Supporting People provision regardless of gender, ethnicity, disability, age, sexuality, or faith. We want vulnerable people to have access to extra care housing (as and when appropriate); to energy saving and disability adaptations grants (ie through an effective and efficient Disability Facilities Grant programme); to banking and credit; and to paid employment or a supported employment programme moving people towards the world of work. We want vulnerable people to be empowered to maximise their life chances as young adults by having access to accommodation that supports their employment, education and training living in and contributing to safer and stronger communities.

#### **Key Theme 3: Housing Market Renewal: Using Stock More Effectively**

We want to continue support for housing market renewal including an increase in the choice and quality of housing stock and the regeneration of our oldest and poorest housing. We want to maximise the potential of the existing (private and public sector) housing stock so that significant progress is made in adapting homes to meet special needs, bringing empty and under-occupied homes into beneficial use, eliminating sub-standard housing, improving energy efficiency and matching the stock to the needs of tenants through an expanded choice based letting scheme. We want tenancy strategies in place that seek to ensure that social housing assists in meeting current and future housing need, maintains stable communities and that best uses stock to eliminate overcrowding and under occupancy. We want mechanisms established to ensure that second homes/holiday homes do not form more than 20% of the local housing market.<sup>1</sup>

In relation to the Tenancy Strategy Cumbria Housing Strategy specifies that “Tenancy strategies seek to ensure that social housing assists in meeting current and future housing need, maintains stable communities and that best use of stock eliminates overcrowding and under occupancy.”

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<sup>1</sup> Cumbria Rural Housing Trust: An Effective Way to Sustain our Rural Communities Part 1: The Effects of Affordable Housing in Rural Communities.

#### **1.4. South Lakeland District Council**

South Lakeland District covers a 600 square mile area with large parts of the District falling within two national parks, the Lake District and Yorkshire Dales National Park. The District is predominantly rural and the housing market is dominated by issues of affordability, something the Council recognises in the five year Strategy and Corporate Plan. The latest Strategic Housing Market Assessment evidenced the need for 640 affordable homes per year over the next five years.<sup>2</sup> The District has high levels of self employment with the predominant industries being tourism/catering and agricultural. Of the 103,700 population a significant proportion are older people. By 2035 the number aged 75 - 84 is expected to increase by 32% and those aged 85 and over by 63%. Conversely the number of younger people is set to decline.

#### **1.5. Eden District Council**

Eden District is the second largest district in England and the second most sparsely populated district in England and Wales. With a population of 52,000 it has a density of just 0.23 people per hectare compared to a Cumbria average of 0.7 people per hectare and 3.4 people per hectare for England as a whole. The economy is based mainly on service industries, tourism, agriculture and distribution. Sharing many similarities with South Lakeland, parts of Eden District fall within the Lake District National Park and the need for affordable housing is particularly pronounced in these areas and the Strategic Housing Market Assessment has evidenced a need for 227 affordable homes per year over five years.<sup>3</sup> Similarly to South Lakeland the demographic profile is shifting towards the older age ranges By 2035 the number aged 75 - 84 is projected to increase by 43% and those over 85 by 67% and again the District will see a decline in younger age groups.

1.6 The significance of the changing demographic for both Districts is reflected nationally and at a local level through the Health and Wellbeing partnership, Cumbria Housing Strategy and Older Persons' Housing Strategy. As older people are more likely to be under occupying the Tenancy Strategy seeks to set out some guidance and good practice to encourage the release of larger family homes enabling older people to downsize into more manageable accommodation.<sup>4</sup>

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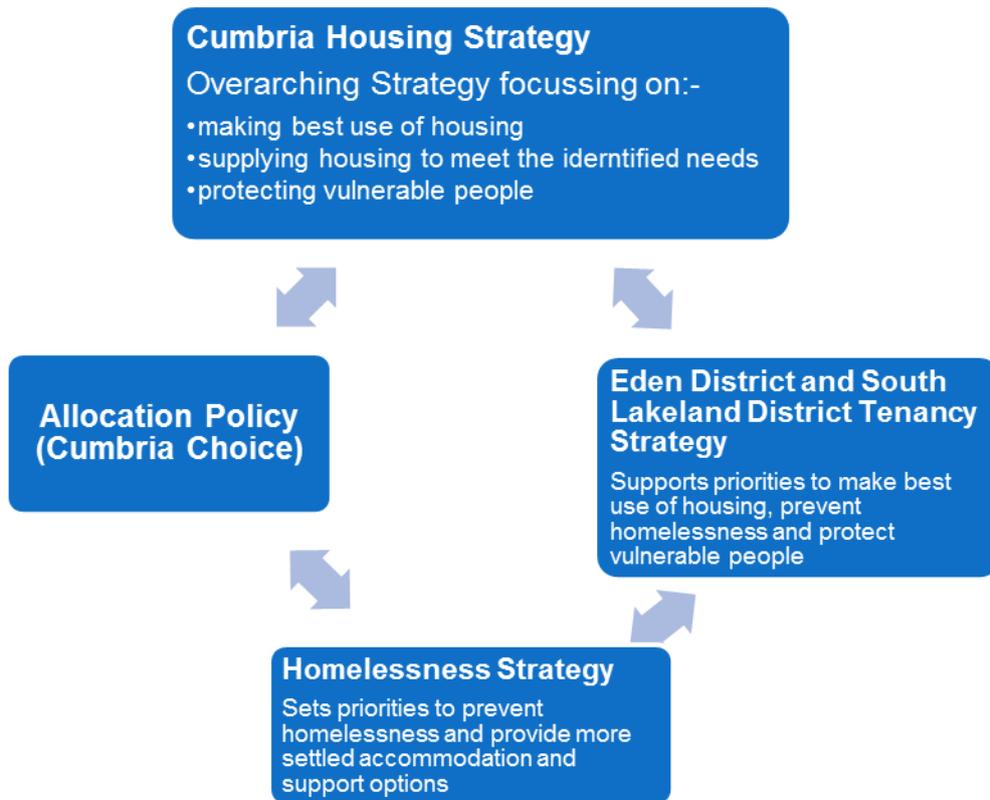
<sup>2</sup> South Lakeland 2011 SHMA Final Report

<sup>3</sup> Eden District SHMA 2009

<sup>4</sup> South Lakeland 2011 SHMA Final Report based on ONS projections

## 1.7 Strategic Links

Key strategic links for the Tenancy Strategy are shown below



Tenancy Strategies across Cumbria have been developed using a consistent evidence base so that the Cumbria Housing Group can effectively monitor the impacts of housing reform and how Registered Providers respond to the Tenancy Strategies.

## Section 2 - What are we Trying to Achieve

### 2.1 Key Strategic Priorities

Three key priorities have been developed and consulted upon with registered providers and Members, namely:

**Sustainable communities** - we want to ensure that this Strategy supports the stability of our communities and that Registered Providers' Tenancy Policies do the same. There is a risk that policies on fixed-term tenancies could have an adverse effect on this aim by moving households on causing wider knock-on effects on employment, community's shops, businesses and schools. Additionally, there is a need for more affordable homes and the right mix of housing in order to meet the housing needs within a community, something that the Cumbria Housing Strategy recognises.

**Making best use of stock** - we need to address issues of under occupation and overcrowding, make better use of homes adapted for disabled people and bring empty homes back into use. This is also a priority of the Cumbria Housing Strategy.

**Assist vulnerable households and reduce the risk of homelessness** - the Tenancy Strategy needs to take account of the Homelessness Strategy and vice versa. We need to ensure that Registered Providers' tenancy policies that are introduced do not have an adverse affect on vulnerable households nor increase homelessness. We need to ensure that vulnerable households do not experience negative impacts in the implementation of the Tenancy Strategy and Registered Provider tenancy policies.

The above priorities are consistent with the Homelessness Strategy, Allocations Scheme (Cumbria Choice), Cumbria Housing Strategy and the National Housing Strategy and the Tenancy Strategy has taken these documents into account. Registered Providers were happy that the aims reflected their own strategic priorities. Achieving these priorities cannot be done in isolation and it is expected that Registered Providers, in having regard to the Tenancy Strategy will help to achieve these aims, together with the implementation of the aforementioned Strategies.

### 2.2 Supporting Data

Data was collected to help inform Registered Providers during the consultation and the development of the Tenancy Strategy. The supporting data is referred to throughout this document and can be found at Appendix 1a.

## Section 3 - Achieving our Priorities

### 3.1 Sustainable Communities

This section will cover use of and types of tenancies on offer through Registered Providers, under what circumstances a flexible tenancy should be renewed or otherwise, allocations policies and affordable rents.

#### 3.1.1 Types of Tenancy to be Granted

Registered Providers already offer secure or assured tenancies and introductory or probationary tenancies (normally for 1 year prior to a secure or assured tenancy being granted). The key change brought in through the Localism Act relates directly to fixed-term or flexible tenancies and therefore the Tenancy Strategy will specifically guide Registered Providers on the use of this new form of tenancy. Appendix 2 details where Registered Provider Tenancy Policies can be found.

#### 3.1.2 Fixed Term/Flexible Tenancies

The Government's Housing Strategy Laying the Foundations sets out that there should be more mobility and flexibility within the social rented sector as exists in the private rented sector. Turnover rates in South Lakeland alone reveals a much higher turnover of private rented accommodation compared to any other tenure (31.2% for furnished and 22.7% for unfurnished)<sup>5</sup>. However, it should be borne in mind that the main reason for homelessness is the loss of an assured short hold tenancy in the private rented sector and this is no doubt reflected in the high turnover figures<sup>6</sup>.

If there is more flexibility and mobility in the social rented sector then the Government believe that this will make the best use of the social rented stock. To bring this into the local context there are 2920 applicants registered in South Lakeland and 1063 in Eden and since the introduction of choice based lettings in Cumbria there has been average of 24 bids<sup>7</sup> on each property. Whilst in the meantime there are no doubt people living in social rented housing that could afford to live in the private sector either by renting or buying. However, as flexible tenancies only apply to new tenants existing tenants are unaffected by the change unless they decide to self select out of the sector as a number do already, and given the more generous discounts offered to right to buy applicants some may choose this option. The Government is consulting on proposals to allow

#### Key Issues

- There is a risk that by using flexible/fixed-term tenancies we inadvertently de-stabilise communities by forcing households to move on after the fixed term.
- There needs to be clarity on the allocation of fixed-term tenancies and the circumstances upon which these tenancies should be renewed or terminated.
- Allocation policies may need to be reviewed to determine who should qualify to apply for social housing and affordable rent properties
- The conversion of social rents to affordable rents on relet is likely to reduce social rented supply and could create a benefit trap.

<sup>5</sup> Strategic Housing Market Assessment 2011

<sup>6</sup> P1E returns

<sup>7</sup> Cumbria Choice Statistics April 2012

Registered Providers to charge a market rent for households earning over a certain amount to be determined. The additional income could then be reinvested into new affordable rented properties.

Consultation with Registered Providers in preparing this Tenancy Strategy reveals that there is very little ambition to introduce such tenancies in South Lakeland and Eden. However, as the Tenancy Strategy covers a five year period these view may change.

### **3.1.3 Potential Benefits of Fixed Term/Flexible Tenancies**

A fixed-term tenancy can assist in managing social housing stock more effectively in relation to under occupancy and adaptations. If a household's circumstances change during the course of the fixed-term and they are deemed to under occupy then they could be moved to accommodation that more closely matches their needs and their property could be more suitably matched to a household that needs the additional bedrooms. This is now a particular issue since welfare reforms deem a household to be under occupied if they have only one spare bedroom. If such households were already on a fixed term tenancy then it could be possible to allocate a more affordable property that is better suited in terms of size.

Likewise with adapted properties if the adaptations are no longer required it would make sense for that household to move to more suitable accommodation to allow the adaptations to benefit a household that needs them.

A fixed-term tenancy can provide a further tool in tackling anti-social behaviour though it is likely that most Registered Providers use Introductory Tenancies for this purpose and this was not the Government's main intention in introducing fixed-term tenancies. If a household were allocated a property on an Introductory Tenancy where there were issues of anti-social behaviour and the Landlord considered it appropriate, a fixed-term tenancy could be utilised.

### **3.1.4 What are the Risks?**

One of the priorities of this Strategy is 'Sustainable Communities' and the Council is concerned that introducing fixed-term tenancies does not hinder this priority. In considering the use of fixed-term tenancies there are a number of factors that Registered Providers should take into account and this Tenancy Strategy sets out the type of circumstances where a fixed-term tenancy should be used, renewed or terminated.

Fixed-term tenancies may be inappropriate in certain circumstances, for example vulnerable people such as older people, people in supported accommodation and people with school age children where the ending of the fixed-term tenancy could be detrimental to the schooling.

As this is a new type of tenancy the circumstances in bringing such tenancies to an end are likely to incur additional legal, management and void costs. It is imperative to Registered Providers who decide to use the new type of tenancies that the correct processes are followed in giving notice to tenants that a tenancy is not to be renewed. Additionally, Registered Providers must carry out a review of fixed term tenancies at the correct interval to determine whether the tenancy should be renewed or terminated at the end of the fixed-term ensuring that households have alternative accommodation in place before a tenancy is ended thereby preventing homelessness. Early warning systems need to be in place to ensure that Housing Options Teams at both Districts are notified if a tenancy is not to be renewed - see 3.3 Assist vulnerable households and reduce the risk of homelessness.

### 3.1.5 The Councils' Recommendations - Flexible/Fixed Term Tenancies

The recommendations set out below assume that Registered Providers may wish to make use of flexible/fixed term tenancies. The Councils are not opposed to the use of these tenancies providing that Registered Providers take account of the recommendations below.

#### The Councils' Recommendations

- That on review in the majority of cases these tenancies should be renewed in order to maintain stable communities, except for those circumstances outlined within Table 1a.
- When allocating fixed-term tenancies Registered Providers should be clear on the circumstances whereby the tenancy is to be renewed or terminated with the incoming tenant(s).
- Older people living in extra care and sheltered housing and people living in supported housing should not be granted a flexible tenancy. People living in supported housing are most likely to be on a licence.
- Registered Providers should consider not granting flexible tenancies to households with school age children, unless the tenancy can be automatically renewed so that there is stability in the schooling.
- In order to maintain stable communities in rural areas we would not expect flexible tenancies to be used outside of the Key Service Centres of Kendal, Ulverston, Grange over Sands, Kirkby Lonsdale, Sedbergh, Windermere, Ambleside, Alston, Appleby, Kirkby Stephen and Penrith except in a minority of cases where this may be appropriate.
- Registered Providers should discuss options around shared ownership and discounted sale properties with households when undertaking a review of the tenancy. This would assist households who are able to benefit from these options as well as releasing a rented property for those households in need of it.
- Flexible/fixed term tenancies should be for no less than five years.

The table below sets out the kinds of circumstances whereby a Registered Provider could consider ending a fixed-term tenancy. However, we would only expect these to be applied in a minority of cases.

Table 1a

Circumstances where a fixed-term tenancy could be terminated	Factors that Registered Providers should 'have regard' to
<p><b>1</b> The property is adapted and the current tenant does not need the adaptations and the Registered Provider is aware of a household who does.</p> <p>Similarly the property is suitable for elderly people (bungalow/sheltered housing) and occupied by a household who does not need this type of accommodation and the Registered Provider is aware of a household who does.</p>	<p>Is there <b>suitable</b> alternative housing for the current tenant to move into thereby eliminating the risk of homelessness?</p> <p>The type of adaptations (can they be removed easily or not?)</p> <p>NB by <b>suitable</b> is alternative housing accessible to work/schools/connections and suitable size for the household's needs.</p>
<p><b>2</b> The property is now under occupied.</p>	<p>Is there <b>suitable</b> alternative housing for the current tenant to move into thereby eliminating the risk of homelessness?</p> <p>Could there be suitable mutual exchange?</p>
<p><b>3</b> The property is now overcrowded.</p>	<p>Is there <b>suitable</b> alternative housing for the current tenant to move into thereby eliminating the risk of homelessness?</p> <p>Could there be suitable mutual exchange?</p>
<p><b>4</b> The household is able to meet their needs on the open market.</p>	<p>Is there <b>suitable</b> alternative housing for the current tenant to move into thereby eliminating the risk of homelessness?</p> <p>Would the household be eligible to buy/rent an affordable home?</p> <p>Housing options advice to be given.</p>
<p><b>5</b> The household has engaged in anti-social and/or criminal behaviour.</p>	<p>Have all support options been explored and utilised, for example, floating support, liaison with statutory agencies such as Police, Probation, Education, Children's Services etc.</p> <p>Is there <b>suitable</b> alternative housing available?</p>

	Circumstances where a fixed-term tenancy could be terminated	Factors that Registered Providers should 'have regard' to
6	The property is part of a disposal or refurbishment plan.	Make best use of assets.
7	The tenant is in significant arrears and is not engaging with the Landlord to reduce the arrears.	Have support options been considered, for example, floating support and contact with the Housing Options Team.  Is there <b>suitable</b> alternative housing available?

### 3.1.6 Registered Providers' Tenancy Policies

Registered Providers operating in South Lakeland District and Eden District are generally not intending to introduce flexible tenancies at the present time. However, this view may change over the next five years. Registered providers already use probationary tenancies for new tenants for a period of 12 months before the tenant(s) are granted a secure or assured tenancy. Links to Registered Providers Tenancy Policies can be found at Appendix 2. Registered Providers may need to review their Tenancy Policies should the Government bring in regulations to allow a market rent to be charged for those people earning in excess of £60,000 as stipulated in 3.1.2.

#### The Councils' Recommendations

- Registered Providers should review their Tenancy Policy should Government Regulations stipulate that they can charge the full rent if a household earns in excess of the prescribed amount (this is yet to be determined).

### 3.1.7 Regulation of Social Housing

As part of the localism agenda co-regulation came into force from April 2012 when the Tenant Services Authority was abolished and the Homes and Communities Agency took on the regulatory role. The principles of co-regulation are that Registered Providers will be largely governed by their own Boards and therefore must have processes in place for customers to make representations or complaints. It is expected that tenant panels will be established for each Registered Provider who will determine how these will operate. A guide on Tenant Panels has recently been produced by the Department of Communities and Local Government and is available at <http://nationaltenants.org/tenantpanels/>. This has been a collaboration of national tenant organisations and whilst fairly non-prescriptive it does have some interesting ideas such as a tenant panel that covers a wider area than just one specific Registered Provider.

### The Councils' Recommendations

- We are keen to ensure that Registered Providers have consistent standards in place in relation to regulation by working collaboratively.
- Tenants should be consulted on any changes to take account of the reduced role of the Government in this regard.
- Registered Providers to stipulate in their Tenancy Policies how the regulatory process will work in practice, including the role of tenants.
- Providers are encouraged to make use of training from organisations such as the Tenant Participatory Advisory Service who run regulation training for tenants and staff.
- Registered Providers need to take into account of and co-operate with the strategic housing role of local authorities, for example by making homes available for the homeless.
- Registered Providers should review their Tenancy Policy should Government Regulations stipulate that they can charge the full rent if a household earns in excess of £60,000.

#### 3.1.8 Affordable Rent and the Tenancy Strategy

The guidance in this Tenancy Strategy comes at a time when bids have already been agreed with the Homes and Communities Agency in respect of the affordable homes programme and conversions of relets to affordable rents. However, as this is a five year document, Registered Providers can still be mindful of the Council's position on the conversion of relets to affordable rents and the letting of new affordable rent properties. In considering the percentage affordable rent to be charged when tenancies are converted to affordable rent on relet, the Tenancy Strategy would urge Registered Providers to consider issues around affordability set out in the supporting data in Appendix 1a. Additionally, Registered Providers should consider any negative impacts on particular households, such as disabled people, older people, young people, Black and Minority Ethnic (BME) groups and families with dependent children.

The table below shows the effect of charging affordable rent according to property size and as can be seen based on net average incomes all property sizes would be unaffordable if the rent was charged at 80%<sup>8</sup>. For those that cannot afford rents there will be reliance on Housing Benefit to cover the shortfall, creating a disincentive to work, as it is unlikely that local job opportunities would pay sufficient to cover the full rent. In addition Universal Credit will absorb housing costs from 2013 and could therefore make these properties more unaffordable if the tenants are receiving housing benefit. The allocation of affordable rent homes needs to consider these factors and whether it should be necessary to give additional preference for working households who may be able to afford a full 80% rent as suggested by the Government's Housing Strategy.

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<sup>8</sup> CORE lettings data, Valuation Office Agency data

EDC	Income as % of different affordable rents							
	1 Bed Flat	2 Bed Flat	1 Bed House	2 Bed House	3 Bed House	4 Bed House	1 Bed Bungalow	2 Bed Bungalow
Median weekly Net income (CORE 08/09 - 10/11)	115.5	208.33	115.5	208.33	244.56	495.25	115.5	208.33
Median market rents (VOA)	92.31	102.69	96.35	111.85	132.63	167.21	No data	121.15
rents @ 40%	32%	20%	33%	21%	22%	14%	-	23%
rents @ 50%	40%	25%	42%	27%	27%	17%	-	29%
rents @ 60%	48%	30%	50%	32%	33%	20%	-	35%
rents @ 70%	56%	35%	58%	38%	38%	24%	-	41%
rents @ 80%	64%	39%	67%	43%	43%	27%	-	47%
SLDC	Income as % of different affordable rents							
	1 Bed Flat	2 Bed Flat	1 Bed House	2 Bed House	3 Bed House	4 Bed House	1 Bed Bungalow	2 Bed Bungalow
Median weekly Net income (CORE 08/09 - 10/11)	128.67	233.17	128.67	233.17	324.35	413.00	128.67	233.17
Median market rents (VOA)	98.45	121.15	107.31	130.61	151.89	190.09	92.31	138.46
rents @ 40%	31%	21%	33%	22%	19%	18%	29%	24%
rents @ 50%	38%	26%	42%	28%	23%	23%	36%	30%
rents @ 60%	46%	31%	50%	34%	28%	28%	43%	36%
rents @ 70%	54%	36%	58%	39%	33%	32%	50%	42%
rents @ 80%	61%	42%	67%	45%	37%	37%	57%	48%

NB the above figures are District averages and figures will be higher or lower in some areas

### 3.1.9 Affordable Rent and the Housing Strategy

It is recognised that there is a need to secure additional capital funding to increase the supply of affordable homes; the affordable rent programme is one of the few ways to do so through the additional income and borrowing capacity that can be raised to build more affordable rented homes. One of the key priorities contained within Cumbria Housing Strategy is '**Housing growth, affordability and community sustainability**'. The Tenancy Strategy supports this aim and recognises that to achieve growth there needs to be a balance which on the one hand promotes growth but on the other hand maintains community sustainability. A community can only be sustainable if there is the right mix of housing including housing for working age households that will support wider community services such as shops, schools and services for older people, together with the right housing options for older people that can help release family sized homes. Additionally, there needs to be enough homes that are affordable according to household incomes.

#### 3.1.10 The Councils' Recommendations

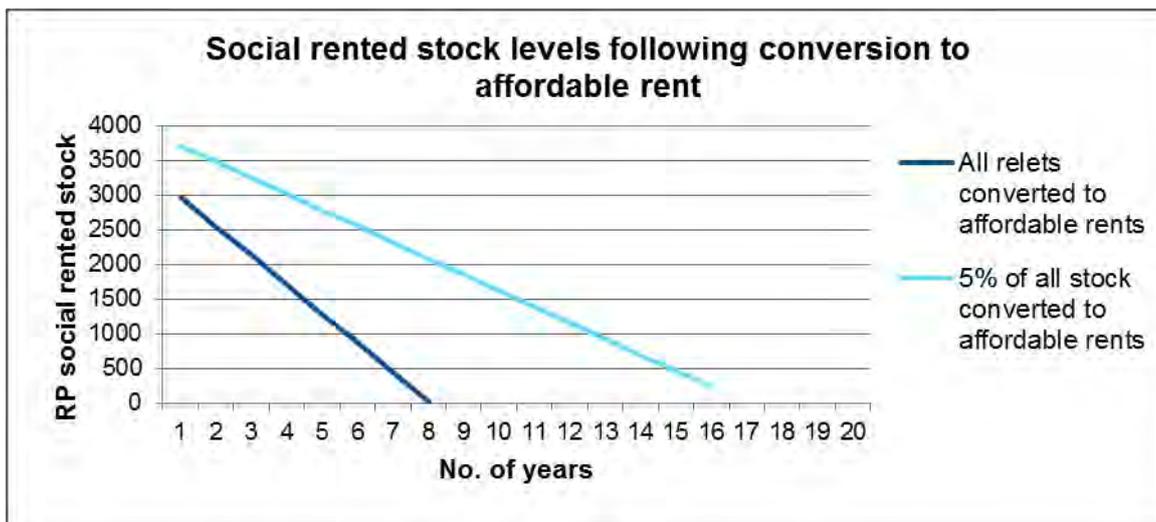
**Allocating affordable rented properties** - recent consideration of the Allocation Scheme via Cumbria Choice has revealed that many partners would not wish to restrict applications for affordable rented properties believing this to be discriminatory. However, the Homelessness Strategy would seek to ensure that households applying are given sufficient information to make an informed choice as to whether they feel they can afford the higher rents, together with preventative options being available on the Cumbria Choice web-site. In so doing households would have a fuller understanding of the charges and this should assist in preventing homelessness. This is particularly relevant when considering the benefit trap that affordable rented properties could create and also the Government's intention to reduce the welfare bill which could lead to further reductions in housing benefit thereby creating a threat of homelessness. Housing benefit is calculated taking into account Local Housing Allowance levels currently based upon 30% of market rent. Based on figures from August 2011 2680 of social housing tenants receive housing benefit representing 58% of total social housing tenants so a change in policy may encourage more working households to take up offers of affordable rented properties encouraging more balanced communities. Keeping affordable rents within local housing allowance levels, particularly for larger 3 and 4 bedroom properties should negate the risk of tenants being unable to meet the rent payments where they receive housing benefit.

Allocating social rented properties - with the number of social rented homes set to diminish over time, the need to ensure that the lower rented homes are allocated to those people who need them most becomes more pressing. For example, would it be fair for a household on a high income to be successful in bidding for a lower rented home over someone on a low income? This is something that the Cumbria Choice Board will need to evaluate in the review and future reviews and may be dependent on how many current social rented properties are to be converted to the higher affordable rent now and into the future as depicted below.

## The Councils' Recommendations

- The Allocation Policy (Cumbria Choice) is regularly reviewed and consideration be given in future for affordable rented properties to be allocated to households who are not solely reliant on housing benefit and who may be working already. Checks are carried out by Registered Providers to ensure that the rents can be afforded by the ingoing tenant(s) before an offer is made.
- Consideration be given to how social rented homes are allocated under Cumbria Choice to ensure they are let to those households in greatest need of the lower rent.
- Statistics are gathered showing vacancy reasons and any properties that become vacant more than once are highlighted.

**Conversion of relets to affordable rents** - consultation with Registered Providers reveals that there will be conversions which the Tenancy Strategy cannot influence to a great extent given that these have already been agreed with the Homes and Communities Agency prior to the requirement to have a Tenancy Strategy in place. However, the Tenancy Strategy would seek to influence future conversions to safeguard the amount of social rented homes that will still be available in future years. The graph below shows the effect of conversions based on the average number of relets per year or at 5% of all stock. This shows that within 20 years there is likely to be no social rented homes available.



The added impact of more generous Right to Buy discounts up to £75,000 will further reduce the supply of social rented homes available. The Tenancy Strategy would wish to influence the type of properties to be converted to safeguard communities in the future and minimise the risk of homelessness. In particular the Eden District and South Lakeland District Council would advocate the following approach:

### **The Councils' Recommendations - Affordable Rent Conversions**

- There should be a limit on the number of relets that are converted to affordable rents to maintain a supply of social rented homes. It is recommended that Registered Providers consult the Council when considering how many conversions will take place in future bidding rounds with the Homes and Communities Agency.
- Where conversions are being considered Registered Providers should consult with the Council concerning the percentage of rent to be charged. This is due to the fact that there are likely to be existing planning obligations that may restrict rent set out within Section 106 agreements or covenants. Additionally, the Council will advise on local income levels in particular localities to ensure that the affordable rents are affordable.
- Larger 3 and 4 bedroom properties should remain within the Local Housing Allowance limits to ensure future affordability in light of the introduction of Universal Credit.
- Ingoing tenants should receive advice and guidance on affordability to ensure that they can afford the rents.
- Tenants who begin to struggle to meet rent payments should be referred to the Housing Options Team for advice and guidance to reduce and prevent homelessness.
- Ensure that a range of property types are available for both social rent and affordable rent.
- Conversions should be limited to key service centres, ie Kendal, Ulverston, Grange over Sands, Kirkby Lonsdale, Milnthorpe, Windermere, Ambleside, Sedbergh, Alston, Appleby, Kirkby Stephen and Penrith where there is a greater number of relets<sup>1</sup>, thus protecting the sustainability and affordability of rural localities.

### **The Councils' Recommendations - New Build Affordable Rented Properties**

- Registered Providers should continue to consult the Council's Strategic Housing Section with regard to affordable rents so these can be based on local income data.
- Registered Providers should explore other avenues of providing social rented properties without Homes and Communities Agency funding.
- Registered Providers should look to the Council's statements reflected in the Core Strategy relating to affordable prices for new build properties. This is based on the South Lakeland Strategic Housing Market Assessment 2011 and Eden Strategic Housing Market Assessment 2009.

## 3.2 Making Best Use of Stock

This Section will cover under occupancy and overcrowding highlighting areas of good practice, adaptations, the mobility of social housing tenants and tenancy fraud.

### 3.2.1 Under Occupancy

The Government is keen to address the number of people who under occupy their homes, particularly in the social and private rented sector. Changes in the Welfare Reform Act 2012 penalise households who under occupy by as little as one bedroom, however, these changes do not apply to older people who are more likely under occupy<sup>9</sup>. The numbers under occupying social rented tenancies are far fewer than those under occupying in the owner occupied or private rented sector. There are a number of examples of incentive schemes and the national home swapper scheme that can assist Registered Providers in encouraging households to move on. Registered Providers were asked during consultation whether they operated any scheme and a number of Providers either have an incentive scheme or subscribe to home swapper. Under the Localism Act it is possible for a tenant with a flexible tenancy to exchange with a tenant who holds a secure/assured tenancy and this provides one option for under occupying or overcrowded households. Registered Providers are encouraged to maintain social rents for those swapping to incentivize downsizing. Some landlords in the North West are joining up to a region wide home swap scheme to avoid the bedroom tax which it is estimated will affect some 66,000 under occupying households.

### 3.2.2 Overcrowding

In contrast to the issue of under occupancy, there is a greater degree of overcrowding in the social rented sector<sup>10</sup> than any other sector. The use of flexible tenancies could highlight households who have become overcrowded since the tenant(s) moved in and who could then be assisted into alternative accommodation that would meet their needs more effectively.

#### Key Issues

- Older people are more likely to under occupy family homes and therefore incentives need to be considered to encourage them to downsize and release family sized homes. However, the lack of attractive options for older people such as bungalows may hinder this.
- Overcrowding is far more prevalent in the social rented sector than any other sector.
- There are a total of 10% of total applicants on the Choice Based Lettings register for SLDC and 12% for EDC overcrowded by 1 more beds
- Better use needs to be made of homes that are specially adapted for disabled people.
- The extent of tenancy fraud is not known though Registered Providers do not believe this to be a significant problem.

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<sup>9</sup> South Lakeland Strategic Housing Market Assessment 2011

<sup>10</sup> As above

### 3.2.3 Tenancy Fraud

Consultation with providers who hold stock in Eden and South Lakeland and tenants reveals that this is not so much of an issue in our area. However, it is always possible that illegal sub-letting could occur and may be more likely in urban areas. The Government is suggesting that this is criminalised, however, criminal proceedings must be proved 'beyond reasonable doubt' and may be difficult to pursue. The Government is considering introducing regulations to require energy companies to release information to landlords on occupants.

### 3.2.4 Succession and Assignment

The Localism Act allows for one statutory succession to a spouse or civil partner. However, many Registered Providers allow for other household members to succeed. Where Registered Providers allows for one statutory succession and consideration is being given to allowing other household members to succeed, it is worth pointing out that this may require a change to the tenancy agreement. That being the case the procedure for making changes to the tenancy agreement is quite a long process involving consultation with all tenants on proposed changes.

#### **Under Occupancy and Overcrowding**

- Registered Providers set up a system to map the number of under occupying households and contact tenants to discuss their needs and aspirations, for example tenancy audits.
- Registered Providers consider access to tenants to the national home swapper scheme and other options such as working with other local Registered Providers to publicise and enable mutual exchanges or other moves, for example a matching service to match under occupying households with overcrowded households (right size package).
- Where one or each party has arrears this should not preclude them from a mutual exchange, particularly where a household is affected by welfare reform, in order to improve under occupancy and overcrowding issues.
- Registered Providers consider allowing tenants to take in lodgers where appropriate and where this is not already offered under the terms of the Tenancy Agreement.
- Registered Providers consider incentive schemes (unless this is already offered) that offer assistance (such as organising removals/connections/informing utilities etc, handyman for putting up curtains, shelves and other small jobs in the new home, small scale decorating charges covered) and/or financial support to enable under occupiers to move.
- Registered Providers consider publicising the scheme to encourage take up, for example using flyers, tenant newsletters, web-site, holding events on housing options particularly geared around older people.
- Registered Providers could seek referrals from adult social care, Citizens' Advice Bureau etc to be made aware of tenants who are struggling to meet their bills so they can be made aware of options to downsize and reduce outgoings.
- Review priority under the allocations scheme (Cumbria Choice) for under occupiers to allow greater priority to move.

- In certain circumstances, Registered Providers may wish to allow under occupancy by no more than one bedroom. For example, for a household who requires a carer to stay overnight on occasions.
- Registered Providers carry out regular audits of tenants to reveal under occupiers and households who are overcrowded.
- During a review of a flexible tenancy overcrowded tenants could be assisted to move to alternative accommodation either via a mutual exchange or through bidding through Cumbria Choice or obtaining private rented or low cost home ownership options.

### **Tenancy Fraud**

- Registered Providers carry out regular audits of tenants to reveal cases of tenancy fraud.
- Registered Providers encourage neighbours to report suspected incidents of fraud, for example through tenant newsletters, web-site and posters.
- Information is sought from energy companies where fraud is suspected in line with forthcoming regulations to oblige energy companies to release this information.

### **Succession and Assignment**

- Registered Providers ensure tenancy agreements comply with their tenancy policies in respect of assignment and succession.
- In making changes to tenancy agreement that Registered Providers follow the correct legal process.
- Where a household does not qualify to succeed to a tenancy or have a tenancy assigned to them it is recommended that Registered Providers contact Housing Options Teams at the earliest possible convenience so that options can be explored to prevent homelessness.

### 3.3 Assist Vulnerable Households and Reduce the Risk of Homelessness

As a result of the changes outlined in the previous section there is cause for concern that vulnerable households could be affected and there could be the potential for increased homelessness unless specific safeguards are put in place. The matters to which Registered Providers should have regard in reducing these risks are outlined within this Section.

#### 3.3.1 Allocations

Cumbria Choice Board has carried out a review of the new Choice Based Lettings system that was introduced in 2011 including an Impact Assessment. As a result of the review it is likely that there are to be no substantive changes to the system. However, in subsequent reviews dependent on the impact of affordable rents changes may be required in the future.

As mentioned in the previous Sections there is a risk that by allowing anyone to apply for affordable rent properties may have the effect of:

- a) Increasing reliance on housing benefit to cover the additional rental cost.
- b) Households being unable to afford the additional rental cost if the introduction of universal credit further reduces the amount of assistance to cover housing costs in the social rented sector.
- c) Increasing homeless presentations.

The impact of conversion of social rented stock to affordable rents may also have an adverse effect on households who are reliant on housing benefit, in the following way:

- the social rented stock with cheaper rents will gradually diminish over time with the incentivised right to buy further reducing supply;
- housing costs of the new affordable rents may not be covered when universal credit is rolled out;
- applicants may be forced to look at the private rented sector and may not be able to afford this either in which case where could they be housed and are they more likely to end up homelessness and/or sleeping rough?

#### Key Issues

- Vulnerable households could be at a disadvantage if they are granted flexible tenancies.
- Welfare reform could result in less help to cover housing costs, which could impact on allocations of affordable rent properties and increase homeless presentations.
- Unless the majority of flexible tenancies are renewed this could cause a great deal of instability in communities.

### **The Councils' Recommendations**

- The allocations scheme is reviewed regularly to take account of the on going changes to welfare reform and monitoring systems are set up to assess whether allowing unrestricted applications for affordable rent properties is having an impact on homeless presentations.
- Further consideration be made as part of future reviews as to whether working households be given any additional preference for affordable rented properties and whether lower income households be given more priority for social rented homes.
- Tenants should receive appropriate advice at the point of allocation by Registered Providers on rent levels and the household's ability to meet these payments, particularly if circumstances change.

#### **3.3.2 Flexible Tenancies**

As mentioned previously there is a lot of caution about the use of flexible tenancies and the potential impact this could have on vulnerable households and the stability of communities. Bearing in mind that Eden and South Lakeland District Council would expect that tenancies be renewed and that such tenancies are not given to vulnerable households, Registered Providers should take account of the following:

### **The Councils' Recommendations**

- Registered Providers should take part in the initiative to set up an early warning system under the Homelessness Strategy for all tenancies that may not be renewed or where the household is struggling to maintain the tenancy due to rent arrears and/or anti-social behaviour. Such a system will ensure that Housing Options Teams can apply early interventions such as floating support, debt advice etc to prevent homelessness.
- Registered Providers will need to consider the review process and have a system in place to carry out a review of a flexible tenancy as required by the Localism Act.

#### **3.3.3 Succession/Assignment**

### **The Councils' Recommendation**

- Where a household does not qualify to succeed to a tenancy or have a tenancy assigned to them it is recommended that Registered Providers contact Housing Options Teams at the earliest possible convenience so that options can be explored to prevent homelessness.

### **3.3.4 Discharging the Homelessness Duty into the Private Rented Sector**

Local authorities can now discharge their homeless duty into the private rented sector. This presents South Lakeland and Eden alternative options to discharging the duty into the social rented sector. Whilst this is welcomed we are also mindful the main reason for homelessness is the loss of an assured short-hold tenancy in the private rented sector. Therefore, there needs to be judgement in what is deemed to be a suitable offer in the private rented sector. Both Councils are working towards the setting up of a private sector access scheme (known as social lettings agency) which will afford the opportunity for working more closely with the private rented sector. In so doing, there can be a greater degree of confidence that any homes used for homeless households will be suitable and sustainable. In using the private rented sector it may be necessary in the next review of the Allocations Scheme to consider lowering the priority for statutory homeless categories.

## **4.0 Monitoring and Review**

The Tenancy Strategy will be reviewed on a regular basis to ensure that it takes account of any changes that may occur. In particular, the Strategy will be monitored in relation to:

- The effects of flexible tenancies where these are introduced.
- Homelessness presentations.
- Rent levels and prevailing incomes.
- Reviewing the application of the allocations policy.
- Registered Provider activity such as new build affordable rented properties and rent levels.
- Registered Provider policy decisions in relation to the use of flexible tenancies.

The Tenancy Strategy is a five year Strategy and it is expected that a review will occur within a two year period taking into account all the subsequent changes arising from the Localism Act and Welfare Reform Bill. It is expected that Registered Providers will be consulted during the review.

## **TENANCY STRATEGY - APPENDIX 1a**

### **PURPOSE OF APPENDIX**

1 The purpose of this Appendix is to set out the supporting data for the Tenancy Strategy.

## Appendix 1 Eden District Housing Market data

### Stock and Tenure Profile

Table1 Tenure profile, **HSSA<sup>11</sup> 2010/11**

		LA rented	RSL rented	Private Sector
No of dwellings	25162	0	2584	22578
% of total		0	10	90

### Stock Turnover and Type

Table 2 Social rented housing turnover, **HSSA data 2005/06 to 2008/09**

	Lettings	Social rented stock	Turnover
2008-09	226	2324	10
2009-10	179	2200	8
2010-11	207	2508	8

### Supported Housing Lettings

CORE<sup>12</sup> contains data about households who have recently moved into social rented properties (both from within the social sector and from other tenures). CORE data excludes smaller Registered providers so may not give 100% coverage of all lettings for the District. Hence the CORE figures differ from HSSA records in the previous table.

Table 3 Type of letting, **CORE**

	General Needs Housing	Supported Housing
2008/09	174	67
2009/10	159	60
2010/11	169	92

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<sup>11</sup> Housing Strategy Statistical Appendix

<sup>12</sup> Continuous Recording of lettings and sales in Social Housing in England

## Length of Residence

There is little local data on length of residence. However the English Housing Survey provides national figures which provide some context:

Table 4 Length of time at current address by tenure, **English Housing Survey 2009/10**

	Owner occupiers	Social renters	Private renters	All tenures
less than 1 year %	3.1	8.4	35.0	9.3
1 years but less than 2	2.9	6.6	19.3	6.3
2 years but less than 3	4.0	8.2	13.1	6.2
3-4 years %	11.0	12.5	14.0	11.7
5-9 years %	20.0	21.5	9.2	18.5
10-19 years %	24.0	22.9	4.9	20.7
20-29 years %	16.7	10.3	2.0	13.1
30+ years %	18.3	9.5	2.6	14.2
total	100.0	100.0	100.0	100.0
Mean (No of years)	17	11	4	14
Median (No of years)	12	7	1	9

## Moves out of Social Housing

Table 5 Reasons for vacancies by district, **CORE 2008/09 - 2010-11\***

	%
First let	13%
Internal transfer	15%
Previous tenant moved to other LA	4%
Previous tenant moved to other HA	6%
Previous tenant died	13%
Property abandoned	4%
Previous tenant evicted	2%
Previous tenant moved to private sector	41%
Temporary to permanent	0%
	100%

\*does not include supported housing

## Economic Status and Net Household Incomes for Tenants who have Recently Moved

Table 6 Economic status of Household Reference Person, recently moved social tenants, 2007/08-2010/11, CORE

	General needs %	Supported %
Full time work (>30hrs)	22%	4%
Part time work (<30hrs)	18%	5%
Government training/New Deal	0%	4%
Job seeker	13%	15%
Retired	11%	49%
Not seeking work	16%	2%
Full time student	2%	11%
Unable to work	16%	11%
Other adult (>16)	2%	1%
	100%	100%

Fig 1 Economic status of Household Reference Person, recently moved social tenants, 2007/08-2010/11, CORE

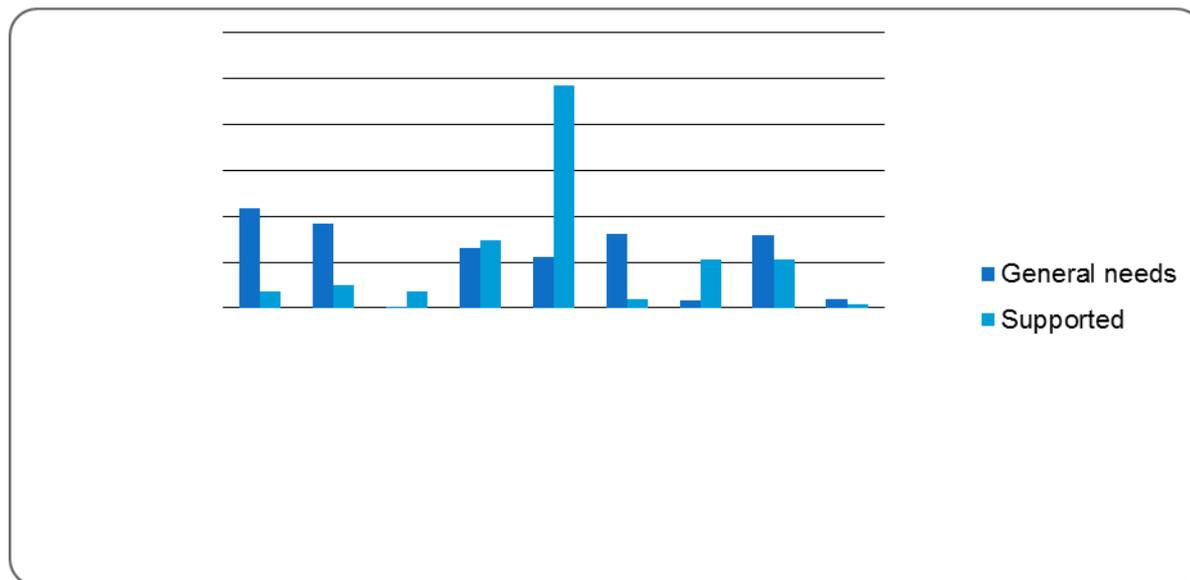
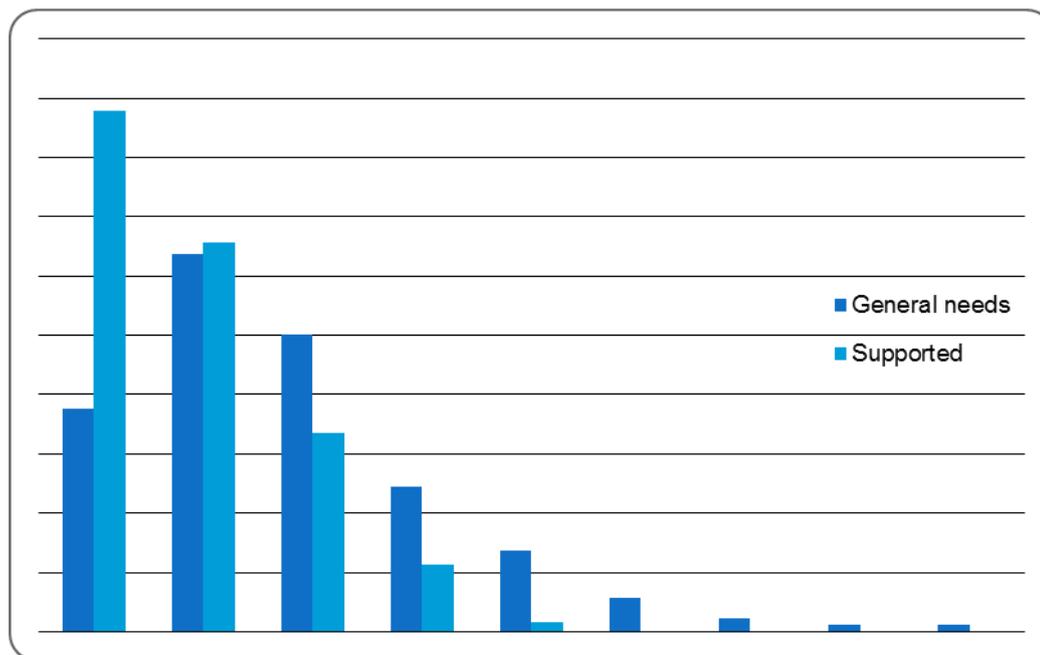


Table 7 Net income of recently moved social tenants by type of letting, 2008/09-2009/10, **CORE**

	General housing	Supported housing
Less than £5,000	19%	44%
£5,000-£9,999	32%	33%
£10,000-14,999	25%	17%
£15,000-£19,999	12%	6%
£20,000-£24,999	7%	1%
£25,000-£29,999	3%	0%
£30,000-34,999	1%	0%
£35,000-£39,999	1%	0%
£40,000-£44,999	1%	0%
Number on CORE with income details	351	125
Total on CORE	495	219
Missing income data	144	94

Fig 2 Net income of recently moved social tenants by type of letting, 2008/9-2009/10, **CORE**



## Evidence from Current Housing Applications (Community Based Lettings)

Table 8 Age range of current applicants

Age of household member Group	0-17	18-25	26-35	36-45	46-55	56-65	66-75	76+	Total
Total	5	187	187	147	123	96	54	56	855
%	1%	22%	22%	17%	14%	11%	6%	7%	100%

Table 9 Household type of current applicants

Household type	Total	Household type	Total
2 adults (couple)	111	Parent with 1 Adult child	18
2 adults (non couple)	8	Parent with 2+ Adult children	9
2+ Adults (non couple)	2	Single 1 child	92
Couple 1 child	54	Single 2 children	53
Couple 2 children	51	Single 3 children	23
Couple 3 children	22	Single 3+ children	11
Couple 3+ children	12	Single over 55	92
Couple over 55	55	Single person	233
(blank)	9	TOTAL	855

Table 12

Direct applicants	595
Transfer applicant	228

Table 11

Currently in sheltered housing	19
Currently in supported housing	35

Table 10 Number of beds required based on standard bedroom requirement

Number of Beds	
1 bed	346
2 bed	172
3 bed	158
4+ bed	23
Over 55s	147
Blank	9
Total	855

Table 13 CBL register by band and applicant's age

	0-17	18-25	26-35	36-45	46-55	56-65	66-75	76+	Total
Band A		4		2	2				8
Band B		2	10	3	3	1			19
Band C		45	42	21	18	16	9	11	162
Band D		27	31	29	20	24	30	25	186
Band D +		73	82	66	54	37	10	8	330
Band E	5	36	22	26	26	18	5	12	150
Total	5	187	187	147	123	96	54	56	855

Table 14 Overcrowding and under occupation

	18-25	26-35	36-45	46-55	56-65	66-75	76+	Total
Under occupying by 1 bed	4	3	5	6	4	1	2	25
Overcrowded - None	0	0	0	0	0	0	0	0

Table 15 Support and welfare needs

	Re-housing to overcome physical barriers due to disability	Need wheelchair access	Need supported housing	Need sheltered housing
18-25	3	1		
26-35	6			
36-45	3			
46-55	5	1		
56-65	10		1	
66-75	6	1		1
76+	11			6
Total	44	3	1	7

Table 16 Income of current applicants

EDC - Income Group	0-17	18-25	26-35	36-45	46-55	56-65	66-75	76+	Total
Less than £10,000	5	149	148	108	86	70	50	54	670
£10,001 - 15,000		30	17	17	13	9	3		89
£15,001 - 20,000		6	13	13	16	11	1		60
£20,001 - 25,000		2	6	6	3	3		1	21
£25,001 - 30,000			3	1	4	2			10
£30,001 - 35,000				1					1
£35,001 - 40,000						1			1
£100,001 - 150,000				1	1				2
N/A								1	1
Total	5	187	187	147	123	96	54	56	855

## Current Market Rents and Affordability

The CLG SHMA guidance suggests using 3.5 times gross income ratios for single income households and 2.9 times gross income for dual income households (Aug 2007, page 42) for market purchase. This is roughly the level mortgage lenders lend at. It also suggests 25% of gross income on rent (regardless of whether dual or single income household). Based on the data sources we have, it is not possible to work out dual and single income households so we look at household income for all households and use an affordability ratio of 3 times income or 33% of gross income on housing costs regardless of tenure.

Table 17 Average monthly market rents and proposed 40%, 60% and 80% “Affordable Rent” levels, compared to average housing association rents

	Median Market Rent (VOA)	@80%	@60%	@40%	Current HA rents
1 Bed Flat	92.31	73.85	55.39	36.92	67.62
2 Bed Flat	102.69	82.15	61.62	41.08	80.40
1 Bed House	96.35	77.08	57.81	38.54	69.72
2 Bed House	111.85	89.48	67.11	44.74	81.85
3 Bed House	132.63	106.11	79.58	53.05	90.13
4 Bed House	167.21	133.77	100.33	66.89	94.79
1 Bed	No data	-	-	-	76.03
2 Bed	121.15	96.92	72.69	48.46	84.54

Table 19 Existing Tenants: Income as % of different affordable rents

EDC								
	1 Bed Flat	2 Bed Flat	1 Bed House	2 Bed House	3 Bed House	4 Bed House	1 Bed Bungalow	2 Bed Bungalow
Median weekly Net income (CORE 08/09 - 10/11)	115.5	208.33	115.5	208.33	244.57	495.25	115.5	208.33
Median market rents (VOA)	92.31	102.69	96.35	111.85	132.63	167.21	No data	121.15
rents @ 40%	36.92	41.08	38.54	44.74	53.05	66.89	-	48.46
rents @ 50%	46.16	51.35	48.17	55.93	66.32	83.61	-	60.58
rents @ 60%	55.39	61.62	57.81	67.11	79.58	100.33	-	72.69
rents @ 70%	64.62	71.89	67.44	78.30	92.84	117.05	-	84.81
rents @ 80%	73.85	82.15	77.08	89.48	106.11	133.77	-	96.92
rents @ 40%	32%	20%	33%	21%	22%	14%	-	23%
rents @ 50%	40%	25%	42%	27%	27%	17%	-	29%
rents @ 60%	48%	30%	50%	32%	33%	20%	-	35%
rents @ 70%	56%	35%	58%	38%	38%	24%	-	41%
rents @ 80%	64%	39%	67%	43%	43%	27%	-	47%

Table 20 Total population lower quartile Income as % of different affordable rents

	1 Bed Flat	2 Bed Flat	1 Bed House	2 Bed House	3 Bed House	4 Bed House	1 Bed Bungalow	2 Bed Bungalow
Lower Quartile gross weekly income (CACI 2011)	305.74	305.74	305.74	305.74	305.74	305.74	305.74	305.74
Median market rents (VOA)	92.31	102.69	96.35	111.85	132.63	167.21	No data	121.15
rents @ 40%	36.92	41.08	38.54	44.74	53.05	66.89	-	48.46
rents @ 50%	46.16	51.35	48.17	55.93	66.32	83.61	-	60.58
rents @ 60%	55.39	61.62	57.81	67.11	79.58	100.33	-	72.69
rents @ 70%	64.62	71.89	67.44	78.30	92.84	117.05	-	84.81
rents @ 80%	73.85	82.15	77.08	89.48	106.11	133.77	-	96.92
rents @ 40%	12%	13%	13%	15%	17%	22%	-	16%
rents @ 50%	15%	17%	16%	18%	22%	27%	-	20%
rents @ 60%	18%	20%	19%	22%	26%	33%	-	24%
rents @ 70%	21%	24%	22%	26%	30%	38%	-	28%
rents @ 80%	24%	27%	25%	29%	35%	44%	-	32%

Table 21 Difference in current social rents and proposed affordable rent

	Median market rent	80% proposed affordable rent	Median Social rents	Difference
1 Bed Flat	92.31	73.85	67.62	6.23+
2 Bed Flat	102.69	82.15	80.40	1.75+
1 Bed House	96.35	77.08	69.72	7.36+
2 Bed House	111.85	89.48	81.85	7.63+
3 Bed House	132.63	106.11	90.13	15.98+
4 Bed House	167.21	133.77	94.79	38.98
1 Bed Bungalow	-	-	-	-
2 Bed Bungalow	121.15	96.92	84.54	12.38+

## **TENANCY STRATEGY - APPENDIX 2**

### **PURPOSE OF APPENDIX**

- 1 The purpose of this Appendix is to set out contact details of Registered Providers who hold housing stock in South Lakeland and Eden Districts. This is so that copies of relevant Tenancy Policies can be located by anyone reading the Tenancy Strategy.

## Appendix 2

### Registered Providers in South Lakeland and Eden Districts

Registered Provider Tenancy Policies can be viewed by contacting the relevant provider.  
Registered Providers that hold stock in both Districts are listed below along with contact details.

Registered Provider	Location of Stock	Contact
Abbeyfield	South Lakeland	01727 857536 www.abbeyfield.com
Anchor	Eden	0845 1402020 www.anchor.org.uk
Carr Gomm	South Lakeland	01539 736231
Eden Housing Association	Eden and South Lakeland	01768 861400 www.edenha.org.uk
*Fairoak	South Lakeland	01539 720082 www.fairoakhousing.co.uk
Gatesbield	South Lakeland	015394 45578 www.gatesbield.org.uk
Hanover	Eden	0800 2802575 www.hanover.org.uk
Housing 21	Eden	0370 192 4000 www.housing21.co.uk
Home	Eden and South Lakeland	0345 1414663 www.homegroup.org.uk
Impact	Eden and South Lakeland	03448 736290 www.impacthousing.uk
Johnnie Johnson	South Lakeland	0845 6041095 www.jjhousing.co.uk
Lowther and District (managed by Eden)	Eden	01768 861400 www.edenha.org.uk
Methodist Homes	Eden	01332 296200 www.mha.org.uk
Mitre (managed by Eden)	Eden and South Lakeland	01768 861400 www.edenha.org.uk
New Era/Dimensions	South Lakeland	01924 23400 www.dimensions-uk.org
Progress Group	South Lakeland	01772 450600 www.progressgroup.org.uk
Guinness Northern Counties	South Lakeland	0161 219733 http://www.guinnesspartnership.com/resident-services/guinness-northern-counties.aspx
Pele	South Lakeland	01946 62626
Places for People	Eden	01772 666000 www.placesforpeople.co.uk
South Lakes Housing	South Lakeland	01539 717717 www.southlakeshousing.co.uk
Stonham	South Lakeland	0345 1414663 www.homegroup.org.uk
Riverside	Eden	0845 111 0000 www.riverside.org.uk
Two Castles	Eden and South Lakeland	01228 547463 www.twocastles.org.uk