



**East Lindsey**  
DISTRICT COUNCIL

**East Lindsey District Council Tenancy  
Strategy**

**2013 - 2018**

(Adopted by Full Council on 9<sup>th</sup> January 2013)

## **1.0 Introduction**

This tenancy strategy has been developed to provide Registered Providers with information on the Council's preferred approach to the future allocations of social housing in East Lindsey. The Strategy details the strategic influences facing the District and the specific areas of concern in the area. It highlights the different tenures available in the District and the circumstances when the Council would like them to be used.

The Tenancy Strategy has been developed by analysing the wider context of the demographics of the area, the housing market and the economy.

The Tenancy Strategy sits below the Council's Housing Strategy and both documents have been formed using a robust evidence base. Both Strategies will work together to respond to the relevant changes introduced by the Localism Act.

All relevant agencies, housing providers, residents and tenants have been given the opportunity to comment and give their views on the Tenancy Strategy to help shape the vision for the District.

## **2.0 Background**

Prior to the implementation of the Localism Act the majority of all new tenancies granted by Registered Providers were assured tenancies. This meant that a tenant could not be evicted so long as the rent was paid and all the other tenancy conditions were met.

In 2011 the Localism Act was given Royal Assent. This Act gives Registered Providers and stock holding authorities the ability to offer fixed term tenancies and charge affordable rent on new build and identified re-let properties. Fixed term tenancies will normally be for at least 5 years. Affordable rents can be charged at up to 80% of market rent and in most cases will be more expensive than the current social rent. It is envisaged that this increase in rental income will provide Registered Providers with additional funding to develop new affordable housing.

It is not envisaged that existing tenants of a Registered Provider will be affected by these changes and will continue with their current tenancy.

The aim of flexible tenancies and affordable rents are to provide alternative housing options for Registered Providers and applicants on the Housing Register. The Government recognises that a household's needs may change over a period of time for example, household members might move out in the future meaning that the property may be too large for their needs. The Council welcomes the new fixed term tenancies and the flexibility that they will provide, both for tenants and Registered Providers.

Only Registered Providers who have signed a contract with the Homes and Communities Agency are able to offer fixed term tenancies and charge affordable rent.

### **3.0 Aims and objectives**

The aim of the Strategy is to assist Registered Providers in their decisions on the future allocations of the housing stock in East Lindsey. It identifies the strategic direction that the Council would like providers to take when considering the length and type of tenancy offered to new and existing tenants of social housing.

The Council recognise that it is important that Registered Providers are able to offer flexible tenancies and charge affordable rents. The Council is supportive of these principles.

The Council would encourage all Registered Providers to take into account this Tenancy Strategy when determining their Tenancy Policies. The Council would like to work in partnership with Registered Providers to ensure that applicants on the Housing Register are offered the most appropriate tenure to meet their needs.

The objectives of the Tenancy Strategy are:

- To ensure that best use is made of stock
- To ensure that Registered Providers consider the most appropriate tenure for new affordable housing tenants.

### **4.0 Policies and procedures influencing the Tenancy Strategy**

The following documents have all been considered when developing the Tenancy Strategy.

- The Housing Allocations Policy
- Homelessness Strategy
- Housing Strategy
- Stock transfer agreement
- Disposals procedure
- Registered Providers Tenancy Policies

### **5.0 New and existing affordable housing**

#### **5.1 Current housing stock**

There are a total of 6,832 social rented properties in East Lindsey (Stock Demand, March 2012) managed by ten different Registered Providers. The main provider of social housing in the District is New Linx Housing Trust who was set up as East Lindsey's stock transfer organisation in 1999.

## 5.2 New affordable housing

The table below shows the number of new properties that have been delivered in the District since April 2006.

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Housing Capital Programme	41	38	187	72	56	50
Other sources of funding	74	32	100	125	18	4
Mortgage rescue scheme	0	0		4	2	1
<b>Total</b>	<b>115</b>	<b>70</b>	<b>287</b>	<b>201</b>	<b>76</b>	<b>55</b>

A total of 797 new properties have been developed since 1<sup>st</sup> April 2006. There have also been an additional 7 properties acquired through the Mortgage Rescue scheme, bringing the total to 804 additional properties.

## 5.4 Lettings

The table below shows the number of general needs lettings carried out in East Lindsey since 2006.

Year	General needs	Supported housing	Total
2006/07	514	226	740
2007/08	460	314	774
2008/09	515	286	801
2009/10	574	238	812
2010/11	447	307	754
2011/12	283	216	528*
<b>Total</b>	<b>2793</b>	<b>1587</b>	<b>4380</b>

Source (CORE lettings report, 2012)

\*Figure supplied by New Linx Housing Trust (New Linx lettings only)

The number of affordable properties becoming available for letting falls significantly below the numbers required to reduce the number of households on the Register. It is therefore imperative that turnover is increased and Registered Providers make best use of their stock.

## 5.5 Turnover and waiting times

The table below shows the lettings, stock and turnover of New Linx Housing Trust's stock. They are the main stock holding organisation in East Lindsey.

	2008/09	2009/10	2010/11	2011/12
Lettings	631	685	532	528
Stock	5830	5878	5941	5961
Turnover	10.8%	11.6%	8.9%	8.8%

The turnover of social housing stock appears to have decreased slightly over the last 2 years. The implementation of fixed term tenancies will assist in increasing the turnover of stock to help address the housing demand in the District.

## **6.0 The Housing Register**

East Lindsey continues to have high numbers of households on the Housing Register. The waiting list has increased significantly over the last year partly due to the merger of the Council's Housing Register with New Linx Housing Trust's list therefore the current demand for accommodation in the District stands at 6,133 (*Stock demand March 2012*). There is a high demand for all types of accommodation across the District with the highest demand for 1 bed ground floor accommodation.

There are currently 6,832 social housing properties in East Lindsey giving a ratio of 0.89. This means that for every property in East Lindsey there is a demand of just less than one household per property.

### **6.1 Housing need**

The table below shows the number of applicants on the housing register within each band. 3185 applicants are considered to have medium to high housing needs.

<b>Priority Band</b>	<b>No. of households on the register</b>
Band 1+	34
Band 1	571
Band 2	2001
Band 3	1512
Band 4	2002
Not stated	13
<b>Total</b>	<b>6133</b>

### **6.2 Age profile**

The table below shows the age breakdown of households on the Housing Register.

<b>Age</b>	<b>No. of households on the register</b>
16-25	661
26-35	918
36-45	1013
46-55	987
56-65	1104
66 -75	894
76-85	403
86-95	127

96-+	13
Not stated	13
<b>Total</b>	<b>6133</b>

There is a high demand for accommodation for age groups 65 and below. Flexible tenancies will assist in freeing up general needs accommodation and larger houses when elderly tenants downsize as part of their 5 year review of their tenancy.

## **7.0 Affordability**

### **7.1 Income and employment levels**

The Office of National Statistics (ONS) annual population survey (April 2010 – March 2011) highlights that East Lindsey has a slightly higher percentage of residents in employment (74.4%) compared to the East Midlands (71%) and Great Britain (70.3%) however a large amount of the employment across East Lindsey is seasonal in the tourism industry leading to increased unemployment levels during the winter months.

21.3% of the residents in East Lindsey have been recorded by the ONS annual population survey as being economically inactive which contributes to the high demand for affordable housing in the District.

Generally, East Lindsey has low levels of deprivation; however there are concentrations of deprivation along the coastal strip including parts of Skegness and Mablethorpe.

The Indices of Deprivation (2010) show that the main areas of overall deprivation in East Lindsey are:

- St Clements Ward, Skegness (ranked 1,524 most deprived out of 32,482)
- Scarborough Ward, Skegness (ranked 1,532 most deprived out of 32,482)
- Ingoldmells (ranked 1,997 most deprived out of 32,482)
- Mablethorpe East Ward (ranked 2,015 most deprived out of 32,482)
- Chapel St Leonards (ranked 2,436 most deprived out of 32,482)

As part of the Tenancy Strategy the Council would like Registered Providers to take this in to consideration when determining rent levels in individual locations.

### **7.2 Rents**

The Council recommends that all properties should be within the Local Housing Allowance Rate.

The Council would also ask Registered Providers to take into account the shared room rate when determining the rent levels of 1 bedroom

properties to ensure that single people under the age of 35 are not discriminated against.

When allocating properties in areas of deprivation the Council would like Registered Providers to consider the low incomes of local residents when deciding whether to charge an affordable or social rent. The Council would like to ensure that a tenant is not penalised because they are unable to afford the rent in their local area.

The Council would like Registered Providers to carefully consider the affordability of a property before offering a tenancy to an applicant. It is important that the applicant is able to afford the property they have applied for. The Council would like to see Registered Providers carrying out thorough affordability checks on applicants before being offered a tenancy. However, if a tenant is unable to afford a property the Council do not want them to be discriminated against.

The Council recognise that Registered Providers need to charge affordable rents, however it is important that the rent level is not increased above the means of the majority of tenants on the Housing Register. Although rents do not have to be below the Local Housing Allowance rate, the Council ask Registered Providers to consider the affordability for tenants who are in employment. We do not want potential tenants penalised for working.

Due to the potential rent increases as a result of Affordable Rent and the changes in Housing Benefit for young people aged under 35 it is likely that there will be an increase in demand for smaller accommodation. The Council would like Registered Providers to take account of this when developing new properties and determining the rent levels. The Council would like providers to consider what would be an affordable rent for the target group and what properties can be developed that are financially viable for the Registered Provider but also affordable for the tenant.

The Council would like Registered Providers to take account of any current and future changes in legislation which may affect the affordability of the social housing stock for existing and future tenants.

The Council do not want to see an increase in homelessness as a result of this strategy and any changes in allocations made by a Registered Provider.

### **7.3 Average social rent per week**

Social rents in East Lindsey have risen by over 20% since 2005. The table below shows the increase for each property size over the last 6 years.

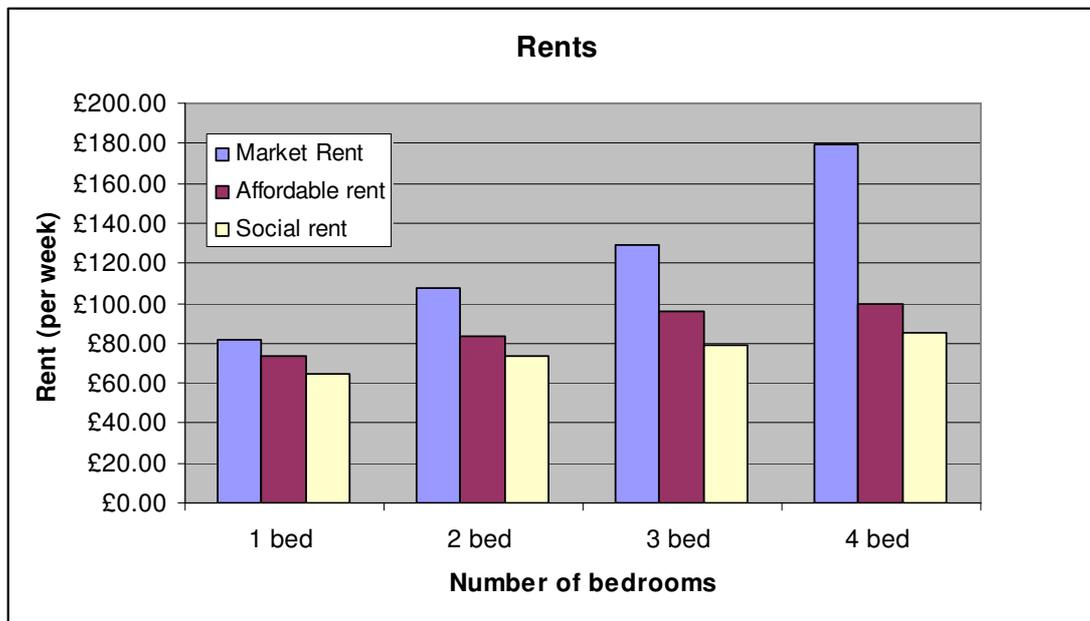
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>1 Bedroom</b>	£51.89	£53.24	£55.34	£57.46	£61.47	£62.31	£65.96
<b>2 Bedrooms</b>	£58.31	£59.82	£62.20	£65.33	£68.76	£68.40	£71.53
<b>3+ Bedrooms</b>	£61.19	£64.94	£67.76	£72.06	£75.95	£74.02	£77.86

<b>Average</b>	£58.07	£60.33	£62.63	£66.26	£69.68	£69.13	£72.77
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Source: CORE Lettings Report, 2012

The table and chart below show the potential difference between market rents, affordable rents and social rents. The figures below are based on the actual rents charged on a recent new build development. The figures will vary depending on the location of the property and the market rent.

	<b>Market Rent</b>	<b>Affordable rent</b>	<b>Social rent</b>
<b>1 bed</b>	£81.27	£73.85	£64.43
<b>2 bed</b>	£107.26	£83.08	£73.88
<b>3 bed</b>	£129.34	£96.00	£79.36
<b>4 bed</b>	£179.80	£99.69	£85.08



#### 7.4 Comparison of social rents and potential affordable rents

The table below shows a comparison of the likely impact of affordable rents for residents of East Lindsey

	<b>Social rent</b>	<b>Affordable rent</b>	<b>£'s difference</b>	<b>% difference</b>
<b>1 bed</b>	£64.43	£73.85	£9.42	14.6%
<b>2 bed</b>	£73.88	£83.08	£9.20	12.5%
<b>3 bed</b>	£79.36	£96.00	£16.64	21%
<b>4 bed</b>	£85.08	£99.69	£14.61	17.2%

The above figures are based on the actual rents charged on a recent new build development. The figures will vary depending on the location of the property and the market rent.

The table below shows the difference in affordable rents compared to the Local Housing Allowance Rate. As above, these figures are based on the actual rents charged on a recent new build development.

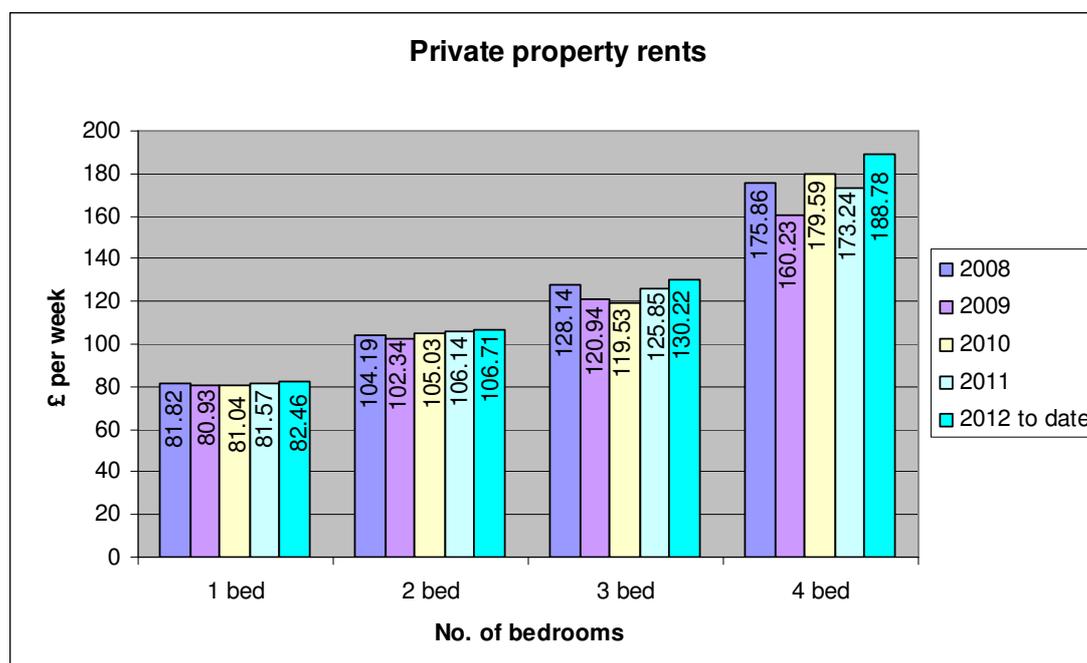
	<b>Affordable rent</b>	<b>LHA rate*</b>	<b>Difference in LHA rate and affordable rent</b>
<b>Shared room</b>	£73.85	£58.50	+£15.35
<b>1 bed</b>	£73.85	£73.85	£0
<b>2 bed</b>	£83.08	£92.00	-£8.92
<b>3 bed</b>	£96.00	£103.85	-£7.85
<b>4 bed</b>	£99.69	£121.15	-£21.46

\* *Wolds and Coast LHA rates*

### 7.5 Average cost private renting

- Private property rents

The chart below shows how private property rent levels have changed since 2008.



\* *Source: Rent Assist List 2011*

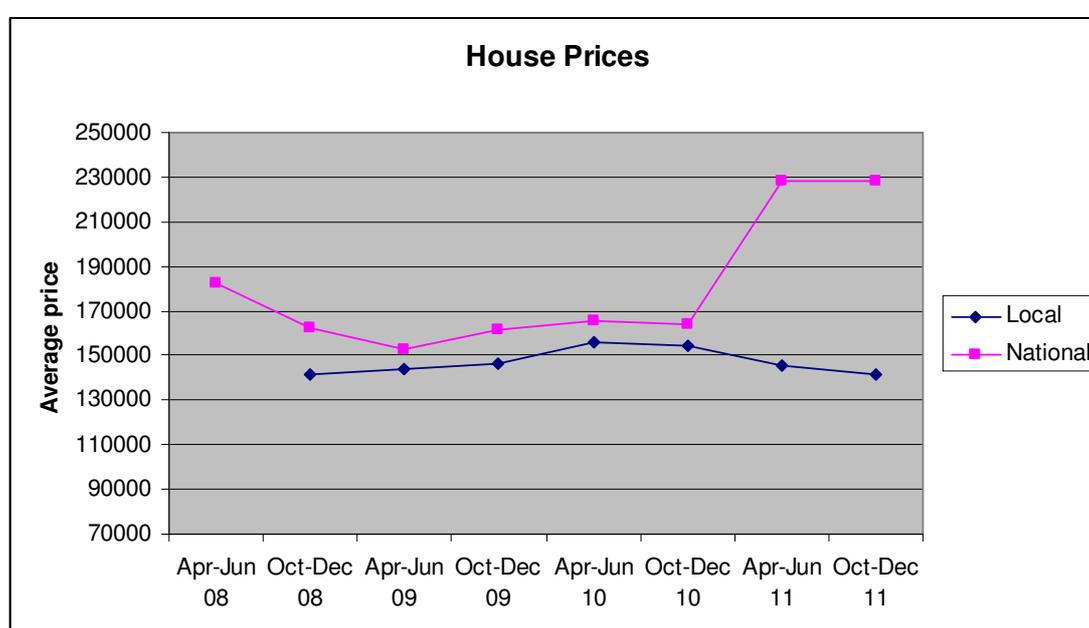
Private property rents in East Lindsey have remained fairly consistent for the last few years.

The Stock Condition Survey 2009 highlights that 49.8% of residents living in private rented accommodation are in receipt of Housing Benefit.

## 7.6 Average house prices

House prices in East Lindsey are relatively low in comparison to the rest of the region and country. The lower house prices and low incomes across East Lindsey makes the affordability of purchasing a property very challenging. This has a major impact on the demand for affordable housing.

The chart below shows the average house prices for all property types across East Lindsey since April 2008.



Source: Land Registry, 2012

House prices in East Lindsey have remained fairly constant and below the national level, however due to low income levels across the District a large number of residents are still unable to afford to purchase their own property.

## 7.7 Average income compared to housing costs

The Annual Survey of Hours and Earnings (2011) identifies that the average gross weekly earnings in East Lindsey was £391.

The table below shows the affordability of properties in East Lindsey by considering the average income in comparison to the average property price for the District.

Average gross weekly earnings 2011 ( <i>ASHE, 2011</i> )	£391
Average annual earnings	£20,720

Suggested affordable property price (3.5 times the annual earnings)	£72,520
Average property price – terraced property (April – Jun 2011)	£101,347

The CLG guidance on affordability (2007) states that a single earner household can afford to buy a home if it is 3.5 times their annual gross income. In East Lindsey the average ratio is 4.98 times the average income, therefore meaning that the average property in East Lindsey is unaffordable for residents of the District.

## **8.0 Assured tenancies**

Assured tenancies are the tenancies that have mainly been offered by Registered Providers prior to the implementation of the Localism Act in April 2011. Assured or lifetime tenancies provide tenants with a high degree of security of tenure but enable the landlord to regain possession on certain grounds, as laid down in the Housing Act 1988. For example, if the tenant falls behind with rent payments by more than 2 months the landlord can apply to the courts for a possession order.

Due to the high number of vulnerable residents and the affordability of properties in East Lindsey, the Council would like to see assured tenancies offered in the following circumstances. This list is not exclusive and exhaustive.

- **Existing tenants with an assured tenancy currently residing in East Lindsey.**

The Council would like Registered Providers to grant assured tenancies to existing social housing tenants who currently reside in East Lindsey and who already have an assured tenancy. The Council do not want to deter existing social housing tenants from moving for fear of losing their assured tenancy.

- **Properties which have not been converted to affordable rent.**

This will apply to existing social housing stock where it has been deemed inappropriate to convert it to affordable rent. The Council would like this to be determined following the Registered Providers agreed decision making process.

- **Older people**

East Lindsey District Council would like to see assured tenancies granted to older people, who would be moving into suitable long term accommodation where alternative accommodation would not be required in the future.

- **Residents with a limiting long term illness**

East Lindsey District Council would like to see assured tenancies granted to applicants who have a limiting long term illness when they are being offered a property which will be suitable for their long term needs. For example, if an applicant is moving into an adapted property which would be suitable for their long term needs and it is unlikely that they would require alternative accommodation in the future it would be appropriate to grant an assured tenancy.

If it is likely that the property would not be suitable in the future, the Council do not feel that it would be beneficial to the applicant to grant an assured tenancy.

If the property is an adapted family home and the property would be too large when any children move out, the Council would like a fixed term tenancy to be granted. Also, if the property would be unsuitable for a partner if they succeeded the tenancy in the future, the council would like to see a fixed term tenancy granted.

- **Residents moving into sheltered accommodation**

It is envisaged that Registered Providers will award lifetime tenancies to residents who are moving into sheltered accommodation and extra care schemes because this accommodation would be suitable for their long term needs and it is unlikely that they would need to move to alternative social housing accommodation in the future. This would also provide security of tenure for a vulnerable group. If the property would be unsuitable for a younger partner in the future, the Council would generally like a fixed term tenancy to be granted for 5 years.

## **9.0 Fixed term tenancies**

The Council are supportive of having fixed term tenancies awarded for 5 years because they will assist in overcoming overcrowding and under occupation issues. They will also encourage households who are under occupied to move to more suitable accommodation which will in turn free up additional family accommodation and help with affordability issues.

A fixed term tenancy is a fixed term assured shorthold tenancy which has been granted by a landlord for a fixed term of not less than two years. The Council would generally like to see fixed term tenancies granted for 5 years.

### **9.1 The allocation of a fixed term tenancy**

The Council would like to see fixed term tenancies used to benefit the residents of East Lindsey by empowering them to improve their own housing circumstances.

We would like to see fixed term tenancies allocated on:

- All new build properties

- Re-lets identified through an agreed decision making process.
- Any other eligible household group not detailed in Section 9 of this Strategy

## **9.2 Reviewing fixed term tenancies**

The Council would like to see fixed term tenancies reviewed between 6 and 12 months prior to the end of the tenancy in order to allow sufficient time for the tenant to locate alternative accommodation if required.

The Council would like the Registered Provider to provide tenants with support and assistance to find alternative accommodation if their fixed term tenancy is not going to be renewed.

The Council would like Registered Providers to take into account the employment and support needs of a tenant when reviewing their tenancy. The Council would like to see Registered Providers assessing whether a tenant would still be able to access their employment and support networks if their tenancy was not renewed.

When a tenancy is reviewed, if it is determined that the property is not suitable the Council would like the Registered Provider to carry out a home visit and provide appropriate support to identify new accommodation. The Council would like the Registered Provider to use their best endeavours to work with the tenant. If the tenant won't engage or bid for alternative accommodation the Council would like the Registered Provider to bid on their behalf, serve notice on the tenant and refer them to the Council for Housing Advice and Support.

If the Registered Provider deems that it is not appropriate to renew a fixed term tenancy, the Council would like the Registered Provider to notify the applicant of their decision, the reason for the decision and details of their right to appeal.

## **9.3 Renewal of a fixed term tenancy**

When the fixed term tenancy is reviewed, if it is clear that the tenant is still in need of the property the Council would like to see the tenancy renewed for a further 5 year fixed term.

The Council would like to see Registered Providers consider the following as a minimum when reviewing tenancies:

- Is the current property suitable for the needs of the household?
- The financial ability of the household to meet their own housing needs, and;
- The household's support needs / vulnerability (and if appropriate, liaise with other agencies)

Below is a list of circumstances when the Council would envisage that a fixed term tenancy is no longer appropriate and in many cases believe that the household no longer require an affordable property.

- Financial ability

The Council believe that a tenant who has the financial ability to meet their own housing needs should not be granted a further tenancy, however the Council would like the Registered Provider to work with the tenant to assist them with Right to Acquire (if eligible), low cost home ownership or accommodation in the private sector. The Council would like Registered Providers to consider the Her Majesty's Revenue and Customs website relating to income levels when making a decision on a households financial ability.

- Change in household group

If the number of bedrooms is no longer suitable i.e. the household are under occupying or overcrowded they should be placed on the housing register and allowed to bid for properties for a period of 3 months. If no suitable property becomes available or the tenant doesn't bid, the Council would like the Registered Provider to bid on their behalf for the next suitable property. If the offer is refused, the Council would like the Registered Provider to serve the tenant with notice to quit.

- Anti social behaviour

If a tenant commits serious anti social behaviour the Council believes this is an appropriate reason not to renew a tenancy, however the Council would like this to be managed at the time the incident occurs rather than leaving it until the end of the fixed term tenancy to be dealt with. If the tenancy is not going to be renewed the Council would like Registered Providers to refer the tenant to the Council for Housing Advice and Support.

## **10.0 Shorter tenancies**

Under certain circumstances we would encourage Registered Providers to make use of shorter tenancies. This applies to new and renewals of tenancies. These circumstances include:

- When children of the opposite sexes are sharing a bedroom. The Council would encourage Registered Providers to make use of this to provide more housing options i.e. allow a household with 2 children sharing a bedroom to move to a 2 bed property on a short term tenancy for as long as the property would be appropriate.

- Tenants whose behaviour would have been serious enough to evict them if they had been an assured tenant but they have shown an acceptable level of improved behaviour over the last year.
- Tenants who have rent arrears or former tenant arrears with a former landlord and reasonable efforts are being made to address the debt
- Section 106 tenancies where there was no one on the housing register who met the local connection criteria
- Multi Agency Public Protection Arrangements (MAPPA) cases

The Council would expect the Registered Provider to carry out a review process as detailed in 9.2.

### **11.0 Longer tenancies**

The Council do not see any reason why fixed term tenancies would need to be awarded for longer than 5 years. It is envisaged that if a longer tenancy would be appropriate, an assured tenancy would be granted instead.

### **12.0 Succession rights / Assignment of a tenancy**

The Council would like to see Registered Providers provide succession rights / assignment rights to a joint tenant or spouse. The Registered Provider is also given discretion to allow other family members to succeed subject to certain conditions. The Council would normally like to see this happen on only one occasion per household but the Registered Provider should be given some discretion.

The Council would like succession rights to be awarded for the remainder of a fixed term tenancy and then subject to a full review at the point of the normal review period.

### **13.0 Monitoring and accountability**

The Council would like to monitor the allocation of fixed term tenancies and affordable rent to identify the impact on residents of the District. We would like Registered Providers to work with us and supply us with the relevant information to make accurate conclusions on the impact on residents.

The Council will be monitoring the following information and would like Registered Providers to collate the appropriate information:

- Number of tenancies granted
- How many tenancies have been renewed
- How many tenancies have not been renewed and why
- The level of rent arrears compared to an assured tenancy
- What assistance has been provided by the Registered Provider to the tenant
- Rent levels

All Registered Providers are accountable to their current and future tenants.

#### **14.0 The source of advice and assistance for customers**

Advice on the different types of tenancies that are available and an applicant's eligibility for a particular tenancy can be found by contacting the Council or individual Registered Providers using the details below.

##### Housing Advice Section

East Lindsey District Council  
Tedder Hall  
Manby Park  
Louth  
Lincs  
LN11 8UP  
Tel: 01507 601111

##### New Linx Housing Trust

Keily House  
Gresley Road  
Louth  
Lincs  
LN11 8FG  
Tel: 01507 355000

##### Longhurst & Havelok Homes (L&H Homes)

Leverett House  
Gilbert Drive  
Endeavour Park  
Boston  
Lincolnshire  
PE21 7TQ  
Tel: 0800 1114013

##### Lincs Rural Housing Association

Markime House  
Pooles Lane  
Spilsby  
Lincs  
PE23 5EY  
Tel: 01790 754219

##### Advance Housing Association

5 Faraday Court,  
Conduit Street,  
Leicester,  
LE2 0JN  
Tel: 0116 259935

##### ACIS Group

Acis House,  
Bridge Street,  
Gainsborough,  
Lincs,  
DN21 1GG

Tel: 01427 678000

*Boston Mayflower Ltd,*

Friar House,  
Quaker Lane,  
Boston,  
Lincs,  
PE21 6BZ  
Tel: 01205 318556

*Nottingham Community Housing Association*

12-14 Pelham Road,  
Sherwood Rise,  
Nottingham,  
NG5 1AP  
Tel:0845 6501201

*Shoreline Housing Partnership*

Shoreline Housing Partnership Ltd,  
Shoreline House, Westgate Park,  
Charlton Street, Grimsby,  
North East Lincolnshire,  
DN31 1SQ  
Tel: 0845 8492000

*Housing 21*

The Triangle  
Baring Road  
Beaconsfield  
Buckinghamshire  
HP9 2NA

*Anchor Housing*

Customer Centre  
Milestone Place, 100 Bolton Road  
Bradford  
BD1 4DH  
Tel: 0845 140 2020

## **15.0 Complaints procedure**

A tenant or future tenant can complain to the Registered Provider who owns the relevant property at the address detailed in Chapter 14.