MINUTES OF FIXED-TERM TENANCIES TASK GROUP
2 OCTOBER 2013

PRESENT:
Councillors Hazelton, Mahoney, Mrs Parker and Ms Robbins
Ms Tracey Nuttall (co-opted member from Tenant Representative Panel)
Liz Dunlop (Operational Housing Manager), Debbie Dawson (Scrutiny Officer) and
Linn Ashmore (Democratic and Scrutiny Services Officer)

1. APPOINTMENT OF CHAIRMAN
   A decision on a chairman for the 2013/14 municipal year was deferred until
   the next meeting. Councillor Mrs Parker took the chair for this meeting.

2. APOLOGIES
   Apologies for absence from the meeting were received from Councillors
   Coles and Helen Walton.

3. INTRODUCTORY PRESENTATION/BACKGROUND INFORMATION
   The task group received a presentation from the Operational Housing
   Manager and the Scrutiny Officer outlining current policy, key issues and
   points for consideration during the review. A copy is attached to the
   minutes.

   Further to the presentation the following points were made:

   The council’s current policy of offering secure lifetime tenancies works well.
   The Head of Housing had asked that the group be reminded that a final
   decision does not have to be taken at this time and the situation could be
   monitored with a view to revisiting this again in the future.

   The Sustainable Inclusive Communities portfolio holder had been consulted
   on the one page strategy. The group may wish to invite her to bring
   evidence to the task group during the review or to meet with the group at a
   later stage when they were putting their conclusions together.

   The review will not affect existing secure tenants. The Localism Act 2011
   enables councils and social housing providers to offer flexible tenancies to
   new tenants only from April 2012.

   It was suggested that all social housing comes at a cost and consideration
   should be given to how best to use resources to meet housing needs.
   Members commented that there is long list of people waiting for housing.

   There was an ethical question as to whether it is right that people who can
   afford to relinquish their council house should do so if their financial position
   changes.
The government’s view is that the purpose of social housing is to meet need and that it should provide a step onto other types of housing. Social housing providers should use their housing stock as efficiently as possible.

Copies of the Warwickshire Joint Tenancy Strategy were circulated to members of the task group. This forms the basis of current policy. It is flexible and would allow the Council to continue to offer secure tenancies, or introduce flexible tenancies within set parameters.

Copies of the information digest document produced for the Housing Stock and Housing Needs review was circulated to members of the task group. This contains a breakdown of the housing stock and relates to the whole Borough. This version was produced in June 2012 and will be updated by the new Research Officer once she has settled into the post.

The term “unsuitable housing” (in the SHMA data) does not necessarily refer to the condition of a property but could mean there is another issue such as overcrowding. This topic can be covered further at a later meeting.

There are currently 628 households (not individuals) in housing need on the council’s waiting list. Members requested a breakdown of this figure, showing the number of single person households, couple and families.

Tenants would only be affected by a move to fixed-term tenancies if their household circumstances were to change. Consideration would need to be given to the income level at which a fixed-term tenancy would not be renewed.

Around 70% of the council’s tenants receive housing benefit. This figure can be broken down to show if this relates to full or partial entitlement, but data regarding household income is not collected once housing benefit stops being claimed. Some tenants take on work through agencies or have zero hours contracts.

A month’s notice is required for any tenant leaving their property, whatever their tenancy agreement, and this would remain the case with a fixed term tenancy. Tenants would not be able to opt in or out of a fixed term tenancy, but secure tenancies would remain available for vulnerable people.

A report on proposed changes to the conditions of tenancy of council homes is due be considered by Cabinet on 21 October. This includes changes to the rights of succession of secure tenants, following new powers in the Localism Act 2011 permitting the removal of the rights of succession of wider family members for all tenancies starting after 1 April 2012. The new conditions only permit a spouse, partner or civil-partner to take over a secure / introductory tenancy if the tenant dies.

In 2011/12 there was a turnover of 360 council properties, 44% of these related to sheltered housing and 66% general needs.

Members asked that more detailed information be provided on the estimated administration costs based on indicative numbers of void properties. Concerns were raised as to whether the council has the resources to manage such a scheme. Potential costs of introducing fixed-term tenancies include additional administration and more property visits and assessments. This could also have an impact on the level of evictions and homelessness.

More detailed information is also needed to establish the affordability of alternative housing options, including the average income of social housing.
tenants. Once the full SHMA has been published comparable data on owner occupiers will also be available. The Strategic Housing Market Assessment (SHMA) is currently in a draft format and is due to be finalised and published in November.

Concern was raised as to whether fixed-term tenancies might act as a disincentive to tenants seeking employment if they felt there was a risk they would lose their home as a result.

Officers advised members that it is difficult to judge how many people could be affected without knowing what rules or income level bands would be put in place.

Members questioned whether the current introductory tenancies available to new tenants meant there was already enough flexibility in the current system.

Members asked for further information and evidence of fixed-term tenancies that had already been introduced by other authorities or housing providers.

4. REVIEW OF THE ONE PAGE STRATEGY

The task group considered the one-page strategy for the review that was circulated as part of the agenda and agreed the following point:

What is the specific topic area?
Consultation should take place with the Sustainable Inclusive Communities portfolio holder prior to any work on the implementation of the actions that would be necessary if fixed-term tenancies were introduced.

In order to come to a view on the merits and feasibility of fixed-term tenancies, members felt that more detailed and robust data was required. The task group requested the following information and evidence:

- Information from the SHMA
- Indicative administration costs
- A breakdown of the number of households in need on the waiting list and turnover figures
- Evidence from other similar-sized authorities and housing providers who have introduced fixed-term tenancies. This should include some details on how they came to a decision to introduce this and the costs involved. If possible, an example of an authority which had taken a decision not to introduce fixed-term tenancies should also be sought
- A profile of tenant income levels (Census data to be sought from Warwickshire Observatory for super output areas)
- Comparisons with other authorities that have similar levels of housing stock

5. PROGRAMME OF WORK

The task group agreed it would consider the evidence listed above at its next meeting. This would be held later in the year to allow time for the publication of the SHMA, and for information to be gathered.
6. DATE OF NEXT MEETING

The next meeting of the task group will be held at 5.30pm on Thursday 12 December.

CHAIRMAN
Policy context

• Localism Act 2011: councils and other social housing providers able to offer ‘flexible tenancies’ to new tenants from April 2012

• Does not affect existing secure tenants – still guaranteed a lifetime tenancy
What is a flexible tenancy?

- Fixed-term tenancy, normally for a minimum of 5 years (in addition to any probationary tenancy period)
- Can last a minimum term of 2 years in exceptional circumstances
- Tenancy reviewed 6 months prior to end of flexible tenancy period
- Required to offer reasonable advice and assistance to tenants where tenancy not renewed
Why have these powers been introduced?

“To ensure that social landlords grant tenancies which are compatible with the purpose of the housing, the needs of individual households, the sustainability of the community and the efficient use of their stock” (DCLG, February 2011)
What is our current policy?

- Warwickshire Joint Tenancy Strategy
- Enables RBC to continue to offer ‘secure tenancies’ or introduce flexible tenancies
- Currently offer introductory tenancy for first year, then secure tenancy (with right to buy and right to exchange)
What is our current policy?

• Warwickshire Joint Tenancy Strategy:
  – longer-term fixed term should be considered for vulnerable tenants (e.g. tenants with a disability)
  – lifetime tenancies presumed for very vulnerable tenants where cause unlikely to change
  – tenants in sheltered or Extra Care housing should be offered lifetime tenancies
  – review process should “give regard to the need to have sustainable communities which include a range of households with mixed income levels”
What are other providers doing?

• No definitive national data available
• All Warwickshire districts and boroughs with stock continue to offer secure tenancies
• National survey January 2013 – 29 out of 50 council rejecting use of FTTs
• Some local examples of use of FTTs, including larger registered providers
RBC Housing Stock

• 3885 properties including 12 pitches at Woodside
• 1427 designated Sheltered and 2458 General Needs
• Approximately 200 sheltered properties to be redesignated
• 17 properties redesignated to date
Local housing market

- Strategic Housing Market Assessment in draft (should be available November 2013)
- Estimated 43% of households in borough unable to afford market housing without subsidy
- Number of households in housing need projected to increase considerably to 3,054
Managing Housing Needs

- Allocations Policy reviewed in 2013
- Income and housing need addressed:
  - Applicants for general needs properties (under 60) are not accepted on waiting list if they are home owners or have the funds to solve own housing. Applicants with no recognised housing need cannot access the list.
- Housing list cut by c.700, currently 628 on waiting list
Potential costs

- In 2011/12 voids expenses included:
  - Average loss of rent amounting to £294 per property
  - Average cost of repairing a void £1,186
  - Total cost = £1,480 per property
  
  (eg. 50 properties = £75k, 100 properties = £150k)

- Additional administrative costs (eg. reviews, evictions, homelessness)
Other considerations

• Do tenants’ financial circumstances change significantly during the course of their secure tenancy?
  – We have a high percentage of people on benefits in our stock (60-70%)
  – Currently don’t have an understanding on numbers moving into work and types of salaries – anecdotally most would move into lower paid work
Other considerations

- Availability of alternative options including private rented, shared ownership, outright ownership. How accessible are these options?
- Potential wider social impact – e.g. moving families where children are settled in schools
- Should we be encouraging mixed communities, e.g. mix of tenants who work and don’t work?
- Would FTT disincentivise employment (if resulted in loss of tenancy)?
One page strategy

• Any amendments needed in light of presentations and discussion?
• Who do you need to talk to?
• How will you achieve the intended outcomes?
• Next steps?