

Tenancy strategy draft

Introduction

The Localism Act 2011 places a duty on local housing authorities to prepare and publish a Tenancy Strategy. These strategies set out the matters to which registered social providers are to have regard in formulating their policies on tenancies in terms of:

- The kinds of tenancies they grant
- The circumstances in which they will grant a tenancy of a particular kind
- Where they grant tenancies for a certain term, the length of the terms, and
- The circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy

The Localism Act introduced a radical reform of social housing tenure; social landlords are no longer required to let general needs homes on 'the most secure form of tenure' possible. They can now offer tenancies for shorter terms.

From 1st April 2012, the Localism Act introduced a new form of local authority Secure Tenancy: the Flexible Tenancy, which is a fixed term tenancy. For housing associations, the Tenancy Standard now allows them to grant Assured Shorthold Tenancies for general needs housing let at social rent.

The statutory minimum fixed term for both types of tenancy is two years, though this should only be in exceptional circumstances. Government guidance states the minimum term should be five years.

As a result of the Localism Act and the new funding model of Affordable Rent, there are now a range of tenancies on offer from social landlords. Local housing authorities may offer either a Secure or Flexible Tenancy at either social or Affordable rent. Housing associations may offer either an Assured or fixed term Assured Shorthold Tenancy at either social or Affordable rent.

Local housing authorities have a responsibility to provide a strategic lead on the use of tenure in social housing and to ensure that the way social housing is let supports the authority's vision for the local area.

The Housing and Planning Act 2016 included provision for the use of fixed term tenancies to be mandatory for all local authorities, at the time of writing, this part of the Act has not yet been enacted.

Purpose of the strategy

This strategy has been created in response to the requirements of the Localism Act 2011, the purpose of changes introduced by this Act are to:

- Make the best use of housing stock
- Ensure those in greatest need are prioritised through the lettings policy
- Promote and incentivise work
- Provide greater flexibility and simplicity within the lettings process

In addition, the Regulatory Framework requires that social landlords grant tenancies that are compatible with the:

- Needs of the individual households
- Efficient use of the housing stock
- Purpose of the accommodation
- Sustainability of the community

The Council has a responsibility to provide a strategic lead on the use of social tenure and to ensure that the way social housing is let supports the authority's vision for the local area.

The Council's housing vision is:

“to ensure the population of Ashfield are living in or can access homes that are affordable, warm and within a safe community that promotes the health and wellbeing of residents”

As such, the aims of this strategy are:

- To ensure that social housing providers operating in Ashfield offer the most secure form of tenure compatible with the purpose of the accommodation, the needs of the individual households, the sustainability of the community, and the efficient use of their housing stock.
- To ensure that social housing providers operating in Ashfield support the Council in meeting its statutory obligations and vision for the District.
- To ensure that homes let at Affordable Rent remain affordable for low income households, either in or out of work, whilst enabling the supply of new properties in Ashfield.
- To ensure social housing tenants are supported to achieve their housing aspirations and not penalised for a change in their circumstances.
- To ensure households seeking a home in Ashfield can access information on what it means to be offered a fixed term tenancy.

This Strategy is principally concerned with tenure issues, however, it supports and overlaps with a number of other strategies and consideration has been given to those concerning homelessness, allocations, the Council's tenancy policy and private sector enforcement in the development of this Strategy

Fixed term tenancies

The Council expects that social housing providers operating in Ashfield will offer the most secure form of tenure compatible with the purpose of the accommodation, the needs of the individual households, the sustainability of the community, and the efficient use of their housing stock.

In particular, the Council expects that permanent tenancies will be granted to those households who are in need of settled accommodation and whose situation is unlikely to change, such as households containing older persons or people with a long-term medical, support or care needs.

The Council expects that wherever possible, tenants moving through a mutual exchange scheme will be able to enjoy the same security of tenure in their new property.

Fixed term tenancies should not be used in place of introductory or starter tenancies.

The Council only supports the use of fixed term tenancies in limited circumstances. This is because research has shown that people associate security of tenure with a settled and stable home, which is important for laying down roots and planning for the future, such as for those with children or vulnerable people.

Where social housing providers choose to grant fixed term tenancies, the Council encourages them to offer tenancies for longer than the five-year regulatory minimum, particularly where there are dependent children in the household.

The Council supports the use of fixed term tenancies in the following circumstances:

- Households where it is likely that the property will be under occupied within 5 years of the start of the tenancy (and therefore subject to Housing Benefit restrictions) i.e. families with teenagers/older children, merged & extended families
- Extreme cases of ASB where families are monitored throughout their tenancy
- Properties which are adapted for disabled use which it is likely the household will not require within 5 years of the start of the tenancy

Where fixed term tenancies are granted, the Council encourages social housing providers to operate with a presumption of renewal by issuing a new fixed term tenancy for a term at least equivalent to the current or previous fixed term, except where:

- The property is adapted and no one residing at the property requires the adaptation
- The tenant comes into legal ownership of another home or property
- Any breaches of tenancy or tenancy fraud are identified during the fixed term of the tenancy
- The tenant's financial circumstances have significantly changed so that home ownership is affordable

The Council does not support registered providers allowing fixed term to run into insecure periodic tenancies.

It is recognised that a case by case approach will be required and social housing providers are encouraged to use their discretion to ensure the aims of this strategy are achieved.

Discretion may be exercised in the following cases, for example, if: someone in the household is terminally ill; the household includes children of school age; a household member is at university/in prison/in the armed forces; the property was under-occupied when the tenancy commenced; the tenants will grow into the property (i.e. a young couple or family); a range of occupation levels will contribute to balanced communities; retaining the household in the community for community balance or due to their community contribution; the move will significantly affect the household's wellbeing (for example moving away from support). This is not an exhaustive list.

Where the conduct of the tenant is a factor for not renewing a fixed term tenancy, it is important that it is not used as an alternative to the usual tools available to address breaches of tenancy. The Council therefore would only support the decision not to renew a fixed term tenancy due to a tenant's conduct where formal possession action is already underway or being considered. The ADC allocations policy criteria regarding unacceptable behaviour should be considered in these cases.

The Council prefers to see issues such as under-occupancy, overcrowding and unemployment addressed through investment in incentives and support to move, additional waiting list priority, support to enter employment and increasing the supply of affordable

housing across all tenures. It is acknowledged that social housing is a scarce resource and should focus on those who need it most. However, the use of fixed term tenancies, over the long term, may undermine the sustainability of a community by increasing the transience and social exclusion of neighbourhoods, which in turn leads to the need for increased housing management resources. Additionally, the cost to administer tenancy reviews, to seek possession where households refuse to vacate and to re-let a property is likely to be significant. The Council believes this offers poor value for money and encourages social housing providers to instead make the above described investments to achieve the same outcomes.

The Council does not wish to see an increase in homelessness as a result of fixed term tenancies coming to an end, or to create churn between two insecure rental tenures, whereby social tenants refused a renewal of tenancy will be assisted into the private rented sector to make way for private rented sector tenant qualifying for an allocation of social housing. In addition, it is important that households are not pushed into unsustainable home ownership as they over-extend themselves to obtain secure housing or are disincentivised from improving their financial circumstances as this would result in their tenancy being ended.

Each social housing provider must put in place a Tenancy Policy which must have due regard to this strategy. See the section below for further information on what this policy must set out.

Summary of the Council's position on tenancies:

- Social housing providers operating in Ashfield should offer the most secure form of tenure possible
- The Council only supports the use of fixed term tenancies in limited circumstances and to operate with a presumption of renewal
- The Council prefers to see issues such as under-occupancy, overcrowding and unemployment addressed through investment in incentives and support to move, additional waiting list priority, support to enter employment and increasing the supply of affordable housing across all tenures.
- Households should not be pushed into unsustainable home ownership as they over-extend themselves to obtain secure housing or be disincentivised from improving their financial circumstances as this would result in their tenancy being ended.
- The Council does not wish to see an increase in homelessness as a result of fixed term tenancies coming to an end, or to create churn between two insecure rental tenures
- Each social housing provider must put in place a Tenancy Policy which must have due regard to this strategy

Affordable Rent

Social rent is still the preferred tenure for existing and new social housing in Ashfield, in particular for larger family housing, older persons' housing and homes delivered through s.106 agreements.

The Council understands that providers may be under an obligation to deliver Affordable Rent housing as part of the funding agreement with Homes England, however, registered providers have the flexibility to set these rents at *up to* 80% of the market rent and as such

the Council encourages registered providers to utilise this discretion to ensure developments are affordable.

The Council encourages providers to consider the average income of low income households in Ashfield when setting rents and to take steps when letting homes to ensure households will have sufficient funds for other essential expenditure after their housing costs. The Council does not wish to see households facing financial difficulties because their income is insufficient for their housing costs and other essential expenditure.

The Council also encourages registered providers to ensure that properties remain affordable for those subject to the benefit cap. In Ashfield, this has mainly affected households with 3 or more children. As such, Affordable Rent properties with 3 or more bedrooms may result in households being subject to the cap. Registered providers should consider the affordability of such properties when they are looking to develop or convert them for Affordable Rent.

Whilst there is no legal or other requirement that sums generated in Ashfield as a result of charging Affordable Rent will necessarily be used for reinvestment in Ashfield, the Council seeks commitment from providers that a reasonable level of locally based reinvestment will result.

The Council requests that providers have regard to the overall mix of properties in areas where they are looking to convert properties from social rent to Affordable Rent. The Council does not wish to see an area experience a disproportionately high level of conversions to ensure that existing social tenants are able to transfer to their area of choice at the same rent level. Where Affordable Rent development or conversions are considered by a provider in the following areas Carsic, Leamington and Summit wards, providers must discuss this with the Council to ensure the proposals are appropriate for the area. In all cases, providers must consider the impact of any conversions on the tenure profile and sustainability of the area.

Providers must discuss with the Council any plans to convert older person's accommodation or properties that have been adapted to Affordable Rent

The Council expects that providers will discuss their Affordable Rent conversion policy with us and will provide information to the Council on a regular basis to monitor the number and location of Affordable Rent properties in the District.

The Council does not support conversions of social rent and shared ownership units which were delivered (or due to be delivered) through existing s106 agreements to Affordable Rent where the S106 agreement or other legal covenants state that the affordability/tenure of those units is to remain as social rent or shared ownership or where other similar legal restrictions apply.

The Council expects providers to seek our consent to convert existing social rent dwellings which have previously been developed using subsidy (grant and/or free/reduced land) only from the Council (e.g. with no additional public subsidy being forthcoming from Homes England). The Council may require either direct re-investment within the District or repayment of the subsidy.

Summary of the Council's position on Affordable Rent

- Social rent is still the preferred tenure for existing and new social housing in Ashfield,
- The Council encourages providers to use their discretion to set Affordable Rents below 80% of the market rent to ensure developments are affordable

- The Council does not wish to see households facing financial difficulties because their income is insufficient for their housing costs and other essential expenditure.
- The Council also encourages registered providers to ensure that properties remain affordable for those subject to the benefit cap
- the Council seeks commitment from providers that a reasonable level of locally based reinvestment will result from charging Affordable Rent in the District
- The Council expects that providers will discuss their Affordable Rent conversion policy with us
- The Council does not wish to see an area experience a disproportionately high level of Affordable Rent conversions

Homelessness

The Localism Act 2011 also introduced a power for local authorities to discharge their main housing duty to homeless households with an offer of suitable accommodation in the private rented sector provided the tenancy is for a minimum of 12 months. The Council has not adopted this power at the time of writing.

Under the Homeless Reduction Act 2017 that comes into effect in April 2018, this will remain the same. However, the new duties to prevent and relieve homelessness can be ended where the household has a reasonable prospect of having suitable accommodation for a least 6 months in the PRS.

Homeless households seeking assistance from the Council will be advised on their housing options, including options in the PRS and this will be reflected in their personal housing plan.

We will monitor whether households securing PRS accommodation sustain their tenancies and will review our approach if they present as homeless again.

Housing waiting list

The Council has a choice based lettings (CBL) scheme in partnership with Mansfield District Council called Homefinder. The table below summarises the Homefinder policy in relation to government guidance resulting from the Localism Act 2011 on waiting lists

Government guidance	Homefinder
Transfer to tenants without reasonable preference can now be dealt with outside of an allocation policy	The Policy enables Registered Providers to allocate up to 50% of vacancies outside of the scheme, to applicants on their own waiting list, including transfer tenants. For the purpose of clarity and consistency, the Council continues to allocate all of its vacant properties through the Homefinder Scheme.
Adoption of the 'bedroom standard' when determining overcrowding	The Policy adopts the bedroom standard as the way of determining overcrowding and under-occupancy.
Taking 'good behaviour' into account when granting priority for housing – including employment, training or volunteering	The Policy excludes/demotes applicants guilty of behaviour that makes them unsuitable to be a tenant but the Policy does not give additional preference to those

	behaving or making a local community contribution.
Granting local connection to armed forces personnel for the areas in which they serve	The Policy does grant local connection to HM Armed Forces personnel for the areas in which they serve
'additional preference' for former members of the armed forces who fall within the reasonable preference categories and are in urgent housing need	The Policy does give additional preference, band 1 priority for former members of the armed forces who fall within one of the reasonable preferences categories and are in urgent housing need.
Allowing people applying to foster to apply for a home with an extra bedroom	The Policy includes the discretion to allow people applying to foster to be considered for a home with an additional bedroom.

Mobility

The Council supports greater mobility in the social housing sector as a means of tackling under-occupancy, overcrowding and unemployment. The Council subscribes to an online mutual exchange scheme to enable mobility within the sector. The Council expects all registered providers operating in Ashfield to have signed up to a national mutual exchange scheme as required by the Regulator of Social Housing.

The Council expects that wherever possible, tenants moving through the scheme would be able to enjoy the same security of tenure and rent model in their new property. However, the Council also recognises that this will not be possible in all cases, particularly where voluntary moves are made to housing which has been designated as Affordable Rent as part of a contract with Homes England.

Monitoring and reviewing the strategy

The development and delivery of this strategy is overseen by the Strategic Housing Team. This monitoring will include:

- The use of fixed term tenancies in the district and any negative impact
- The use of the PRS to prevent and relieve homelessness and the sustainability of these tenancies
- Changing market conditions and their likely impact upon the demand for affordable housing now and in the future, such as housing need, affordability, homelessness, affordable housing completions, rent levels and welfare reforms.
- Number of Affordable Rent homes created, including conversions
- Bidding activity for fixed term and/or Affordable Rent properties
- The impact of this strategy on viability of new build sites
- The extent to which providers' tenancy policies reflect this strategy

RP tenancy policies

The Council expects that registered providers will have due regard to this strategy in developing their own Tenancy Policies and through this Policy will contribute to the Council's vision for the district. The Council particularly expects that those registered providers seeking support from the Council regarding Section 106 Affordable Housing submissions,

applications for grant funding from Homes England or making applications to the Council for grant funding will meet the requirements of this strategy.

Registered provider tenancy policies must set out:

- The type of tenancies they will grant
- Where they grant tenancies for a fixed term, the length of those terms
- The circumstances in which they will grant tenancies of a particular type
- Any exceptional circumstances in which they will grant fixed term tenancies for a term of less than five years in general needs housing following any probationary period
- The circumstances in which they may or may not grant another tenancy on the expiry of the fixed term, in the same property or a different property
- The way in which a tenant or prospective tenant may appeal against or complain about the length of fixed term tenancy offered and the type of tenancy offered, and against a decision not to grant another tenancy on the expiry of the fixed term
- Their policy on taking into account the needs of those households who are vulnerable by reason of age, disability or illness, and households with children, including through the provision of tenancies which provide a reasonable degree of stability
- The advice and assistance they will give to tenants on finding alternative accommodation in the event that they decide not to grant another tenancy
- Their policy on granting discretionary succession rights

To ensure consistency between local authority and registered provider tenants, the Council encourages registered providers to adopt the statutory provisions applicable to local authorities on the review of the decision to seek possession¹. In all cases, under the Tenancy Standard, registered providers must set out the process to appeal or complain about the length of fixed term tenancy offered, the type of tenancy offered and against a decision not to grant another tenancy on the expiry of the fixed term.

The Council considers that the 'reasonable advice and assistance' that must be offered by registered providers to tenants on finding suitable alternative accommodation at the end of a fixed term tenancy should include:

- At least six months' notice that the tenancy will not be renewed
- At least one home visit to the tenant
- Offers of alternative accommodation that meets their newly assessed need within the provider's own stock;
- Advice on low-cost home ownership options and other alternative affordable housing tenures;
- Specialist housing and or welfare-related advice and/or signposting to appropriate advice services; and
- Advice on renting in the private rented sector and assistance in identifying and securing a suitable property (this may involve assistance with a deposit where necessary)
- Additional assistance for vulnerable households
- Notifying the Council's Housing Options Team if the tenant is facing homelessness in 56 days

It is expected that Registered Providers will allow a tenant to remain in their property at the end of the tenancy until a suitable alternative has been found.

¹ <http://www.legislation.gov.uk/ukpga/2011/20/section/154/enacted>

Registered providers must consult with the Council regarding new and revised tenancy policies and should respond to the Council's requests for monitoring information.

Appendix 1 - Ashfield housing market context

This section provides an overview of the Ashfield housing market and the factors that impact on demand for social housing. The Council expects that providers will take these factors into consideration when developing their tenancy and Affordable Rent policies.

Supply

As at 1st April 2017, there were 8,972 social rent homes in the district, the table below how this has changed over time and the impact of Right to Buy and new build completions. It also shows the number of lettings each year and the number of households on the waiting list.

	2017	2016	2015	2014	2013
Council homes ²	6790	6804	6866	6856	6876
Registered provider homes ³	2182	1944	1900	1875	1847
Right to Buy sales ⁴	44	62	42	36	26
Social rent completions ⁵	80	0	60	10	10
Affordable Rent completions ⁶	90	0	0	20	0
Social rent GN lettings ⁷	555 (ADC lettings only)	18 (new lets) 632 (relets)	34 (new lets) 643 (relets)	11 (new lets) 649 (relets)	136 (new lets) 616 (relets)
Affordable rent GN lettings ⁸		12 (relets)	1 (new let) 5 (relets)	15 (new lets) 9 (relets)	2 (new lets) 4 (relets)
Households on waiting list ⁹		4661	4495	6329	5194

This data shows that there is a decreasing number of council homes available in the district, which is the most affordable housing available. Whilst social housing continues to be developed, there is also a growing number of Affordable Rent properties being developed, as well as social rent properties being converted to Affordable Rent. At the same time, waiting list numbers have outnumbered the amount of properties available by more than 6 times on average¹⁰.

Nationally, both the owner occupier and social housing sectors are shrinking and the PRS is expanding to fill the gap. In Ashfield, around 14% of the housing stock is in the PRS and

² MHCLG Live Table 116

³ MHCLG Live Table 115

⁴ MHCLG Live Table 685

⁵ MHCLG Live Table 1008

⁶ MHCLG Live Table 1008

⁷ CORE data

⁸ CORE data

⁹ Shelter databank

¹⁰ This figure includes supported housing which is not included in the above figures

16% is social housing¹¹, this has changed from 5% and 18% respectively in 2006¹². Many households are moving into the PRS as they are unable to access either of the other two sectors. As such, fixed term social housing tenants may find it challenging to move into owner occupation and may be more likely to move into the PRS, which is the leading cause of homelessness.

Under-occupation and overcrowding

As at 1st February 2018, it is estimated that 812 ADC tenants were affected by the under-occupation charge (so-called bedroom tax), of which 662 were under occupying by 1 bedroom and 150 by 2+ bedrooms. This demonstrates that around 12% of social housing tenants may benefit from initiatives to support them to downsize. Analysis of Ashfield Homefinder applications in April 2018 highlights that around 7% of applicants are under-occupying their current property. The number of social housing properties available for letting each year highlights the challenge in supporting all those affected to move.

The English Social Housing Survey 2016-17 found that nationally the social rented sector featured the highest number of overcrowded households (7%) followed by the PRS (5%). Analysis of Ashfield Homefinder applications in April 2018 highlights that around 0.7% of applicants are overcrowded in their current property. As above, this demonstrates the number of households that may benefit from initiatives to support them to move, however the availability of properties presents a challenge to them being able to do so.

Demand

Analysis of Ashfield Homefinder live applications in June 2018 shows that 33% of applicants are in employment and the average household income of applicants is around £11,000pa, this breaks down as follows:

Income range	Percentage of households
Up to £10,000	51%
£10,000 - £14,999	23%
£15,000 - £19,999	13%
£20,000 – £24,999	7%
£25,000 - £29,999	3%
£30,000 – £34,999	2%
£35,000 - £39,999	0.6%
£40,000 – £44,999	0.4%
£45,000 - £49,999	0.2%
£50,000+	0.2%

The table below highlights the number of Homefinder applicants that are in the main groups the council wishes to see provided with the greatest security of tenure, i.e. households with children, older people and those with disabilities:

Household type	
Couple	15%
Family with dependent children	35%
Family with non-dependent children	4%

¹¹ ADC annual monitoring report 2017

¹² Ashfield Housing Condition Survey 2006

Single	45%
Age of lead applicant	
18 – 24	14%
25 – 34	22%
35 – 44	16%
45 – 54	13%
55 – 64	13%
65 – 74	11%
75 – 84	7%
85 – 94	2%
95+	0.2%
Disability declared	26%

The table below demonstrates that the majority of demand from Homefinder applicants is for 1 and 2 bedroom properties.

	1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom
2015	1993	1775	677	50
2016	1889	1975	745	52
2017	1984	1116	976	52

The table below shows the average number of bids received by different property sizes and types. The greatest number of bids are received for 3 bedroom properties despite this being the second lowest size demanded as per the above, suggesting these are in high demand and low supply. On the other hand, 1 bedroom flats have the lowest number of bids on average, despite this being the highest demanded property size. Further analysis shows that demand is high for general needs 1 bedroom flats but low for those reserved for those aged 50+. This suggests that some of the properties available do not meet the needs of applicants.

Property size and type	Average number of bids in 17/18
1 bedroom bungalow	26
1 bedroom flat	28
2 bedroom bungalow	30
2 bedroom flat	43
2 bedroom house	54
3 bedroom house	64
4 bedroom house	44

Adaptations

In 2016-18, 266 major adaptations have been completed to ADC properties. During the same time period approximately 11 stairlifts have been removed at a total cost of approximately £19,000

Analysis of Ashfield Homefinder applications in April 2018 highlights that 3% of applicants required a wheelchair accessible property, 4% require a stairlift, 5% require a level access shower and 12% require a level entry property.

Homelessness & PRS

Between 1st April 2016 and 31st March 2018, 29 households were supported to prevent or relieve their homelessness in the PRS.

Terminations and transfers

The table below provides an analysis of the ADC tenancies that have been terminated in the last 5 years, the tenure type the tenant moved to and the average length of tenancy for tenants that terminated that year (note this includes all tenure types, not just general needs).

	16/17	15/16	14/15	13/14	12/13
Transfer (ADC, LA or RP)	197 (31%)	142 (22%)	172 (27%)	174 (28%)	149 (23%)
PRS	59 (9%)	61 (10%)	89 (14%)	72 (11%)	98 (15%)
Owner occ	8 (1%)	11 (2%)	12 (2%)	4 (1%)	11 (2%)
Total terminations	631	635	643	628	644
Average length of tenancy	11 years	12 years	11 years	10 years	10 years

These figures show that close to a third of all ADC terminations are due to tenants moving to another social housing property, suggesting that some are already choosing to move within the sector where required.

There are approximately 150 households registered for a mutual exchange, the number of exchanges taking place in recent years is as follows:

17/18	16/17	15/16
28	40	38

A small number of terminations are due to tenants moving into owner occupation suggesting that this may only be an option for a small number of tenants.

The average length of tenancy between 2012/13 – 2016/17 is 10-12 years demonstrating that tenants do not hold their lifetime tenancies for a lifetime. For those moving into owner occupation, this suggests that social housing is required for a longer period than 5 years before they are able to make this move.

Affordability

	16/17	15/16	14/15	13/14	12/13
Average weekly council rent	N/A	68.77	67.78	66.48	65.07

Average weekly HA rent	N/A	88.04	86.18	83.31	79.50
Median private rents	N/A	109.61	109.61	103.84	103.84
80% market rent	N/A	87.68	87.68	83.07	83.07
LHA rate	94.62	94.62	92.78	91.65	No data

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The average income in Ashfield is £23,566¹⁴. It is often suggested that housing is affordable if costs do not exceed 30% of net income, in Ashfield this would be £111pw. The above table shows that, on average, all tenures are affordable to those in the District receiving an average income. However, analysis of properties available to let on Rightmove.com in March 2018 highlights that 3 bedroom properties in all areas of the District and 2 bedroom properties in Hucknall often exceed this amount

The table below shows the extent of housing benefit claimants, unemployment and residents not fit to work in the district

	16	15	14	13	12
HB claimants	9081	9402	9620	9753	9536
Working age unemployment rate	4.9%	4.1%	4.9%	8.1%	13.9%
Working age ESA/IB claimants	8%	7.9%	7.7%	7.8%	8.0%

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Whilst HB claimants are falling, unemployment has been remained between 4-5% for last 3 years. Around 8% of households are claiming a benefit that suggests they are not able to work (Employment Support Allowance or Incapacity Benefit). Around two-thirds of ADC tenants receive housing benefit towards their housing costs. The average income of Homefinder applicants has been highlighted above and it is assumed that average incomes of current tenants is similar. It is unlikely that these households could move into homeownership or market rent properties.

The following table shows the affordability of home ownership in the District

	16	15	14	13	12
Median house price to median earnings ratio	5.24	5.23	5.15	5.07	5.23
Lower quartile house price to lower quartile earnings ratio	5.39	5.30	5.27	5.01	4.92
Average selling price	127,696	119,569	115,012	107,367	103,322

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It can be seen that the ratio of house prices to average earnings has remained at a similar level over the last 3 years. House prices are 5 times average incomes and as such this makes it challenging for average and lower income households to move into this tenure. It has been identified above that around 94% of households with a live Homefinder application have an annual household income below the average amount for the district.

Community stability

¹³ Shelter Databank and Valuation Office Agency

¹⁴ NHF East Midlands Home Truths 2017/18

¹⁵ Shelter Databank, NOMIS

¹⁶ Shelter Databank

As at 20th March 2018, 1,614 ADC tenants were in arrears and the average amount was £221, broken down as follows:

- Sutton: 723 cases (45% of cases, 24% of stock in area) - £214 owed on average
- Hucknall: 462 cases (29% of cases, 27% of stock in area) - £255 owed on average
- Kirkby: 325 cases (20% of cases, 19% of stock in area) - £194 owed on average
- Rural: 104 cases (6% of cases, 20% of stock in area) – £206 owed on average

Between 1st April 2017 and 19th March 2018, ADC carried out 35 evictions as per the below, taken together with the above, this suggests that Sutton has a high prevalence of community instability, followed by Hucknall:

- Sutton: 19 (54%)
- Hucknall: 10 (28.5%)
- Kirkby: 3 (8.5%)
- Rural: 3 (8.5%)

The greatest demand for tenancy sustainment support and pre-tenancy support experienced by ADC Housing Services comes from the Sutton area. This could suggest a higher prevalence of community instability in this area.

ADC Tenancy sustainment + pre tenancy support cases	Q4 17/18	Q3 17/18	Q2 17/18	Q1 17/18	Sub total	Total	As % of stock in the area
Sutton	23 + 28	28 + 17	20 + 2	15	86 + 47	133 (55%)	4.4%
Kirkby	10 + 6	12 + 4	10 + 3	17	49 + 13	62 (25%)	3.7%
Hucknall	7 + 4	10 + 2	2	5	24 + 6	30 (12%)	1.8%
Rural	5 + 1	3	1	7	16 + 1	17 (7%)	3.3%
						242	

The distribution of ADC stock across the four areas is as follows:

- Sutton 44%
- Kirkby 24%
- Hucknall 25%
- Rural 7%

As such, the breakdown of arrears cases is broadly representative of this, whereas there is overrepresentation from Sutton and an underrepresentation from Kirkby in the number of evictions carried out. Also, there is an overrepresentation from Sutton and an underrepresentation from Hucknall in the number of tenancy sustainment cases.

The Central and New Cross ward in Sutton in Ashfield has the highest prevalence of anti social behaviour and community protection issues. Taken with the above, Sutton is clearly the area with the highest community instability in the district.

Appendix 2 – Consultation

Section 151 of the Localism Act 2011 requires that before adopting a Tenancy Strategy, or making a modification to it reflecting a major change of policy, a local authority must:

- Send a copy of the draft strategy, or proposed modification, to every private registered provider of social housing for its district, and
- Give the private registered provider a reasonable opportunity to comment on those proposals

A survey was issued in March 2018 to registered providers operating in the district asking for information regarding their use of fixed term tenancies and Affordable Rents. The below section details the questions that were asked.

There was only one response from Derwent Living who does not use fixed term tenancies but does issue starter tenancies. Affordable Rent is charged at 80% of the market rent or the relevant LHA rate, whichever is lower. Affordability assessments are conducted with all applicants which considers individual applicants income and expenditure. A copy of their tenancy policy can be found on their website and this was last updated in 2016.

A copy of the final draft of this strategy was also issued to registered providers operating in the district, inviting them to make comments, no responses were received.

Survey questions

Are fixed term tenancies issued by your organisation, please provide details such as the types of property (size, GN/SH), applicants, criteria

Do you issue starter tenancies

If your organisation does not currently issue fixed term tenancies, do you plan to start issuing them in the next 1, 3, 5+ years

What is the length of term offered.

Are tenancies of less than 5 years offered, please detail the circumstances

What criteria is used when reviewing a fixed term tenancy

Please give examples of when a fixed term tenancy would and would not be renewed

Where an income criteria and under occupation criteria are used to end a fixed term tenancy, please give details of these criteria (i.e. income threshold, definition of under occupying)

How many fixed term tenancies have you issued in Ashfield

How many fixed term tenancies have you renewed in Ashfield

How many fixed term tenancies have you ended in Ashfield, on what grounds, what type of tenancy did these tenants move to (PRS, SO, Owner Occ, etc)

What is your process to appeal a decision not to renew a fixed term tenancy or the length of tenancy granted

What advice and assistance do you provide to those tenants whose fixed term tenancy will not be renewed

Who do you consider to be vulnerable for the purposes of issuing fixed term tenancies

How many Affordable Rent properties are within your stock in Ashfield, both new build and conversions? How many new build Affordable Rent properties do you intend to develop by April 2020 in Ashfield

How many Low Cost Homeownership properties have you developed in Ashfield?

Would implementing the Affordable Rent section of this strategy adversely affect the viability of new build sites?

How many current social rent properties do you plan to convert in Ashfield to Affordable Rent in 17/18

What is your policy on converting social rent properties, including those that have received subsidy, either from the local authority or Homes England, or developed via a s.106 agreement

Are sums generated from Affordable Rent properties in Ashfield reinvested in the District?

What percentage of the market rent are your Affordable Rent properties let at on average

Do you conduct affordability assessments with applicants?

How do you define affordability (e.g. max 30% of net income spent on housing costs)

How many applications for Affordable Rent tenancies have you declined on the grounds of Affordability in Ashfield

What percentage of Affordable Rent tenants in Ashfield are in arrears and what is the average amount owed? How does this compare to your total/social rent arrears

What is the average income of your Affordable Rent tenants in Ashfield? What is the average income of your social rent/all tenants

What is the average length of stay for Affordable Rent tenants in Ashfield? How does this compare to social rent tenants? What is the main reason for leaving an Affordable Rent property

Do you feel there is a positive or negative impact on community stability as a result of fixed term tenancies

Are you signed up to a mutual exchange scheme? How many exchanges took place in Ashfield in 16/17?

Where can a copy of your Tenancy Policy be found

When was your Tenancy Policy last updated

