



# **Erewash Borough Council Tenancy Strategy**

## **Non-technical summary**

**of the Guidance for Registered  
Providers regarding  
Social and Affordable Housing  
Tenancies in Erewash**

**November 2012**

Registered Providers are otherwise known as Housing Associations, Registered Social Landlords or Registered Providers of Social Housing. They build, buy and manage homes, much in the way that Councils used to do with "Council Housing". In Erewash, the Council transferred all its council housing to a Registered Provider, Three Valleys Housing, in 2002.

There are 14 Registered Providers in Erewash, managing 6,700 homes, Three Valleys Housing own 5,200 of these. About one third of these homes are "over 60s" flats and bungalows for older people (previously known as "sheltered", or "warden-aided" housing), the rest are houses and flats for families and single people or couples.

Most Registered Providers homes are rented to their tenants, but just over 200 homes, are sold on a part buy/part rent basis (known as "shared ownership". This tenancy strategy relates to rented properties, unless otherwise stated.

People get a Registered Provider rented property by registering on the Housing Register, and are given a number of points, or put into a "band" – according to how much of a need they have. (People with high needs include, for example people who are, or about to be homeless; people who cannot fully use their property because of a medical condition) The current system is the Home Options Choice Based Lettings System, where Registered Providers "advertise" their properties which are available for letting, and people "bid" to say they are interested in the property. The property is then normally offered to the person or family in the highest need. They then become the tenants of the property and have a tenancy agreement which gives them the right to live in the property, subject to agreed conditions.

Significant changes are now taking place in the housing world:

1. The amount of funding Registered Providers receive from the government for building new houses has been reduced It is likely that the funding will continue to reduce.
- 2..Changes to Welfare benefits may affect some tenants
3. New laws introduced by the government, make very important changes to the way Registered Providers look after their housing and build new housing.

The Tenancy Strategy is guidance about how the Council expect Registered Providers in their area to manage their houses and operate the tenancies of the people renting from them, in the years ahead.

Registered Providers are expected to take note of this Erewash Tenancy Strategy, when they are deciding on the tenancy policies for their own organisations. The tenancy policies for all of the Registered Providers will be available via the Council's website  
[http://www.erewash.gov.uk/housing\\_and\\_homeless/tenancystrategy/default.asp](http://www.erewash.gov.uk/housing_and_homeless/tenancystrategy/default.asp)

## **Fixed Term Tenancies**

Under the previous system, Registered Providers were usually only able to give lifetime tenancies – so as long as tenants paid their rent and did not cause anti-social or other major problems – they could remain there for life, even if their circumstances had changed.

Registered Providers will now be able to grant tenancies for a fixed length of time, (normally five years or more). There is no upper limit on the length of a tenancy and in some cases a lifetime tenancy can still be given.

Before the fixed term ends, the Registered Provider will discuss with the tenants whether they will need to end or extend the tenancy. If a fixed term tenancy has ended because the household no longer needs the home they may move into another home in the private sector, or maybe buy a house of their own, or may move to another Registered Provider home more suitable for them.

The purpose of this change is to allow Registered Providers to manage their homes more effectively and fairly, and deliver better results for local communities.

The guidance in this Tenancy Strategy asks Registered Providers to consider a number of issues if they are to offer Fixed Term Tenancies. These issues include:

- Making sure the length of the fixed term is variable according to the circumstances and needs of the individual household
- Considering whether fixed term tenancies are appropriate for older people in “over 60s” flats and bungalows, whose circumstances are unlikely to change
- Trying to keep people within the same community – particularly when people have children in local schools, or need to remain near friends or family for support.
- Making sure tenants are fully understand what a fixed-term tenancy means for them, and can access independent advice about it
- Trying to make sure that people can find a suitable alternative home, if they are leaving at the end of a fixed term tenancy

*Full details are outlined in the full Tenancy Strategy, pages 8 & 15, and in the Summary for Registered Providers, page 3*

## **Affordable Rents**

There is a new scheme for rents being introduced, called 'Affordable' Rents. These will be set at a higher level than current 'social' rents, and can be up to 80% of market rents (i.e. what a private landlord would charge)

They will apply to some properties that are newly built, and some existing properties when the current tenants move out and new tenants move in. They will not apply to all new properties or relets of current properties, just a proportion of them.

The purpose of this change is to raise extra money towards building more new houses.

People on the housing register or 'waiting list' may be offered affordable rent properties, social rent properties or a mixture of both.

The guidance in this Tenancy Strategy asks Registered Providers to consider a number of issues if they are to offer Affordable Rent Tenancies. These issues include:

- To appreciate that most people (about 90%) on the housing register cannot afford Affordable Rents as they are at the moment, although there may be other people joining the register in the next few years, who can
- To make sure that the tenants can afford to pay their rent and other living costs
- To appreciate that larger houses and properties suitable for disabled people are already in short supply, and therefore should consider carefully about charging higher rents on these
- That the borough needs a mix of different types of properties and rents which people in different circumstances can afford.

*Full details are outlined in the full Tenancy Strategy, pages 8 & 16, and in the Summary for Registered Providers pages page 4*

## **Shared Ownership and full home ownership**

People may be buying, or part buying/part renting their homes, which were previously owned by their Registered Provider. This may be through buying the property, often at a discount, from the Registered Provider under “Right to Acquire” or “Right to Buy”. Or, they may be buying the property on a Shared Ownership Basis - where they buy a share of a property of between 25% and 75% and pay rent on the remaining share to a Registered Provider. Shared Ownership owners will therefore normally be paying mortgage plus rent, and are normally also responsible for any repairs on the property,

The guidance in this Tenancy Strategy asks Registered Providers to consider a number of issues if they are encouraging people into home ownership through Right to Acquire, Right to Buy or Shared Ownership. These issues include:

- Making sure that people have clear and independent advice, and understand the responsibilities and cost of owning their home
- Trying to make sure that people can afford to pay their mortgage, (and rent in the case of shared ownership) and other household bills

\*Right to Buy applies to people who were previously Council tenants and are now Three Valleys Housing tenants. Right to Acquire relates to Housing Associations tenants.

*Full details are outlined in the full Tenancy Strategy, pages 9,10 & 17, and in Summary for Registered Providers, page 5*

## **Starter Tenancies**

For many years, Registered Providers have been able to give new tenants a “starter tenancy” as a 12-month trial period at the beginning of their tenancy. During this time they will have fewer rights so can be evicted more easily. They are designed so that registered providers can tackle anti-social behaviour and rent arrears at an early stage.

At the end of the starter tenancy, tenants should automatically become an assured tenant with more rights, unless the registered provider takes steps to evict them. Reasons for eviction may include not paying the rent; causing nuisance to neighbours: using the property for illegal activities, sub-letting the property.

The guidance in this Tenancy Strategy asks Registered Providers to consider a number of issues if they are issuing starter tenancies. These issues include

- Considering whether they are appropriate for certain people – for example those who have been good tenants with other registered providers, or who have previously owned their own home with no problems..

*Full details are outlined in the full Tenancy Strategy, pages 10 & 18, and in Summary for Registered Providers, page 6*

## **Tackling under-occupation**

People under 65 who receive housing benefit towards their rent, will have a deduction of benefit made, if they have one or more “spare” bedrooms. (children of the same gender under the age of 18 are expected to share a bedroom).

This may mean that people will have to find the additional rent themselves or get into rent arrears, or will be trying to find a more suitably sized property. This is a particular difficulty in Erewash, where there are a large number of three-bedroomed family homes (2207) in comparison to two-bedroomed (831), so there will be a large number of households who have been “under-occupying” throughout their tenancy.

Registered providers cannot *make* people move because they are under-occupying (except at the end of a Fixed Term Tenancy) but many tenants may be seeking to do move for the reasons outlined above. Registered providers can also offer incentives for people to move to smaller homes (e.g. single pensioners living in family homes moving to smaller “over 60s” flats or bungalows). Such incentives can include cash for re-location, priority on the Home Options scheme, help with packing and moving etc.

The guidance in this Tenancy Strategy asks Registered Providers to consider a number of issues when they are deciding how to tackle the situation of tenants with reduced benefit due to under-occupation. These issues include:

- Advising and discussing options with their tenants as soon as possible
- Giving assistance to move to those who want to or need to
- Helping to keep people within the area where children are settled in school, or where people receive or give support to friends or relatives
- Assisting and advising tenants on getting into work, to enable them to pay the rent themselves
- Trying to make sure that people do not become homeless, or have to live in unsuitable properties, if they get into rent arrears because of this.

*Full details are outlined in the full Tenancy Strategy, pages 10 & 18, and in Summary for Registered Providers, page 6*

## Local Lettings Policies

Registered Providers can use Local Lettings policies to make sure that there is a mix of people living in their homes in one area.

For example, where there are a lot of new homes being built together, they can make sure that there is a mix of people in work, and seeking work; people with disabilities, and without disabilities; people of different ages.

This can help create a mixed community, and give more housing choices to local people.

A local lettings policy allows registered providers flexibility to consider factors other than highest need (although the level of need is still an important factor).

The guidance in this Tenancy Strategy advises Registered Providers how Local Lettings Policies should be used – including:

- Lettings of rented properties should normally be done via the normal Home Options system, based on those in highest need.
- However, on specific sites, or areas, or to tackle specific problems – local lettings policies may be used to make sure there is a mix of people in a community.
- These local lettings policies should be developed jointly with the Council, and residents views on these should be taken into account, before they are used.
- These will be monitored to see what impact they have

*Full details are outlined in the full Tenancy Strategy, pages 11 & 19, and in Summary for Registered Providers, page 7*

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