

# North Tyneside Tenancy Strategy 2021 - 2025



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## **1. Purpose and aims of a Tenancy Strategy**

The Localism Act 2011 placed a duty on local authorities to produce a tenancy strategy that sets out the Authority's expectations for social housing landlords, including their own landlord function in relation to:

- The kind of tenancies granted;
- The circumstances in which tenancy of a particular kind will be granted;
- Where they can grant tenancies for a term certain, the lengths of terms; and
- The circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

The purpose of the strategy is to provide guidance to registered providers who provide social homes in a local authority area, including the Authority's own landlord function to:

- Ensure housing stock meets local housing need;
- Benefit vulnerable households;
- Enable households to make informed housing choices based on their individual circumstances;
- Strengthen and maintain successful and sustainable communities; and
- Prevent homelessness.

In developing this strategy, regard has been given to the following legislation:

- The current allocation scheme under Section 166A of the Housing Act 1996; and
- The current homelessness strategy under Section One of the Homelessness Act 2002.

From January 2018, the regulation of social housing providers in England is the function of the Regulator of Social Housing (RSH). The RSH is a stand-alone agency, which fulfils one part of the role of the former Homes and Communities Agency (HCA).

All social housing providers are required to be registered with the regulator, including local authorities, housing associations, housing co-operatives, profit making organisations and any other form of housing provider.

As part of the framework for the regulation of social housing providers, the regulator of social housing sets standards which registered providers of social housing must meet. These include a Tenancy Standard. Registered Providers must have a clear tenancy policy setting out the purpose of the accommodation, the needs of individual households, the sustainability of the community, and the efficient use of housing.

The Authority has no regulatory powers to determine which tenancy terms Registered Providers may offer in North Tyneside; but expects social housing providers who operate in the borough to have regard for this Tenancy Strategy when developing their tenancy policies.

A stable, secure home and environment is the foundation to a person's life chances. It impacts on our ability to secure and sustain employment, educational attainment and overall health and wellbeing. Expected outcomes from registered housing providers of social housing include:

- Tenancies offered provide a level of security for the tenant;

- Ensuring that prospective tenants receive comprehensive advice and information on what service to expect from their housing provider;
- Affordable rents contribute to the delivery of new homes; and
- A balance of flexibility in social housing promoting settled, sustainable and mixed tenure communities.

This strategy supports the Council's commitment to championing equality and ensuring procedures are in place, so all residents are treated fairly and without unlawful discrimination in line with the Equality Act 2010. The Authority is working to reduce any disadvantage caused by isolation and social exclusion.

An Equality Impact Assessment was carried out to ensure the housing needs of all, including those with a protected characteristic are met.

## 2. North Tyneside key facts

North Tyneside is in the North East of England. It is bordered by Northumberland to the North, the North Sea to the East, the River Tyne to the South and Newcastle upon Tyne to the West.

The borough is approximately 82km<sup>2</sup>. It is well served with public transport links and main access roads.

The borough has a population of 207,913<sup>1</sup>. This equates to 94.394 households<sup>2</sup>.

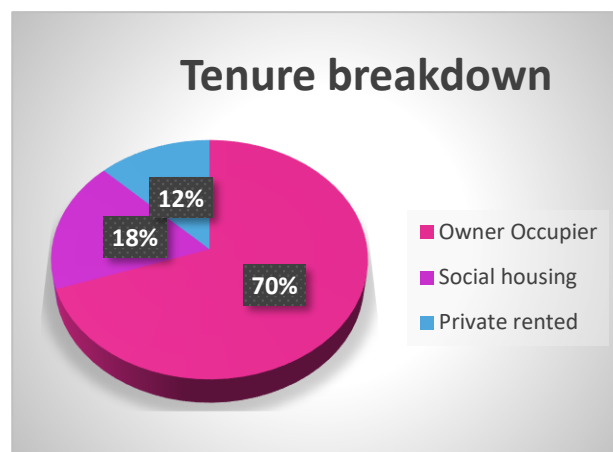
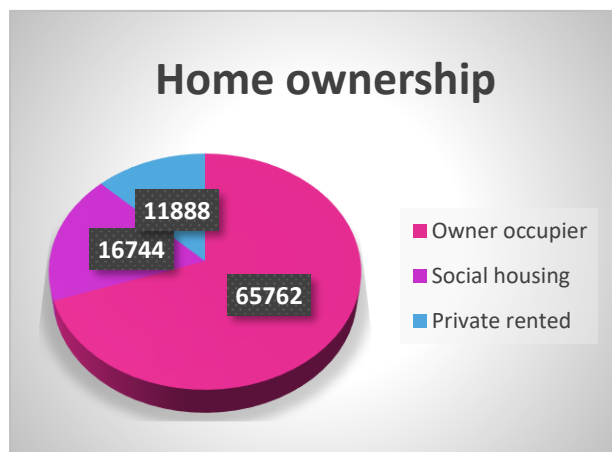


In 2019, North Tyneside was ranked 128 out of 317 local authorities for the Index of Multiple Deprivation (IMD). The borough has continued to improve and move up the rankings, but there are still some areas that fall within the most deprived in England. 19,019 (9.3%) residents live in neighbourhoods considered to be the 10% most deprived in the country, with 24,219 (11.8%) residents living in the 20% most deprived neighbourhoods. These neighbourhoods predominately fall within the ward boundaries of Riverside, Chirton and Wallsend

<sup>1</sup> (ONS sub national estimate 2019)

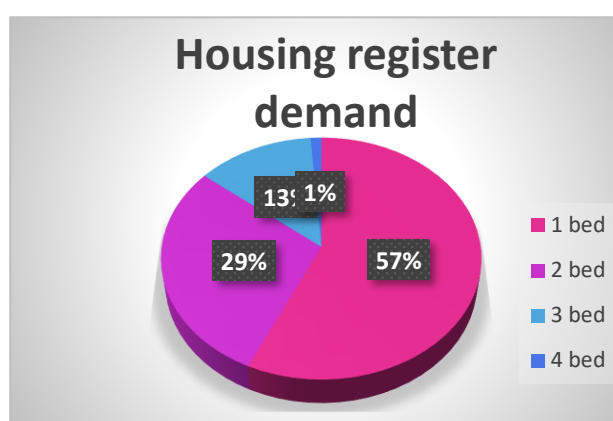
<sup>2</sup> (ONS sub national estimate based on 2016 population)

Ownership of homes is broken down as follows:



\*One bed includes sheltered accommodation

Housing need and supply	
Gross housing need:	957
Net housing need:	740
Affordable housing need:	490
Housing register (April 2020):	3546
Empty homes:	3492
Long term empty (six months +):	1292
Demand for the private rented sector or market sales is not known.	



Within the North East region, North Tyneside is the only local area to have seen a growth in house prices, increasing by almost 4%.

### 3. National and local context

#### 3.1 National context

The effect of tenancy failure to tenants, their families and their housing provider landlord is huge, with rising costs to the public purse if families become homeless; or move to an insecure tenancy.

Significant welfare reform changes since 2012 have made an affordable, secure home a greater priority for those households when renting is the only option available to them. These changes include the way in which social housing is provided and managed to enable tenants to sustain their homes. At a national level this includes:

**Welfare Reform Act 2012:** wide ranging set of reforms to the welfare system including:

- Introduction of Universal Credit, bringing together a range of benefits to a single monthly payment with housing costs paid direct to the tenant;
- Reduction of Local Housing Allowance (LHA) rates, although recent government announcement for social housing not to be capped at LHA rates is a positive change for social housing rent levels;

- Personal Independence Payments to replace Disability Living Allowance; and
- Housing Benefit reductions for working age tenants under occupying their home.

**Welfare Reform and Work Act 2016:** additional reforms including:

- 1% rent reduction for social housing per annum for four years;
- Further lowering of the Benefit cap;
- Four-year freeze on the main working age benefits;
- Reduction in the level of payments for the first child; and
- Greater responsibility for claimants with young children to fulfil their work-related activities or face the possibility of sanctions.

**Housing and Planning Act 2016:** changes to actively promote homeownership, including:

- Duty on Local Planning Authorities to increase the supply of starter homes;
- The end of secure lifetime tenancies in local authority housing;
- Further changes to succession rules that restrict the right to succeed the tenancy to spouses and partners only, irrespective of the original tenancy date; and
- Voluntary extension of Right to Buy to housing association tenants.

**White Paper: fixing our broken housing market 2017:** proposals in this paper sent out Government's intention to boost housing supply and in the long term create an efficient housing market to deliver housing outcomes that met the needs and aspirations of all households:

- Plan for the right homes in the right places;
- Build homes faster; and
- Diversify the housing market.



**Homelessness Reduction Act 2017:** introduced April 2018, this Act places greater emphasis on local authorities to prevent and relieve homelessness for all who present regardless of priority need at an earlier stage.

**Green Paper: a new deal for social housing 2018:** has five principles to underpin a new fairer, housing deal for tenants:

- A safe and decent home;
- Improving and speeding up how complaints are resolved;
- Empowering residents and ensuring their voices are heard so landlords are held to account;
- Tackling stigma and celebrating thriving communities; and
- Building the social homes needed, and for them to act as a springboard to home ownership.

### 3.2 Local context

At a local level, regard is given to the following strategies and plans:

**North Tyneside Housing Strategy 2016 -2021 'a great place to live':**

The strategy has four priorities:

- More and better homes;
- Great places to live;

- Better housing, better health and wellbeing; and
- Better housing, more independence.

### North Tyneside Allocations Policy

The policy and service are designed to:

- Offer choice;
- Meet housing need;
- Deliver a fair and transparent service;
- Support and assist our customers;
- Create more sustainable communities; and
- Make efficient use of all resources.



### North Tyneside Homelessness Prevention and Rough Sleeping Strategy 2019 – 2021

The strategy has four priorities:

- Successful implementation and delivery of the Homelessness Reduction Act 2017;
- Meeting local housing need;
- Supporting households to secure and sustain an affordable home; and
- Effective communication and robust partnership working.

### Our North Tyneside Plan 2020 – 2024

This plan sets out the Council's ambition to make the borough an even better place to live, work and visit. It has three key themes:

- People: ensuring our residents are listened to, cared for and supported, ready for school, work and life with the right skill set and encouraged to be more independent;
- Place: our places will be great places to live and visit, focusing on what is important to residents and visitors, regeneration work will continue, a good choice of affordable homes will be on offer, and areas will be clean, green and safe; and
- Economy: this will benefit from the delivery of the ambitious vision for the borough, it will grow by encouraging new businesses, supporting existing ones and further investment in business parks, town centres and retail centres.

16 priorities span across the themes, including the provision of more new homes and quality, affordable homes.

## **4. Tenancies**

The Authority supports the use of long-term tenancies for social housing in the borough. Registered Providers and our own Housing Services should take account of the following tenancy types when determining the tenancy to be offered:

**Starter/Introductory Tenancy:** this should be offered to those households who have never held a social tenancy before.

**Periodic Secure and Assured Tenancies:** these tenancies are normally offered to:

- Existing and new tenants whose starter/introductory tenancies have been successful;

- Tenants who have had a secure or assured tenancy before 1 April 2012 and who are transferring to another social rented home. This is not applicable to those transferring to an affordable rented home, unless the move is a required one;
- Those who are the beneficiary of a succession or assignment of a secure or assured tenancy. Previously under the Localism Act 2011, as well as spouses, partners, civil partners, those living together as a couple, other family members may be eligible to succeed the tenancy, but only if the original tenancy started before April 2012. Where the original tenancy started after April 2012 successions are restricted to spouses and partners etc. and exclude other family members, however the Housing and Planning Act 2016 restricts the right to succeed to a secure 'lifetime' tenancy to spouses and civil partners and those who live together as a couple irrespective of the date the tenancy started. Other family members living within tenancies will no longer have a statutory right to succeed the tenancy;
- Existing tenants who are undertaking a mutual exchange, provided they held a periodic or assured tenancy prior to 1 April 2012. This would not apply if the exchange was to an affordable rented home, or a home with a fixed term tenancy of less than two years, unless the landlord chooses to grant a secure or assured tenancy.

**Demoted tenancies:** introduced through the Anti-Social Behaviour Act 2003, this enables housing providers to respond to anti-social behaviour, through the demotion of a tenancy. The tenancy will normally remain demoted for a period of one year and will then revert to a secure tenancy. However, if there are any further breaches during the initial 12 months demotion, and the landlord issues a notice of proceedings for possession, the tenancy will remain demoted until one of the events in subsection 143B (4) of the Anti-Social Behaviour Act 2003 occurs.

**Fixed term (flexible) tenancies:** there may be occasion when a fixed term tenancy will help make best use of housing stock. This may include where the house is now too large for the family (under occupation) or the home is needed short term to meet regeneration objectives (demolition).

If a fixed term tenancy is introduced, then the effect of it should be monitored to ensure communities remain stable and settled. Such tenancies should not be offered to deal with existing issues, such as rent arrears or anti-social behaviour. Any breaches should be dealt with through the tenancy agreement.

A fixed term tenancy must be offered as the requirements set out in the Localism Act 2011. A review and appeals process must be available.

Where a fixed term tenancy is offered, it should be for a **minimum period of five years**. In the case of regeneration schemes, the minimum period should be two years.

Where a fixed term tenancy is offered, and the accommodation forms part of a housing pathway for current and former rough sleepers and those at risk of rough sleeping, and support is received, the tenancy should be for a maximum period of two years.



A review of a fixed term tenancy should take place six to nine months before it is due to end. Housing providers should seek to renew the tenancy unless there are specific grounds not to do so. These grounds must be clearly set out and be published in Tenancy Policies and/or Allocation Policies and must include details of how to appeal against a decision.

Where a fixed term tenancy is not to be renewed, housing providers are expected to provide support, advice and assistance to enable the tenant to find alternative accommodation. This aspect may have a cost implication and housing providers should give due regard to the cost of issuing fixed term tenancies.

**Mortgage Rescue, Equitable and Family Intervention Tenancies:** should be offered based on individual household circumstances.

### **Access to the housing register**

North Tyneside's Allocation Policy has been designed to ensure that we:

- Offer choice;
- Meet housing need;
- Deliver a fair and transparent service;
- Support and assist our customers;
- Create more sustainable communities; and
- Make efficient use of all resources.

The policy has six bands:

- Band One: urgent and high housing need (applicants with a local connection);
- Band Two: high housing need (applicants with a local connection)
- Band Three: medium housing need (applicants with a local connection)
- Band Four: applicants with a reasonable preference but who do not have a local connection;
- Band Five: applicants with a general housing need and a local connection; and
- Band Six: applicants with a general housing need and no local connection.

On occasion there may be some exceptions to the allocation of a property that sits outside of the allocation scheme and bandings. By law the local authority is permitted to do this in certain circumstances.

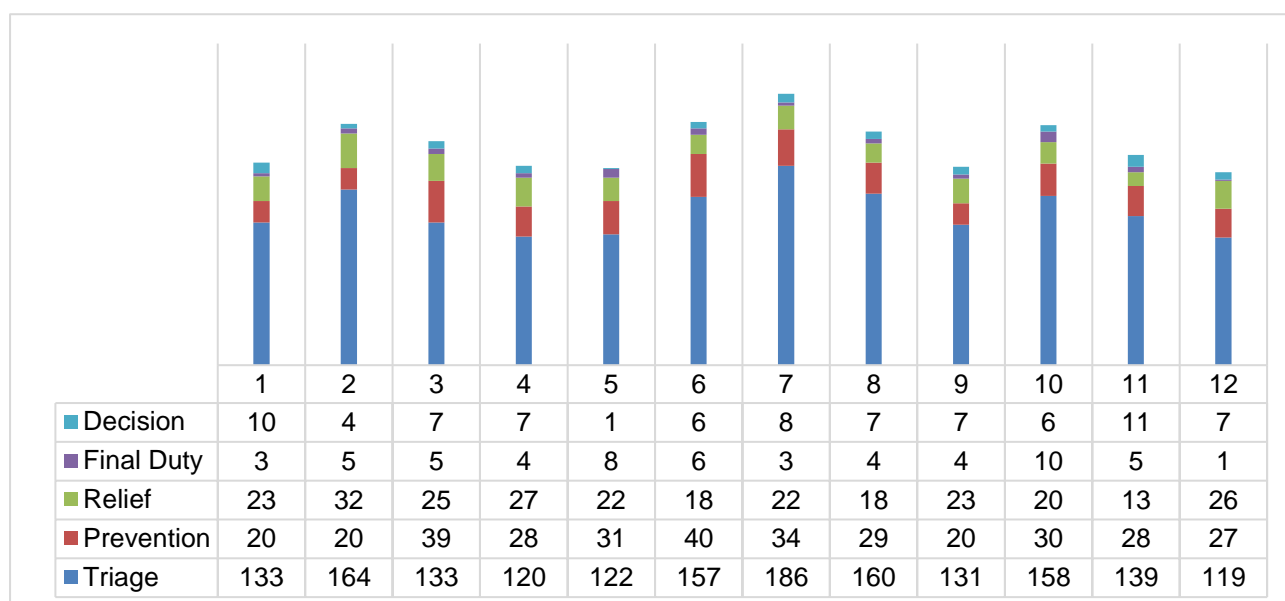
### **Discharge of homelessness duty with an offer of private rented housing**

This is an option available to the local authority. As the end of an assured short-hold tenancy continues to be the one of the main reasons for households presenting as homeless the Authority would need to be satisfied that use of this duty would not result in repeat homelessness.

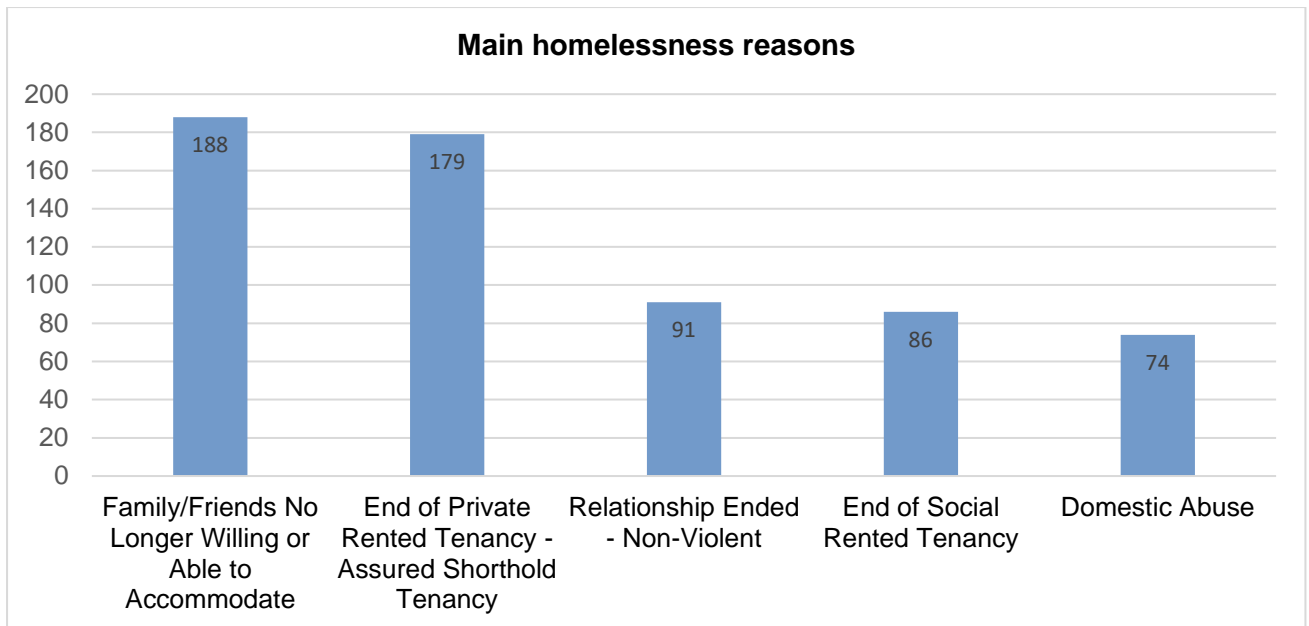
An offer in the private rented sector would only be made once the household had been assessed as suitable for such a tenancy, the property was affordable to their income, the property is of a good standard and is available on a minimum 12 month tenancy.

## 5. Homelessness

The introduction of the Homelessness Reduction Act 2017 has changed the way in which local authorities respond to homeless presentations, with a greater emphasis on prevention and relief. For 2019 – 2020, there were 2,476 presentations to the Housing Advice Team. From those presentations, the chart below shows at what stage the homelessness was resolved.



The main reasons for homelessness have changed in recent years. Family and friends no longer willing to accommodate did not feature as a main reason for several years but is now one of the top five reasons. End of a social housing tenancy has also recently appeared.



## 6. Affordability

The average house prices in North Tyneside have risen over recent years and now stand at:

All property types	Detached houses	Semi-detached houses	Terraced houses	Flats and maisonettes
£ 161,274	£ 287,082	£ 176,525	£ 151,760	£ 98,832

Source: Land Registry 2020

District	Lower Quartile House Price	LQ Gross Earnings per week	Annual Gross Earnings	LQ Income to House Price ratio
North Tyneside	£ 118,965	£ 425	£ 22,110	5.38

Sources: Land Registry Price Paid 2019; Annual Survey of Hours and Earnings 2019

In North Tyneside in 2019, full-time employees could typically expect to spend around 5.38 times their workplace-based annual earnings on purchasing a home. Coupled with the requirement for large mortgage deposits, buying a home is still unattainable for some households.

Renting in the private sector is an alternative option for households to consider. The average rent for a flat is £489 per month and for a house it is £659 per month, with an average monthly property rent of £556.

Beds	Count of rents	Mean	Lower quartile	Median	Upper quartile
1	170	£ 442	£ 390	£ 425	£ 475
2	930	£ 530	£ 450	£ 518	£ 575
3	390	£ 679	£ 575	£ 650	£ 775
4	70	£ 909	£ 700	£ 900	£ 1,100
All	1,570	£ 571	£ 450	£ 550	£ 650

Source: VOA, 2019

Private tenants who are on a low income may be eligible to receive local housing allowance to help with their rent costs. Criteria does apply. For 2020/21 the following rates apply for North Tyneside:

Number of bedrooms	Weekly amount	Calendar monthly amount
Shared accommodation/under 35	£70.19	£304.99
1 bedroom	£97.81	£425.01
2 bedrooms	£109.32	£475.02
3 bedrooms	£126.58	£550.02
4 bedrooms	£182.95	£795.00

With housing options limited for some, it is critical that social and affordable rent tenancies must be affordable for existing and prospective tenants. Housing providers must work with applicants to ensure that the tenancy offered is affordable to them, through the completion of robust financial assessments. Tenants must be able to meet their rent payment contribution for the duration of their tenancy. In some circumstances, it may be possible to apply for a discretionary housing benefit payment. This is a temporary measure only.

Prior to 2016, the rent policy was set at the discretion of the local authority following government guidance. The Welfare Reform and Work Act 2016 introduced a compulsory 1% rent reduction on existing social rent levels for four years. This period has now ended, with social rent levels reverting back to CPI + 1% increase each year.

Social rent	Council	Registered provider
Bedsits	£56.83	£65.38
One bedroom	£65.65	£71.65
Two bedrooms	£73.31	£81.96
Three bedrooms	£80.88	£90.42
Four bedrooms	£86.08	£98.89
Five bedrooms	£90.56	£106.87
Six or more bedrooms	£107.17	£142.23
All dwellings	£74.51	£81.17

Source: LAHS 2019 and NROSH 2020

Despite reduced rental income, housing providers have continued to provide quality social housing, maintained to a good standard.

The Authority supports the use of affordable rents where they form part of a framework agreement with Homes England to deliver affordable housing. However, social

housing landlords should be able to evidence an understanding of how this will meet the needs of tenants and have clear policies for ensuring tenants can afford and sustain this rental product and are not trapped into benefit dependency.

An affordable rent is defined as 80% of the open market rent. The number of homes available for affordable rent in North Tyneside has increased over recent years, as housing providers have used Homes England grant funding programmes to support the delivery of new homes.

<b>Affordable rent</b>	<b>Council</b>	<b>Registered provider</b>
Bedsits	£0.00	£69.06
One bedroom	£80.61	£83.62
Two bedrooms	£96.79	£99.47
Three bedrooms	£107.34	£112.53
Four bedrooms	£0.00	£117.80
Five bedrooms	£0.00	£0.00
Six or more bedrooms	£0.00	£0.00
All dwellings	£94.50	£101.61

Source: LAHS 2019 and NROSH 2020

## **7. Monitoring and review**

All housing providers who operate in North Tyneside should monitor the effects their policies and any individual reviews have on their tenants, the impact of decisions made to individual households and the availability of their stock.

The Authority will review this strategy one year after it has been adopted, and subsequent reviews will complement reviews of relevant strategies and policies.

Monitoring will include identifying any trends in:

- Housing need;
- Homelessness;
- The effectiveness of the Allocations Policy;
- Registered Provider activity in the borough;
- New home developments, including affordable homes;
- Rent levels across all tenures, including affordable rents.

