

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date	15th October, 2012
3.	Title	Update Position on Allocations Review and Strategic Tenancy Policy
4.	Directorate	Neighbourhoods and Adult Services

5. Summary

This report outlines progress and proposals regarding;

- the revision of RMBC's Allocation of Council Housing Policy, and
- RMBC's Strategic Tenancy Policy

This is an interim report, it is anticipated that the final reports will be presented at Cabinet Member for Safe and Attractive Neighbourhoods on 10 December 2012

6. Recommendations

- **That Cabinet Member for Safe and Attractive Neighbourhoods consider and comment on the likely proposals**

7. Proposals and details

Government's housing strategy, [Laying the foundations: a housing strategy for England](#), was launched November 2012 and has, amongst other objectives, offered social housing landlords greater flexibility and options in allocating and managing their housing stock.

Laying the Foundations and the introduction of the Localism Act, 2011, have prompted Rotherham Metropolitan Borough Council to;

- Publish a publically available Strategic Tenancy Policy which states its position on issuing fixed term tenancies (also known as temporary or flexible tenancies), and
- Revisit its Allocations Policy, taking into account the option to;
 - a. apply locally determined criteria to its housing register, and
 - b. offer a level of priority to specific groups of applicants

Strategic Tenancy Policy

Legislation enacted through the Localism Act places a duty on all local authority landlords to produce a Strategic Tenancy Policy. The purpose of this policy is to set out the broad objectives to be taken into consideration by affordable housing providers operating within that local authority area.

Government housing reforms have given social landlords freedoms which allow:

- The issuing of fixed-term tenancies to new tenants if it is deemed to be more appropriate than a permanent secure (lifetime) tenancy
- Landlords to determine the length of the fixed-term tenancy offered to each tenant, on an individual basis
- The development of their own policy setting out the criteria to be used to determine whether or not to reissue a new tenancy at the end of a fixed-term

The Strategic Tenancy Policy must state whether RMBC plans to issue fixed term tenancies, the circumstances in which they would be issued, how tenants can appeal against a fixed term tenancy and what would happen when the fixed term tenancy comes to an end.

Despite the relatively high proportion of council accommodation in the borough there is not enough council housing to meet demand. The potential advantages of offering temporary housing support to a greater number of Rotherham's households, through the use of fixed term tenancies, is acknowledged but the wide spread issuing of fixed term tenancies would not be appropriate for Rotherham: there is an ongoing need to support sustainability in neighbourhoods and issuing fixed term tenancies to households with no long term interest in a community would undermine sustainability.

However, there is one specific circumstance when issuing fixed term tenancies could be beneficial and that is when allocating new tenants to larger, family housing (properties with 4 or more bedrooms).

As of May 2012, RMBC had two hundred and sixty one 4, 5 and 6 bed-roomed houses; 117 (45%) of them house just one occupant. This is clearly an unfortunate position given the high demand for larger family housing:

- 83 families with between 4 and 8 children are currently overcrowded and have a priority to move, and

- 259 families with between 4 and 9 children are currently registered with no priority

The Downsizing Scheme has been successful in facilitating and helping under-occupying households move to 'right-size' properties. The pending changes to welfare benefits have refocused the work of the downsizing officer towards under-occupying working age families (who will lose 14% - 25% of their housing benefit because they live in a social housing property considered to have 'spare' bedrooms). However, the majority of the one person households occupying Rotherham's larger family homes are over 61 years of age and only 2 couples and one single person household, all living in a four bed-roomed home, have agreed to move to smaller properties with the help of the downsizing officer.

In the absence of legislation which would give landlords the option of moving under-occupying households to smaller properties, due consideration should be given to offering longer length, fixed term tenancies for 4, 5 and 6 bed roomed homes; this would enable larger families to have security of tenure whilst their children are still living at home.

- The length of the tenancy would vary depending on the age of the applicant's children, but could extend to an 18 year fixed term tenancy, with the option to offer a second, fixed term tenancy if required (if the household size still warrants the size of the accommodation due to adult children continuing to live with parents)
- Applicants would be aware of the temporary nature of the tenancy prior to bidding through the property's advertisement
- Households would remain RMBC tenants at the close of their temporary tenancy but would be offered a permanent, secure tenancy in a smaller property
 - Where possible, the smaller property would be allocated in the area of their choice

Finally, pressures of the welfare reform's bedroom tax and local housing allowance changes may trigger an increase in under-occupiers (either who work or qualify for welfare benefits) letting out 'spare' rooms. The notion of tenants gaining financially through letting out rooms appears unfair yet there is no legislation to deal with this, in fact, tenants who hold a permanent secure tenancy only need inform the landlord that they are renting rooms and do not need the landlord's permission. Issuing fixed term tenancies for larger properties will limit this practice.

Revision to RMBC's Allocations Policy

Open housing registers permit anybody, regardless of their current housing situation or ability to meet their own housing needs, to register for council housing. Operating open housing registers has resulted in 4.5 million people, across the country, waiting for social housing, many of whom currently have no realistic chance of being allocated a home. As at 7 September 2012 there were 27,243 applicants on the housing register in Rotherham, with only 1,800 properties being quit and re-let each year; if the number of applicants and the turn-over of properties remained constant it would take over 15 years to house existing applicants.

Rotherham has 27,000 applicants on its housing register yet nearly 20,000 of them have never submitted a bid for a property. Continuing with an open register is likely to

see this group of applicants increase, as will the costs associated with administering and reviewing them.

Rotherham Metropolitan Borough Council would like due consideration to be given to the application of locally determined criteria to its housing register in order to:

- Manage the 73% (nearly 20,000) applicants who are registered but do not bid for properties
- Save resources in sending out annual review letters
- Cut down on time spent administering and processing application forms from households who do not require rehousing
- Effectively manage the expectations of households applying for council housing, and
- Better meet the social housing needs of its residents

Potential options for Rotherham to manage its waiting lists (and the expectations of applicants) and to ensure best use of its housing stock could include;

- a) Moving applicants who are not in housing need onto a non-active register which would reduce administration costs by not undertaking an annual review and not accruing waiting time. Non active applicants would be offered housing advice and could have their application moved back on to the active register, without having to complete another form, should their circumstances change.
- b) Consider not accepting applications from households who are already adequately housed and do not meet the statutory or locally determined criteria. These households could include homeowners who submit an application 'just in case' or so they can secure a council home on retirement and sell their current home or gift it to family.
- c) Granting transfers for existing tenants only when they are in housing need or when the transfer would benefit RMBC
- d) Offering a level of priority to low income households to assist households who are struggling to manage in private rented accommodation but who do not meet a statutory need.

7.1. Next Steps

The Revision to Allocations Policy and the Strategic Tenancy Policy reports are expected to be presented as follows;

- Tuesday, 6 November 2012 to DLT
- Wednesday, 28 November 2012 to Improving Places Select
- Monday, 10 December 2012 to Cabinet Member for Safe and Attractive Neighbourhoods
- Monday, 10 December 2012 to SLT
- Wednesday, 19 December 2012 to Cabinet

8. Finance

Applying locally determined criteria to Rotherham's housing waiting would;

- lead to a decrease in the number of families in temporary accommodation and the associated costs
- end the annual reviews of the housing register at a cost of £9,995 per annum (5p printing, 50p postage x 19,991)
- prompt the distribution of a summary booklet for existing and new applicants - this would incur a one-off cost of around 55p per applicant
- mean changes to the ICT system which supports allocations – most changes could be done in-house

Strategic Tenancy Policy

Issuing fixed term tenancies for larger family homes would;

- require officer time to support the tenants' with their rehousing towards the end of their fixed term tenancies
- possibly result in a slight increase in the turn over of a small proportion of Rotherham's larger family homes

9. Risks and uncertainties

- When long term fixed term tenancies come to an end the procedure of notifying tenants and supporting their downsizing must be followed – the consequences of not following procedure could lead to successful appeals and complaints
- Continuing to operate an open housing register is likely to:
 - see the number of applicants, and the annual housing register 'cleansing' costs, balloon
 - leave families in the greatest need, who are struggling to meet their housing costs, with little or chance of securing a council property in the short to medium term

10. Policy and performance agenda implications

- Corporate Plan – Making sure no community is left behind
- Strategic Housing Investment Service Plan, 2012-2013 - We will publish a new housing strategy, a comprehensive asset management and area investment strategy
- Housing Strategy
 - Commitment 2, we will ensure our Council housing meets the needs of the people of Rotherham
 - Commitment 6, we will help people to access the housing related support they need, particularly people in financial hardship and at risk of homelessness, and
 - Commitment 8, we will help people in Rotherham's most disadvantaged communities

11. Background papers and consultation

- Rotherham metropolitan Borough Council's Housing Allocations Policy, December 2008 (updated February 2011)
- [Laying the Foundations: A Housing Strategy for England.](#) CLG, November 2011

The consultation for both allocations and the issuing of fixed term tenancies was included with the Housing Strategy consultation programme. This ran from June to September 2012 and specific workshops and questions around operating an open housing register and permanent secure tenancies were held throughout that consultation. An on-line questionnaire was also completed by 51 respondents.

12. Contact details

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