



Appendix 2 – STP Consultation paper

Strategic Housing Services

April 2012

'Consultation on Tenancy Policy'

Version Control	
Status of Policy	V1.0
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Approved	TBC
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1.) Introduction to the Strategic Tenancy Policy: Consultation Draft

The Strategic Tenancy Policy (STP) Preliminary Draft contained in Appendix 3 of the associated Cabinet report will be put out to consultation with relevant stakeholders and will be available on the Moving with Dacorum website.

This document outlines the key elements of the Preliminary Draft and explains who will and will not be affected. It then presents a series of questions to see whether or not the Council is going in the correct direction.

Our Strategic Tenancy Policy will fulfill Dacorum Borough Council's statutory duty to provide a Tenancy Strategy as per the Localism Act 2011.

The STP's primary aim is to lay out the Council's stance on Flexible Tenancies and Affordable Rent and outline where the detail can be found on how these new tenancies and rents will be allocated.

The changes outlined in this document will not affect existing tenants.

The STP and the principles contained within it will apply to our own council owned stock and should be considered by our Registered Provider (RP) partners (Housing Associations) when they are considering the tenancies that they use across the Borough.

1.2) Flexible Tenancies and Affordable Rent

Dacorum Borough Council are looking to use Flexible Tenancies because we feel they are beneficial: they allow for a more flexible use of the housing stock, they help to ensure that priority is given to those in the greatest housing need, they allow us to better respond to changes and they are supported by central government and the majority of Affordable Housing providers. The Council also supports the creation Affordable Rent units as under the new funding structure Affordable Rent properties are the only way to deliver new Affordable Homes in the Borough. More detail on the proposed stance and the justification for it can be found below and in Appendix 3 – Strategic Tenancy Policy Preliminary Draft.

1.3) Consultation

Some areas of this STP are fixed by our statutory obligations to provide a Tenancy Strategy outlined in Part 7 of the Localism Act. Considerable work has been done in creating the Consultation Draft (starts in section 3), involving relevant council teams, Members, RPs and closely following guidance and national policy examples.

Section 2 of this document outlines several key questions that the Council is asking for responses on. However general comments on the policy will also be welcomed.

Consultation will be sought from a range of stakeholders and will include meeting our statutory obligation to consult RPs. Particular concern will be paid to the views of RPs and applicants on the Housing Register who do not currently live in Affordable Housing (known as Homeseekers) – this is because the STP will have more of an impact on Homeseekers. Existing Tenants and Transfer tenants are unaffected by the changes outlined in this consultation, however their views will still be sought.

1.3) Allocations Policy

The consultation on the STP will be run in tandem with consultation on the Allocations Policy Review that is due to start from April. This is because the two documents are closely linked, and the Allocations Policy will contain some of the detail about how Affordable Rents and Flexible Tenancies will be administered. However it should be made clear that the STP and the concepts outlined in it can operate in conjunction with the existing Allocations Policy. Therefore the introduction of Flexible Tenancies and Affordable Rents are not dependent upon reviewing the Allocations Policy.

1.4) After the consultation period

After the STP consultation has finished, the responses will be analysed and other policy considerations such as the Council's Housing Principles will be weighed up; any necessary changes will be made. A finalised STP will then be taken to Cabinet for approval.

2.) Consultation Section

This section outlines the key aspects of the Preliminary Draft that DBC Officers' want to use as the basis for the final policy (see Appendix 3 – STP Preliminary Draft). It outlines some of the key elements of the proposed Strategic Tenancy Policy and then asks a series of targeted questions which we are inviting responses on.

We also welcome general responses to the Preliminary Draft.

2.1) Responses

Responses can be made online at: www.movingwithdacorum.org.uk – under the consultation section.

By email to: housingdelivery@dacorum.gov.uk

Or by post to: Strategic Housing Team, Civic Centre, The Marlowes, Hemel Hempstead, HP1 1HH

2.1) What does the Strategic Tenancy Policy Do?

The Strategic Tenancy Policy (STP) fulfills the government's requirement for all Local Authorities to have a Tenancy Strategy. The main purpose of the STP is to outline how the Local Authority believes the government's new Flexible Tenancies and Affordable Rents will be used in the Borough. If the Local Authority has its own housing stock, as in Dacorum, then the STP will outline how the new tenancy type and rent level will be used on council properties.

The STP also applies to Housing Associations and outlines how the Council would prefer them to work in the Borough.

2.2) What is a Flexible Tenancy and an Affordable Rent?

These two concepts have been introduced by the Coalition Government in order to address Housing Issues – the majority of Local Authorities are going to use them.

Flexible Tenancies are the new tenancy type that the government has introduced. The tenancy must have a minimum fixed term of two years but there is no maximum fixed term, enabling Local Authorities and Registered Providers to set their own limits. At the end of the term there would be a review process which will determine whether the tenancy is re-issued or not.

Dacorum Borough Council Officers believe that Flexible Tenancies should be used and the Preliminary draft supports their use on most council properties. We have taken this stance because Flexible Tenancies allow for a more flexible use of stock, prioritise housing need, can be used to respond to changes or tenancy issues, and are being widely adopted across the country.

Affordable Rent is a new rent level that will be charged at up to 80% of Market Rent levels, significantly higher than the Social Rent level that has been the main tenure for some time. The increase in rental income **must** then be used to build more Affordable Homes.

Dacorum Borough Council Officers believe that Affordable Rent properties should be developed in the Borough because they are the only way to fund new Affordable Homes under the new funding system run by the Government's Homes and Communities Agency. RPs in the Borough are already developing Affordable Rent properties and the Council is looking to do so under its own new build program. Affordable Rent can be affordable for households in housing need and is eligible for Housing Benefit, making it accessible to all potential tenants.

2.3) Who does the STP affect?

The Strategic Tenancy Policy will not affect existing tenants.

The new **tenancy types cannot replace existing tenants' tenancies** unless they move or transfer properties, however the Council is proposing that **Transfer tenants have their tenancies protected** if they choose to move. This means that current Transfer tenants will keep their existing Lifetime Tenancy if they choose to transfer properties. As well as providing existing tenants with peace of mind, this will contribute to achieving the best use of stock as current Tenants will feel able to move (enabling their properties to be re-let) without worrying about tenancy types.

The policy contained in the STP primarily affects existing and future Homeseekers and Homeless applicants on the council's Housing Register.

2.4) What are the key parts of the proposed Strategic Tenancy Policy Preliminary Draft?

The two main aspects of the preliminary draft are that Dacorum Borough Council is proposing to begin using 5 year Flexible Tenancies for new tenants, and that the Council will raise a small number of rents to Affordable Rent Levels.

DBC also proposing to protect existing tenants – therefore current tenancy and rent types will not change, even if the tenant opts to transfer to a different property. This means that Lifetime Tenancies (secure tenancies that exist for life) will be retained by existing tenants.

We are also proposing that Lifetime Tenancies will also be issued on Sheltered Housing (supported housing for older people).

The Council cannot control Registered Providers (Housing Associations) and DBC accept that Registered Providers in the Borough will use Flexible Tenancies and bring in Affordable Rents for some of their properties.

2.4) Why have we proposed the Preliminary Draft?

The Preliminary Draft has been carefully designed to provide as much security for prospective tenants as possible, whilst also maximising the use of Affordable Housing stock (Affordable Housing includes all types of council and housing association housing) – this means providing safe and appropriate housing to those most in need, as well as providing the largest number of Affordable Homes as possible.

The proposed draft attached takes in to account government policy, our statutory obligations, government guidance, best practice examples from other Local Authorities and the views of our Housing Association partners, as well as meeting the Councils Housing Principles and Corporate Priorities.

Flexible Tenancies will be used in the Borough by Registered Providers (Housing Associations) and central government has made it clear that Flexible Tenancies are part of the approach that Local Authorities should adopt. Furthermore, we believe that Flexible Tenancies can provide the required amount of security for households who need housing

support and cannot access market housing (this is known as households being in housing need).

The largest impact of these proposals will not be felt until a **new tenant** on a Flexible Tenancy comes up for review (suggested after 5 years to fit in with government guidance and the majority of providers).

However we believe that the review will not cause many people to lose their tenancy. This is because **we are proposing to automatically renew the Flexible Tenancy if the applicants' circumstances have not changed**, which we believe will result in many tenants simply having their tenancies renewed. This point is backed up by research by Family Mosaic who say that 5 years in to an existing tenancy only 10% of households would be able to move out of Social Housing¹.

Furthermore, Dacorum Borough Council are committed to meeting tenants' housing need and providing the right level of housing support – so tenants that at the time of the review who still need the support of Affordable Housing, even if their circumstances have changed, will either have their existing tenancy renewed, or may be provided with another tenancy on a different property.

Affordable Rent properties are starting to be developed in the Borough and the Council accepts that this is the only way to deliver new Affordable Homes under the current funding system. We believe that the new rent level can be affordable; this is partly because it is still eligible for Housing Benefit, therefore will not affect many prospective tenants. Affordable Rents will also not be applied retrospectively to existing tenants – and under the Choice Based Lettings system the tenant can choose to live in a property with a higher rent type. The vast majority to DBC's Housing stock will remain at current Social Rent levels.

We believe that the proposed approach will provide the largest amount of good quality Affordable Housing as possible, to those who are most in housing need, in a fair and transparent way.

2.5) Why are we consulting?

We want to gather the views of the community, key partners and stakeholders to feed in to the STP.

We have a statutory duty to consult with Housing Associations (Housing Associations are referred to as Registered Providers in the STP). We will also consult with the wider public, existing tenants, and specifically Homeseekers on the Housing Register.

We have already worked closely with a number of stakeholders, including Council Members, in creating this draft, and will continue to do so.

¹ Changing Direction: Should Social Housing be a hand up or a handout – Family Mosaic, October 2011.

The responses from the consultation will be weighed up against other considerations, including our statutory responsibilities, government guidance, and our other policy considerations.

2.6) Allocations Policy review and STP adoption

The Council's Allocations Policy is currently undergoing a review, partly to include the new tenancy and rent types created by the government.

Much of the detail about how properties are allocated is contained in the Allocations Policy and therefore is in need of a refresh. DBC will not be letting its stock at Affordable Rents or Flexible Tenancies until the STP and a reviewed Allocations Policy have been adopted by Cabinet.

The existing Allocations Policy is capable of letting Affordable Rent and Flexible tenancy properties if our RP partners bring them forward before the Allocations Policy is updated.

Until the STP is adopted fully, RPs should give consideration to the Consultation Draft, and speak to Officers about their Tenancy Strategies before they look to advertise the properties through Moving with Dacorum.

2.7) Will responding to this consultation make a difference?

Yes. All responses will be considered, and the proposed STP attached below is very much a draft document for consultation. It is not the finalised policy.

Some areas of the policy are fixed by government, and we have a clear and defined policy direction, but much of the detail is still open for debate.

2.8) Questions:

The following questions have been targeted at particular parts of the proposed STP and in some cases outline areas where we had a number of options to choose from.

Responses to some or all of the questions are welcomed, as are general responses.

A simplified, shorter, set of questions will also be consulted on. This consultation paper will be available to all online.

Questions 1 – 5 relate to Section 4 of the Consultation Draft, questions 6 and 7 to Section 5, and questions 8 and 9 are general questions that do not have sections in the proposed STP yet.

- 1.) Do you agree that the Council and Housing Associations should use their stock in ways that meet housing need as the first priority? Y/N

- 2.) The Government and the majority of other Local Authorities are planning to use 5 year Flexible Tenancies for new tenants. Is this the most appropriate length of a Flexible Tenancy? Y/N
- 3.) Should DBC renew a tenant's Flexible Tenancy if there have been no changes to their circumstances since the tenancy was issued? Y/N
- 4.) In terms of renewing Flexible Tenancies, is reviewing the tenant against the Allocations Policy (which outlines the criteria for who should be awarded a new Flexible Tenancy) the right procedure? Y/N
- 5.) Should we offer Lifetime (permanent) Tenancies for new tenants over 50 years old in Sheltered Properties (older persons housing)? Y/N
- 6.) Do you want Transfer tenants who have a Lifetime Tenancy to keep them if they move property? Y/N
- 7.) Would you want to give people who are in employment additional preference for Affordable Rent properties? Y/N
- 8.) Should Affordable Rent properties be available to all applicants through Choice Based Lettings? Y/N
- 9.) Should the right to take over a tenancy on the death of a tenant (know as succession) be restricted to spouses?
- 10.) Do you have any other comments on the proposed Strategic Tenancy Policy?