

APPENDIX H

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 6 MARCH 2012

Title:

LOCALISM ACT – CONSULTATION WITH HOUSING APPLICANTS REGARDING FLEXIBLE TENANCIES

**[Portfolio Holder: Cllr Keith Webster]
[Wards Affected: All]**

Summary and purpose:

To seek the Executive's permission to consult with applicants regarding flexible tenancies for new tenants at the same time as the consultation regarding proposed changes to the allocation scheme to limit eligibility to the Housing Register.

How this report relates to the Council's Corporate Priorities:

This report relates to the priorities of Affordable Housing (allocation of social housing) improving lives (helping those most in need of social housing) and value for money (maximising Waverley's social housing stock).

Equality and Diversity Implications:

The allocation of social housing needs to be done in a way that is fair and transparent and when it is, it helps promote social inclusion and community cohesion.

Environment and Climate Change Implications:

There are negligible environmental implications though to correctly consult with stakeholders and customers about the changes will have implications in terms of paper usage.

Resource/Value for Money Implications:

Combining the consultation about the allocation scheme with the possibility of introducing flexible tenancies will save money in regard to postage and paper and staff time. In the event that flexible tenancies are introduced in the future the Council will be better able to ensure that the stock is maximised and made available for those most in need. There would be additional work and associated expense in re-drafting the Council's tenancy agreement for new tenants and carrying out tenancy reviews towards the end of each flexible tenancy.

Legal Implications:

The changes relate to the Localism Act 2011.

Background

1. Under the Localism Act 2011 Councils have been given a number of new freedoms to address housing need in their areas.
2. One of these freedoms is to be able to offer new Council tenants (not existing tenants) a flexible tenancy rather than a secure tenancy. A flexible tenancy is for a set period of time and supplementary guidance recommends a period of 5 years.
3. Currently the Council offers its tenants a secure tenancy which is a tenancy for life. Whilst this gives peace of mind and security to tenants it does mean that if or when the tenants' circumstances change, the Council is unable to review whether they are still entitled to the size or type of home that they occupy.
4. If a tenant's household composition changes over time this can result in them under-occupying a family-sized homes e.g. when a tenant's children have grown up and left home.
5. It can also mean that if the tenant's financial circumstances change e.g. they have inherited money, been able to save a substantial sum of money or are now working in a very well paid job; there is no requirement for them to look to secure housing in the private sector. This means that other households on the housing register, who do not have the benefit of sufficient financial resources to secure private housing, have to wait much longer for social housing.
6. The Localism Act 2011 requires that Councils produce a Tenancy Strategy outlining how they and their Registered Provider (housing association) partners will make use of the tenancy related freedoms provided by the Localism Bill.
7. On 10 January 2012 the Executive agreed that housing applicants and other stakeholders should be consulted on proposals to limit access to Waverley's Housing Register.

Proposal

8. Officers recommend that at the same time as consulting with housing applicants about restricting eligibility to the Housing Register, the Council should also consult with applicants on the **possibility** of introducing flexible tenancies for new applicants.
9. It is planned to send a newsletter detailing the proposals to all Housing Register applicants in March 2012.

10. Following this consultation, Officers will present to Members more detailed proposals about flexible tenancies as part of the draft Tenancy Strategy and recommend whether to introduce them for new tenants or to continue to offer secure tenancies to all new Council tenants.
11. It needs to be emphasised that the freedoms to introduce flexible tenancies do not affect existing secure Council tenants. If introduced they would only apply to new tenants.
12. In addition, the legislation provides that even if an existing secure tenant transfers to another Council tenancy, they would retain their secure tenancy.
13. To provide some context in regard to numbers and impact, if Waverley had been able to introduce flexible tenancies for all new non-sheltered lettings in the last financial year 2010-11, at most, 185 flexible tenancies would have been created.
14. Given around 35-40% of all new lettings are to transfer applicants this number would reduce to around 110 - 120 flexible tenancies.

Recommendation

It is recommended that:

1. as part of the Council's consultation with applicants regarding restricting access to the Housing Register, the Council also consults regarding the idea of introducing flexible tenancies for new Council tenants, as set out at Annexe 1;
2. in the work to produce a Tenancy Strategy, officers will further explore the merits of introducing flexible tenancies in Waverley taking into account feedback from housing applicant consultation;
3. a draft Tenancy Strategy will be presented to members in July 2012 that will include proposals for introducing flexible tenancies and the timescales within which they could be introduced in Waverley.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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ANNEXE 1

Suggested wording for applicant consultation regarding Flexible Tenancies

1. OTHER POSSIBLE CHANGES – FLEXIBLE COUNCIL TENANCIES

Under the Localism Act 2011 Councils have the power to change the type of tenancies that they offer to new applicants.

Currently Councils offer what is called a secure tenancy which means there is no time limit to the tenancy. This type of tenancy is a home for life as long as tenants pay their rent and do not cause nuisance to their neighbours. Whilst this gives peace of mind and security to tenants it does mean that even though many people's circumstances can change over time, the Council is unable to review whether they should still be entitled to their tenancy. For example:

- a) Housing applicants with young children may initially be offered a family sized Council home. However, over time, all the children may leave home leaving the tenant(s) under occupying a family sized property.
- b) A tenant may be fortunate in obtaining a very well paid job or inherit a large sum of money sufficient to purchase a home.

Due to the extreme shortage of affordable homes the Coalition Government has given the option for Councils to offer what are called flexible tenancies or time limited tenancies, for all new tenants. Toward the end of the time limited flexible tenancy the Council would be able to review their tenants' circumstances. After the review the tenancy could either be extended for a further period or, in some cases, the tenant could be required to vacate the property. Alternatively, on a case by case basis, a decision may be made to prioritise the tenant for a move to a more suitably sized property to reflect their change in circumstances. The length of time the Council is considering for flexible tenancies in Waverley is 5 years. The Council will also need to decide what factors will be taken into account in deciding whether to extend a tenancy, end a tenancy or prioritise the tenant for a move to different sized accommodation.

Over the next few months the Council will be assessing further the option of introducing flexible tenancies in Waverley. If it is decided to do so, **it will only affect new tenants not existing secure Council tenants and flexible tenancies will not be used for older people moving into sheltered accommodation.** If/when flexible tenancies are introduced the allocation scheme will be amended accordingly to reflect the change.

If you have any views or opinions about this change please contact Annalisa Howson on 01483 523453.