

Appendix 1- Tenancy strategy review

1. Summary of recommendations

1.1 Barnet's Local Tenancy Strategy¹ 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.

1.2 There are two changes required to the strategy following a review:

- The tenancy strategy contains income limits beyond which a tenancy will not be granted. It is recommended that it is clarified that the income limits are updated annually in line with CACI Pay-check data.
- The tenancy strategy contains a list of benefits that are required by disabled people who are granted a lifetime secure tenancy rather than a fixed-term tenancy. It is recommended that Personal Independence Payments are included in the list of benefits.

2. Background

2.1 The Local Tenancy Strategy sets out the following objectives that the Council is seeking to achieve:

- 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.

2.2 Table 1 below shows the three different types of secure tenancy that are offered to different tenants after a successfully completed one year introductory tenancy- traditional lifetime tenancies and two or five year reviewable fixed-term tenancies.

Table 1- types of secure tenancy issued by Barnet Homes

Protected secure tenants	1 year introductory tenancy followed by lifetime secure tenancy	Introductory tenancy followed by a fixed-term secure tenancy	
Existing secure tenants whose tenancy commenced before 9th July 2012 moving into another council tenancy	<p>Ex- armed forces personnel who have been both medically and honourably discharged and who have also seen active service.</p> <p>Households where the applicant, their spouse or a dependent child is disabled and in receipt of certain disability benefits.</p> <p>Households where the applicant or their spouse is terminally ill</p>	2 year reviewable fixed term tenancy- 3 years in total (For single people under the age of 25 and some single people over the age of 25)	5 year reviewable fixed term tenancy- 6 years in total. (For care leavers and all other tenants)

¹ The Local Tenancy Strategy was approved at the Cabinet meeting on March 2012.

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2.3 This is an initial review of the Local Tenancy Strategy considering the number of fixed term secure tenancies that have been issued and any lessons learned that can be taken forward in the review of the Council's housing strategy.

2.4 Although not part of Council's Local Tenancy Strategy, it is worth noting that the Council also let a number of tenancies to non-secure tenants who are housed in properties identified for demolition or redevelopment on 4 regeneration schemes (Grahame Park, Dollis Valley, West Hendon, Stonegrove/Spur Road).

3. Review against objectives

3.1 Barnet Homes has started the reviews for the fixed term tenancies due for renewal from July 2015 in December 2014. A more in-depth review will be required after July 2015 to consider whether the policy has resulted in increasing the overall turnover of stock for residents in housing need. However, the table 2 below gives an initial assessment on how far the three broad objectives have been achieved.

Table 2- initial review against objectives

Objectives	Assessment
<p>Ensure Council's housing stock is used as effectively as possible to provide homes for Barnet residents in housing need who are unable to secure a home for themselves in the private sector. This can be achieved if we are able to help more people move on from council housing once they are in a position to sustain an alternative solution, such as home ownership or the private rented sector.</p>	<p>This objective cannot be fully assessed at this stage as there have not been any completed tenancy reviews. However, the table at 2.1 shows the status of the reviews that are currently in progress. Other points to note are:</p> <ul style="list-style-type: none"> • One of the conditions for the tenants offered a 2 year fixed term tenancy is that they become more independent through employment, education or training. Of the 33 tenants given a 2 year tenancy so far: 14 are currently working, and 8 are now paying all their rent and not receiving any housing benefits. At review these tenants may be moved into the private sector if they are earning above median earnings and there are no other housing needs that still need to be addressed through council housing. • 11 are currently in education or training. These tenants may be offered a further flexible tenancy if they still have a housing need that needs to be addressed. • 8 are currently not engaging in employment, education or training. 2 of these tenants have serious medical conditions that may result in them qualifying for a 5 year fixed term tenancy at the review stage, 1 has become a parent since her tenancy commenced and will qualify for a 5 year tenancy at review stage and the remaining 5 tenants may be required to leave their tenancy and move into the private rented sector.
<p>Tackle under-occupation by giving the Council more opportunity to move people to smaller</p>	<p>One of the nine fixed-term tenants currently under review will be moved into a 1 bed as they</p>

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Objectives	Assessment
property if they find themselves in a council property that is too big for them. This will release larger properties for those that need them, including overcrowded households.	are now under-occupying a 2 bed. However, it is still too early to make any meaningful comments regarding this as the number of the tenancies that have come up for review is less than 2% of the total fixed term tenancies granted to date.
Encourage tenants to take control of their lives by providing support when it is needed at the time of crisis, and by encouraging people to prepare for independence once their situation has improved by making it clear from the start of their tenancy that the arrangement is not necessarily a permanent one. This is particularly the case for young single people, who will be encouraged to undertake skills training or continue with their education to secure employment, and for this reason the Council will usually offer tenancies of less than five years to some young people.	Generally the granting of fixed term tenancies is contributing towards meeting our objective to support 'tenants taking control of their lives' as evidenced by a high level of participation and completion of positive community contributions for 2 year flexible tenancies.

Table 2.1-Tenancy reviews commenced

Start date	End date	Review commenced	Result of review
16/07/2012	15/07/2015	November 2014	Tenancy to be extended for 2 years
20/08/2012	19/08/2015	December 2014	Tenancy to be extended for 5 years
27/08/2012	26/08/2015	December 2014	Tenancy to be extended for 5 years
03/09/2012	02/09/2015	January 2015	Tenant is now under-occupying 2 bed property and will be moved into a 1 bed with a new fixed-term tenancy
10/09/2012	09/09/2015	January 2015	Tenancy to be extended for 2 years
17/09/2012	16/09/2015	January 2015	Tenancy not to be extended because tenant has arrears and antisocial behaviour issues
17/09/2012	16/09/2015	January 2015	Tenancy to be extended for 2 years
08/10/2012	07/10/2012	February 2015	Tenancy to be extended for 5 years
29/10/2012	28/10/2015	February 2015	Tenancy to be extended for 2 years

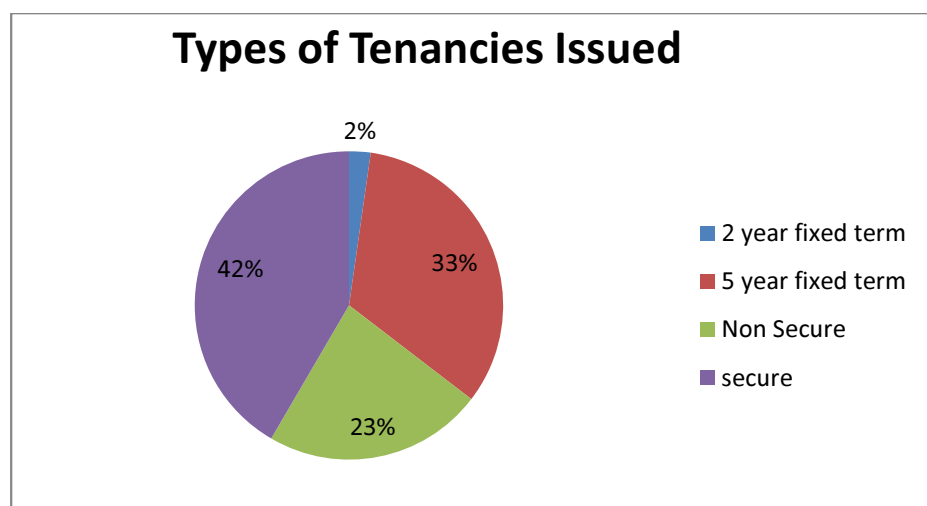
4. New tenancies

- 4.1 The table 3 below shows that of the 1,469 council lettings since the tenancy strategy was implemented in July 2012, 611 (42%) were lifetime tenancies, 487 (33%) were 5-year fixed term tenancies, 338 (23%) were non secure tenancies – with just 33 (2%) 2-year fixed term tenancies.

Table 3- council tenancies issued since July 2012

Tenancy Type	Number	%
2 year fixed term	33	2%
5 year fixed term	487	33%
Non-Secure	338	23%
Lifetime secure	611	42%
TOTAL	1469	100%

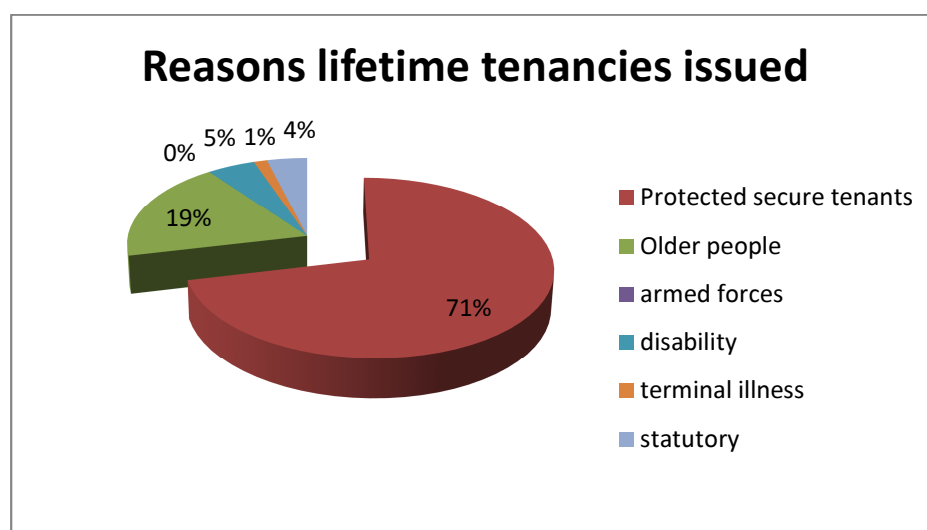
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4.2 The table 4 below shows the reasons why lifetime secure tenancies were issued rather than fixed term tenancies. Almost three quarters (71%) of the lifetime tenancies that were issued were because the rights of the tenant were protected, i.e.: existing secure tenants with a tenancy predating 9th July 2012 moving to another council property. The second most common reason (19%) for issuing a lifetime secure tenancy was the fact that a tenant or their partner was an older person. There were comparatively few lifetime secure tenancies issued to households with a disability, terminal illness or to statutory successors.

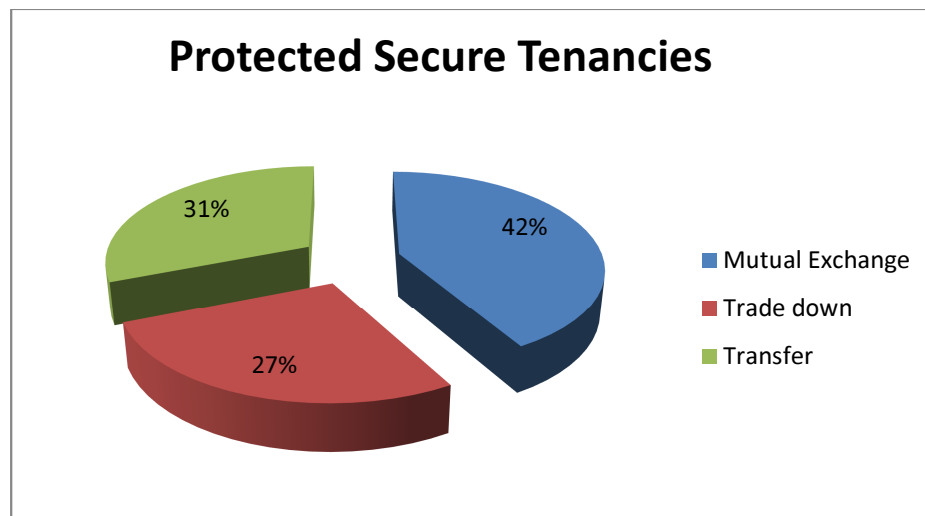
Table 4- reasons for issuing of lifetime tenancies

Reasons for lifetime	
Protected secure tenants	436
Older people	114
armed forces	0
disability	29
terminal illness	8
statutory	24
TOTAL	611



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- 4.3 The subset of the 436 protected secure tenants reissued with a lifetime secure tenancy shows that 42% have moved as a mutual exchange, 31% as a transfer and 27% as a trade down.



4.4 Summary and recommendations

The majority of secure tenancies (71%) are granted to people who are legally entitled to this because their existing tenancy commenced prior to July 2012. The second largest group are older people (19%), who are either receiving a state pension or being housed in sheltered accommodation, whose financial circumstances are unlikely to change. The remainder (10%) are either disabled, terminally ill or statutory successors and represent a small proportion of secure tenancies being granted.

No changes are recommended at this stage as there is little that the Council could do to reduce the number of secure tenancies being granted.

5. Tenants taking control of their lives

- 5.1 Rent arrears, anti-social behaviour and lack of positive community contribution (training, education or employment) are grounds for not renewing 2-year and 5-year fixed term tenancies.
- 5.2 The table 5, below, shows that as of March 2015 the average arrears for 2 years flexible tenancies are higher than for 5 year flexible tenants, secure lifetime tenancies and non-secure tenancies. However, it is worth noting that due to the low numbers of 2 year flexible tenants it only takes one or two cases of tenants with high arrears to distort this figure which is the case in this instance, as there are currently two cases with arrears totalling £7.6K, in one of these cases we have a court possession order and the other has an outstanding HB backdate request. Without these two cases the average arrears for two year fixed term tenancies would be £430.

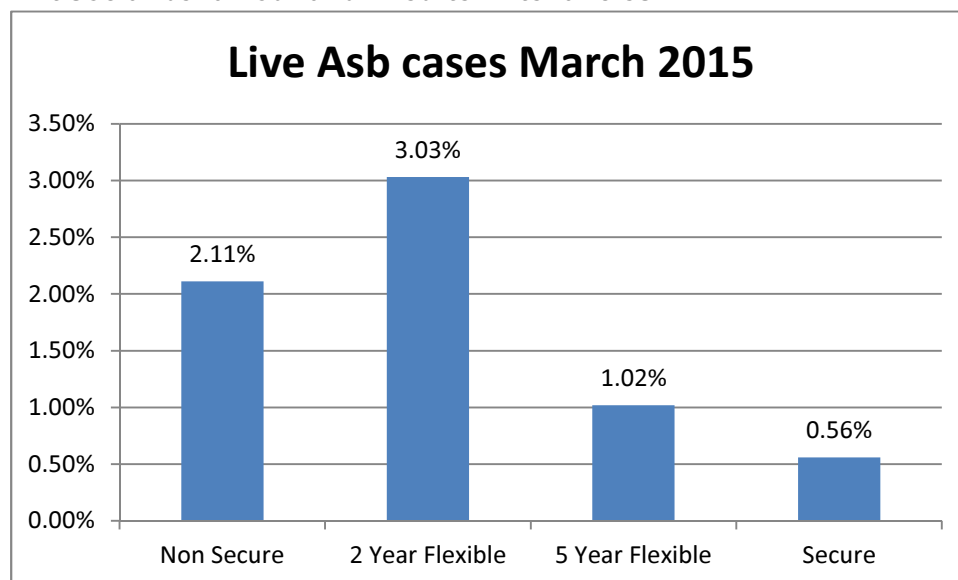
Table 5- rent arrears and fixed-term tenancies

Tenancy Type	No Tenancies	Accounts in Arrears	Average Arrears	% in Arrears
Non Secure	909	512	£442	56%
2 Year Flexible	33	24	£923	73%
5 Year Flexible	491	250	£398	51%
Secure	6089	2766	£465	45%

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- 5.3 The chart below is a snapshot of the 59 current antisocial behaviour cases broken down by the tenancy type of the perpetrator. Although the total numbers are small overall, proportionally more fixed-term and non-secure tenants are subject to antisocial behaviour cases than secure tenants.

Antisocial behaviour and fixed-term tenancies



6. Community Contribution

- 6.1 A requirement of the Council's Tenancy Strategy is that 2 year flexible tenants actively seek to become more independent through employment, education and training. To help tenants achieve this Barnet Homes has a dedicated Housing Officer who provides support, advice and sign posting for these young people.
- 6.2 Early indication was that this method of support was achieving successful results. The service was therefore extended to young people leaving care, because although they are granted 5 year flexible tenancies as a group they were more likely to have tenancy failure and be NEET.
- 6.3 The current levels of community contribution achieved by both these groups are shown in the table 6 below.

Table 6- community contribution of current 2 year fixed-term tenants

	Total Number of tenancies	Education	Training	Employment	Other	TARGET:75% (for 2 year FTs only)
2 Year Flexible Tenants	33	5	6	14	8	76%
Care Leavers with 5 Year Flexible Tenancies	21	1	7	6	7	N/A

7. Income Levels

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7.1 At present the council takes into consideration an applicant's income and capital when they initially apply for housing. If their income or capital level is above a certain amount then they will not be entitled to social housing (council or housing association). This is the level of income or capital which we will also consider when we review a tenancy. If the tenant's income/capital is above these levels then their tenancy will not be renewed.

7.2 The current income levels as set out in the tenancy strategy are shown below.

Table 7- income limits in tenancy strategy

Household type	2011 Median earnings
Households with children	£36,200 (Source: CACI Pay-check unequivalised.)
Households without children	£30,600(Median less 15%)

7.3 According to the latest CACI PayCheck data in June 2014² median Barnet unequivalised earnings have increased by £7,000 to £40,550. If we applied the 2014 earning levels then the threshold for housing applicants / tenancy reviews would be:

Household type	2014 Median earnings
Households with children	£40,550 (Source: CACI Pay-check unequivalised)
Households without children	£34,468 (Median less 15%)

7.4 Three cases were either cancelled or re banded due to income/assets in 2012/13 and four in 2013/14. This is an average of 0.16% of cancelled cases (not including cases that were cancelled due to being housed).

7.5 Summary and recommendations

Median incomes have increased in Barnet since the tenancy strategy was implemented. On review tenants will be assessed against the current median income levels.

The policy is already linked to the CACI Pay Check data but the policy should clarify the mechanism for doing this. **Recommendation that the figure should be adjusted annually to reflect the most recent CACI Pay Check data for both the Tenancy Strategy and Allocations Scheme.**

8. Disability benefits

8.1 Appendix 2 of the Local Tenancy Strategy contains the criteria for deciding which disabled tenants qualify for lifetime secure tenancies, depending on the level of disability benefits they receive. The table 1 of appendix 2 states that the following disabled applicants are offered a lifetime secure tenancy:

- Applicants in receipt of the middle rate Care Component of Disability Living Allowance (DLA) and two additional qualification criteria, e.g.: in receipt of Severe Disability Premium and Employment and Support Allowance;
- Applicants in receipt of the higher rate Care Component of DLA and one additional qualification criteria such as Severe Disability Premium or Employment and Support Allowance;
- Applicants in receipt of the higher rate Care Component and also the higher rate Mobility Component;
- Applicants that only have lower rates of DLA only qualify for a fixed term tenancy.

²CACI

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8.2 DLA is in the process of being replaced for new claims by a new system of Personal Independence Payments (PIPs). Existing claimants living in Barnet will not be transferred until October 2015. The tenancy strategy needs to be amended to include PIPs.

8.3 There are two elements to PIPs, each with a standard and enhanced rate rather than lower, middle and higher rate:

- Daily living component- for people who need help with daily activities such as preparing food, taking medication, washing and dressing;
- Mobility component- for people who need help with moving around or going out.

Daily living component	Enhanced rate	Equal in value to highest rate of DLA Care Component
	Standard rate	Equal in value to middle rate of DLA Care component
Mobility component	Enhanced rate	Equal in value to higher rate of DLA mobility component
	Standard rate	Equal in value to lower rate of DLA mobility component

8.4 Table 1 in Appendix 2 needs to be changed to include the following criteria for lifetime secure tenancies:

Criteria to decide type of tenancy granted to disabled applicants		Lifetime tenancy?
Personal independence payment- Daily Living Component	Enhanced rate plus at least one from the additional criteria table (in able 2)	Yes
Personal independence payment- Mobility Component	Enhanced rate plus enhanced rate Daily Living Component	Yes
Personal independence payment-	Standard rate only across Daily Living and/or Mobility Components	No

8.5 Summary and recommendations

Personal Independence Payments (PIPs) are gradually replacing Disability Living Allowance (DLA) for new and existing claimants.

Recommendation that the table 1 in Appendix 2 of Local Tenancy Strategy is amended to include PIPs as outlined above.