

	<p>Housing Committee</p> <p>29 June 2015</p>
<p style="text-align: right;">Title</p>	<p>Review of Local Tenancy Strategy</p>
<p style="text-align: right;">Report of</p>	<p>Commissioning Director, Growth & Development</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix 1- Review of Local Tenancy Strategy Appendix 2- Revised Local Tenancy Strategy</p>
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<p>Summary</p>
<p>Barnet Council’s Local Tenancy Strategy sets out the circumstances in which the Council will offer fixed term tenancies and the criteria it will use to review whether to extend these at the end of their term, as well as the circumstances in which secure lifetime tenancies will continue to be granted. The Strategy has been operational since July 2012 and following a review there are two changes required to bring it up-to-date. These are to clarify the mechanism of uprating income levels and changes to disability benefits with the introduction of Personal Independence Payments. The Housing Committee is asked to approve these minor changes.</p>

<p>Recommendations</p>
<p>That the Committee approve the changes to the Local Tenancy Strategy as set out at paragraph 1.7</p>

1. WHY THIS REPORT IS NEEDED

- 1.1 In July 2012 Barnet Council implemented a Local Tenancy Strategy in accordance with the provisions of the Localism Act 2012.
- 1.2 The Strategy sets out the circumstances in which the Council will offer fixed-term tenancies and the criteria it will use to review whether to extend these at the end of their term, as well as the circumstances in which secure lifetime tenancies will continue to be granted.
- 1.3 The table 1 below shows the three different types of secure tenancies that are offered to different types of household. All tenants have to successfully complete a one year introductory tenancy. Then they are transferred on to a fixed-term renewable tenancy of two or five years or a traditional lifetime tenancy.

Table 1- type of secure tenancy issued by Barnet Homes

Protected secure tenancy	1 year introductory tenancy followed by a lifetime secure tenancy	1 year introductory tenancy followed by a fixed-term secure tenancy	
		2 year reviewable fixed-term tenancy	5 year reviewable fixed-term tenancy
Secure tenants moving to another council tenancy ¹	Ex-armed forces personnel medically and honourably discharged	2 year reviewable fixed-term tenancy	5 year reviewable fixed-term tenancy
	Households where the applicant, spouse or dependent child is disabled ²	Single people under the age of 25 and some single people over the age of 25	Care leavers and all other tenants
	Households where the applicant or their spouse is terminally ill		

- 1.4 In addition to the tenancies listed in the table above, some housing applicants are offered non-secure tenancies on the regeneration estates.
- 1.5 The Council is seeking to achieve the following objectives in offering fixed-term tenancies:
- To ensure that the council's housing stock is used as effectively as possible to provide homes for Barnet residents in housing need;
 - To tackle under-occupation and overcrowding;
 - To help tenants take control of their lives.
- 1.6 It was agreed when the Strategy was approved by the Cabinet in 2012 that the Council would undertake a review after one year of operation. The review has been completed and is contained in Appendix 1. Barnet Homes only

¹ Tenancy has to have commenced before 9th July 2012

² Disabled applicants have to be in receipt of certain disability benefits

started to review the first 2 year fixed-term tenancies in February 2015, and no fixed-term tenancies have been terminated at this stage. This means that it is not yet possible to consider the overall effectiveness of the Local Tenancy Strategy in terms of using the housing stock more effectively, tackling overcrowding and under-occupation or in helping tenants to take control of their lives.

- 1.7 However, the review (Appendix 1) has recommended that the Housing Committee approve two minor changes to the Local Tenancy Strategy (Appendix 2) at this point. The changes are as follows:
- To clarify the mechanism to update the income limits above which an applicant cannot access social housing;
 - To include Personal Independence Payments in the list of disability benefits that enable a disabled applicant to obtain a lifetime secure tenancy rather than fixed-term.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Tenant's income and capital are assessed when they apply for housing and if they earn above limits linked to median incomes they are not able to access social housing. Median incomes have increased since the Local Tenancy Strategy was introduced. The revised Local Tenancy Strategy clarifies that the figure should be adjusted annually to reflect the most recent CACI Pay Check data on average earnings.
- 2.2 Appendix 2 of the Local Tenancy Strategy contains the criteria for deciding which disabled tenants qualify for lifetime secure tenancies depending in the level of disability benefits they receive. Benefits have since been reformed and Personal Independence Payments are gradually replacing Disability Living Allowance for new and existing claimants. It is recommended that the following criteria are included.

Table 2- changes required in Appendix 2 of Local Tenancy Strategy

Criteria to decide type of tenancy granted to disabled applicants		Life time tenancy?
Personal independence payment- Daily Living Component	Enhanced rate plus at least one from the additional criteria table	Yes
Personal independence payment- Mobility Component	Enhanced rate plus enhanced rate Daily Living Component	Yes
Personal independence payment- either component	Standard rate only	No

- 2.3 The other main change is to make reference in the strategy to the fact that some housing applicants are given non-secure tenancies as a form of long-term temporary accommodation.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The Council could decide not to make these minor changes to the Local Tenancy Strategy. It would mean that the Strategy does not keep up with rising incomes and changes to disability benefits. It is not recommended that this option is taken forward as it could limit the potential to make best use of stock and therefore not encourage tenants to take more control of their lives.

4 POST DECISION IMPLEMENTATION

- 4.1 Barnet Homes will be instructed to implement the revised Local Tenancy Strategy as soon as possible. The Council will undertake a further review during 2015 into the wider objectives set out in the Strategy.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Council's Corporate Plan 2015-20 includes as a strategic objective "The Council, working with local, regional and national partners, will strive to ensure that Barnet is a place of opportunity, where people can further their quality of life". Barnet is a popular place in which to live and has high demand for a limited supply of council and housing association housing. The Local Tenancy Strategy recognises that a council tenancy is usually granted at a particular crisis point in an individual's life and that over time an individual may be able to access alternative housing in the private rented sector. Fixed-term tenancies allow the Council to make more effective use of limited housing stock by ensuring it is available for people in housing need who cannot afford alternative private housing.

- 5.1.2 The Council has developed a new Housing Strategy 2015-25 to address the challenges of a growing population, increased housing demand, and the impact of austerity, growth and regeneration on the borough. Increased housing demand is evident with higher house prices, higher rents and increased levels of homelessness and people in emergency temporary accommodation. The strategy, to be approved at the Housing Committee meeting on 29 June 2015, contains the following housing objectives:

- Increasing the housing supply
- Delivery of homes that people can afford
- Sustaining the quality of the private rented sector
- Tackling homelessness
- Providing housing related support for vulnerable people
- Providing high quality services.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 There is a limited supply of social housing in Barnet. Applications for housing have increased along with acceptances and admissions to Temporary Accommodation. In 2014/15 there were 639 homeless acceptances and only 524 social housing units available to let. The Local Tenancy Strategy will

provide council homes in Barnet for those in most housing need, who cannot afford home ownership or high private sector rents, by making better use of the Council's housing stock.

5.2.2 There are no other specific resources issues arising out of this report.

5.3 Legal and Constitutional References

5.3.1 The Localism Act 2011 provides for Local Authorities to have a local tenancy strategy setting out policy in terms of fixed term tenancies.

5.3.2 The Council's Constitution (Responsibly For Functions, Annex A) sets out the responsibilities of the Housing Committee which includes "to work with Barnet Homes, RSLs and social housing providers to ensure the optimum provision of housing and associated facilities for those who require social housing".

5.4 Risk Management

5.4.1 The use of fixed -term tenancies could, in the long term, have a negative impact on community cohesion with tenants feeling less of a commitment to the area they are living in. This will be mitigated by offering 5 year tenancies in most cases, and providing clear guidelines in the tenancy strategy on the circumstances in which we will extend these.

5.4.2 There is also a risk that fixed-term tenants will curtail their aspirations in order to keep their home. This will be mitigated by ensuring that tenants will have access to a range of alternative accommodation, including low cost home ownership and good quality privately rented homes and access to advice about employment and training.

5.4.3 There is potential for increased administration in assessing whether a tenancy should be extended, although it is expected that the cost of this can be contained within existing resources.

5.5 Equalities and Diversity

5.5.1 Barnet is a diverse borough and it is essential that the Local Tenancy Strategy does not discriminate against any sections of the community. The aim has been to structure the Local Tenancy Strategy so that it is compliant with the provisions of the Localism Act 2011 and equalities objectives, whilst ensuring that scarce council housing is used to assist people at moments who cannot afford private rented sector rents but who are in housing need. When the Strategy was approved the Council ensured it has due regard to the equalities implications of the new policy and how this impacts on various diverse sections of Barnet's communities and residents through a full equalities impact assessment.

5.5.2 The review has identified that 42% (611 out of 1469) of tenancies that were granted in the first 18 months were lifetime tenancies. 71% of these were granted to tenants that have their security of tenure protected under the law. These are moving home because of a mutual exchange, transfer or a trade

down. Many of these are likely to be older people. Additionally there were 29 lifetime tenancies given to disabled applicants and 8 to applicants with a terminal illness.

5.5.3 2% (33) of tenancies have been given to young people on two year renewable terms with access to training and employment assistance. 14 of these tenants are currently working, 11 are in education or training and 8 are not currently engaging in training or employment activities.

5.6 Consultation and Engagement

5.6.1 There have been no specific consultation and engagement activities as part of the one year review.

6 BACKGROUND PAPERS

6.1 The Local Tenancy Strategy was approved by Cabinet on 4 April 2012. This included an instruction to carry out a review after one year of operation:
<http://barnet.moderngov.co.uk/Data/Cabinet/201204041900/Agenda/Document%203.pdf>

