

TITLE OF REPORT: Tenancy Strategy and Allocations Policy

REPORT OF: Colin Huntington – Deputy Chief Executive

Purpose of the Report

1. To seek Cabinet endorsement of a new Tenancy Strategy and Allocations Policy and to recommend that Council approve these documents, as part of the Council's policy framework.

Background

2. In 2021, the Council undertook an Allocations and Tenancy Review, which resulted in a detailed report containing the following key findings and recommendations:
 - Gateshead should create its own 'Gateshead Housing Model' – including Registered Providers (RP's), Support Commissioners and Private Landlords.
 - Our allocation policies and processes should be focused on delivering solely to meet the needs of Gateshead
 - There should be a digital marketplace that enables self-service and a coordinated approach to assessing housing and support needs.
 - There should be improved formalised partnership working through a new Tenancy Strategy
 - We should aim for a single allocations scheme/policy with registered providers working with us collaboratively
3. With the support of consultancy firm Campbell Tickell, we have been working on developing a new Tenancy Strategy and Allocations Policy over recent months. Draft documents were endorsed by the Strategic Housing Board, on 1st September 2022 and can be found as follows:

Appendix 2: Tenancy Strategy

Appendix 3: Allocations Policy

4. To develop and inform the proposed documents, consultation has taken place with internal officers (including cross council representatives), and elected members (via four workshops with members of the Strategic Housing Board). The Health and Wellbeing Board were also consulted on 15th July and Housing Portfolio members were consulted on 3rd August. We have also undertaken formal stakeholder consultation, over several months and held a final additional workshop with Tenants prior to the Strategic Housing Board on 1st September. Confirmation of the consultation and its outcomes can be found as follows:

Appendix 4: Formal Stakeholder Consultation Report

5. Integrated Impact Assessments on the proposed changes have also been completed and can be found as follows:

Appendix 5: Integrated Impact Assessment – Tenancy Strategy

Appendix 6: Integrated Impact Assessment – Allocations Policy

Proposal

6. Copies of the proposed new Tenancy Strategy and proposed new Allocations Policy have been provided. A summary of the key changes and requirements for both documents are outlined for reference, within Appendix 1. The Strategic Housing Board endorsed the proposed changes at its meeting on 1st September 2022.
7. Implementation of the Tenancy Strategy and Allocations Policy will be monitored through the Strategic Housing Board.
8. A key next step, subject to approval of the proposed Tenancy Strategy and Allocations Policy will be to consider at a subsequent Cabinet meeting, a potential new integrated delivery model, that will aim to achieve our strategic housing priorities, (including the Council's Thrive ambition), as well as more efficient and effective ways of working.

Recommendations

9. Cabinet is asked to recommend to Council that the Tenancy Strategy and Allocations Policy are approved and are included as part of the Council's policy framework.

For the following reasons:

- (i) To ensure we are meeting all related statutory and regulatory requirements.
- (ii) To deliver on our related strategies, including our Housing Strategy, Homelessness and Rough Sleeping Strategy and Health and Wellbeing Strategy.

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APPENDIX 1

Policy Context

1. Gateshead's strategic approach is set out in 'Making Gateshead a place where everyone thrives'. Within this strategy, the Council has pledged to put people and families at the heart of everything we do and to tackle inequality, so people have a fair chance.
2. Our Housing Strategy sets out key aims to improve Standards, Supply and Support. The Tenancy Strategy and Allocations Policy will help us to deliver on all three of these strategic aims.
3. Our Health and Wellbeing Strategy 'Good jobs, homes, health and friends' also aims to reduce inequalities and improve health and wellbeing, for people living in our communities. This Tenancy Strategy and Allocations Policy will aim to deliver on all of the aims set out in the Health and Wellbeing Strategy, but particularly the aim to 'create and develop sustainable places and communities'.
4. The Housing Regulatory Standards require us to let our properties in a fair, transparent and efficient way, make best use of our stock, reduce the amount of time properties are empty, address under occupation and overcrowding and to meet our strategic housing needs, including homelessness. This policy and strategy are therefore essential to ensuring both regulatory and statutory compliance.

Background

5. In 2021 the Council undertook an Allocations and Tenancy Review, which resulted in a detailed report, which was shared with Cabinet members, containing the following findings and recommendations:
 - i. Gateshead should create its own 'Gateshead Housing Model' – including Registered Providers (RP's), Support Commissioners and Private Landlords.
 - ii. Our allocation policies and processes should be focused on delivering solely to meet the needs of Gateshead
 - iii. There should be a digital marketplace that enables self-service and a coordinated approach to assessing housing and support needs.
 - iv. There should be improved formalised partnership working through a new Tenancy Strategy
 - v. We should aim for a single allocations scheme/policy with registered providers working with us collaboratively
6. With the support of consultancy firm Campbell Tickell, we have been working on developing a new Tenancy Strategy and Allocations Policy over recent months. Draft documents were endorsed by the Strategic Housing Board, on 1st September 2022 and can be found as follows:

Appendix 2: Tenancy Strategy

Appendix 3: Allocations Policy

7. An overview of each document, with any key changes/requirements, is included below.
8. Proposed new **Allocations Policy** (currently our Lettings Policy) – this sets out the rules by which we allocate homes, including how people qualify and how we prioritise applicants based on need and waiting time. The Housing Regulator states that we must be fair, transparent and efficient when allocating homes. The key proposed changes are:
- **Armed Forces** – we wish to disregard whether the applicant was honorably or dishonorably discharged and remove the 5-year rule.
 - **Financial Exclusion** - we will exclude applicants who have savings, equity, income, or investments above a certain threshold as we deem them able to solve their housing situation. We will, however, make exceptions where someone is vulnerable or needs specialist accommodation such as that which is for older people.
 - **Exclusion from the Housing Register**- we are proposing to slightly modify the current policy on exclusions. Exclusion will be rare and only where all other viable options have been considered. A decision process will be introduced, and this will take into consideration high risk cases which require a greater degree of management.
 - **Demotions** - we are proposing to continue to treat applicants under reduced preference. We propose, however, that instead of demoting an applicant to the end of the whole list, they will be demoted to the end of their band. If they are willing to enter an arrangement to address the reasons for the demotion and complete that to our satisfaction, the demotion will be removed. We are also proposing not to demote applicants who qualify for the critical band 1 or the urgent band 2.
 - **Homeless Priority Need** – the proposals have adjusted existing priority banding levels to reduce the time spent in bed & breakfast or temporary accommodation. We have also recognised all intentionally homeless and those with no priority need. They now sit in the bands as follows:
 - i. **Critical**: Statutorily homeless and those we have to place in bed & breakfast or temporary accommodation. (Owed a Relief or Main Homelessness Duty)
 - ii. **Urgent**: Those threatened with homelessness. (Owed a Prevention Homelessness Duty)
 - iii. **Substantial**: Intentionally Homeless Cases and Non-Priority Cases (This will only apply at main homelessness duty stage for non-priority cases)
 - **Overcrowding** – we are proposing that if an applicant needs 1 bedspace they will get a substantial priority, 2 bedspaces an urgent priority and 3 or more a critical priority.
 - **Out of borough applicants** – we have strengthened the local connection in line with legislation and industry practice. Currently out of borough applicants may join the register in band 4 and those with a local connection sit above those without one in the band. Following feedback within consultation sessions and with the Strategic Housing Board, it was recommended we continue with this approach within the proposed new policy. It was, however, also agreed that we will continue to explore the numbers joining the housing register without a local connection and present these findings at a later date to the Strategic Housing

Board, so it is able to review whether we should consider closing the list to include only those with a local connection.

- **Change of Tenancy** - this whole section has been removed with the proposed changes. Instead, we will refer applicants to their own landlord's tenancy management policy. If an applicant is a Council tenant and we have agreed to rehouse them under our succession rules, we will award urgent priority.
- **Tenancy Determination** - we have proposed a section on granting tenancies as follows:
 - i. Anyone who does not hold a lifetime tenancy will be issued an introductory tenancy for 12 months which converts to a secure tenancy.
 - ii. Anyone on a lifetime tenancy will be issued another lifetime tenancy.
 - iii. Flexible tenancies will be granted in adapted properties usually for 5 years, when the need for an adapted property will be assessed again. If an applicant needs something different or no longer needs the adaptations, they will be rehoused.
 - iv. Flexible tenancies may be granted for some homeless applicants, usually for 3 years and if all goes well, they will be granted a secure tenancy once this expires.

9. The proposed revisions to the Allocations Policy also ensure the document is up to date in terms of relevant legislation, such as the Homelessness Reduction Act and meets the regulatory requirements of the Housing Regulator. This includes ensuring fairness and transparency, an example of which is seen in the changes regarding how and when we allocate via a direct let and usage of assisted bidding. We have also reviewed the priority banding based on levels of risk and pressures to health and social care, consulting with colleagues in both Adult and Children's Social Care. We have also consulted social care colleagues to ensure we are fully embedding mental health within the policy, when considering applicants medical needs.

10. **A proposed new Tenancy Strategy** – this sets the Councils position on all tenancy related matters and clarifies our expectations from Registered Providers (RP's). We are aiming to strengthen our relationships with the Registered Providers that operate in the borough, particularly as we come to establish a new Gateshead model for allocating homes, over the coming year.

11. The Tenancy Strategy provides the foundation for stronger partnerships, so we can all work together to deliver on our Thrive and Health and Wellbeing ambitions. The delivery of the strategy will be through the Gateshead Providers Partnership. Some of the key points/requirements outlined include:

- **Increasing the supply of affordable Social Rented Homes.** The strategy confirms that affordable homes should be no more than 80% of Market Rent and to be truly affordable rents should be no more than 30% of 'take home' pay. The strategy also requests that RP's have a more flexible approach to new tenants, who may not have savings to pay rent upfront, enabling them to instead build credit over time.
- **The Council will work together with RP's to ensure we have a clear picture of stock levels** within the borough to inform strategic decisions. This would include disposals and any sales through Right to Buy/Right to Acquire and there are specific accommodation types the Council asks are exempt from purchase i.e. specialist and supported.

- There is an expectation set out that **RP's will maintain their homes to decent homes standard or higher.**
- The strategy proposes that the **Council will discharge its homelessness duty via the private sector, where there is suitable accommodation** at the right cost. This may include the use of incentives and grants for Private Landlords, where there is the budget to do so, to help improve properties and maintain safe standards.
- The strategy sets out our position on the granting of tenancies, which includes our strategic objective to provide residents with long term, genuinely affordable homes. **Lifetime tenancies are the preferred tenancy type in most circumstances** and in our view, this should be the default offer to tenants.
- To meet the requirements of the Domestic Abuse Act 2021, **victims of domestic abuse will always be reissued a lifetime tenancy, where they have left one.**
- The strategy clarifies that we expect **lifetime tenancies to be issued to vulnerable tenants with long term support or care needs.** This may include those with enduring mental health needs, a learning disability, some types of physical disability, older people in supported accommodation/specialist housing and those needing specialist care
- The strategy also **supports the use of flexible tenancies, which are for less than 5 years, in limited circumstances** – including for some types of supported housing, where there is a link to employment or for properties which have been purpose built or adapted for disabled applicants.
- The Council wants to **support tenants to maintain their tenancy and our expectation is that RP's do the same.** This may include targeted visits, rehousing to prevent further financial hardship, an available housing support service and support to tackle anti-social behaviour and problematic tenants.
- The strategy also includes our **support for Safe Surrender Agreements** to enable a coordinated approach to Homelessness Prevention, which reduces the likelihood of someone being intentionally homeless.
- Tenant Mobility – The Council needs family sized accommodation and expects **all landlords to provide incentives and assistance to any tenants who wish to move to a smaller property.** They should be encouraged to join the housing register and their application will be awarded a priority that reflects the demand for larger properties. It is also important for tenants who wish to move for employment, or for support and welfare reasons, to be able to do so easily. Applicants on the housing register wishing to transfer for these reasons will be awarded suitable priority.

12. The Tenancy Strategy will be subject to a light touch review once the Gateshead Allocations Model and Marketplace is established in March 2023.

13. **Integrated Impact Assessments.** An Integrated Impact Assessment on the proposed changes has been completed for both the Tenancy Strategy and Allocations Policy, to ensure we are not discriminating against anyone and promoting equality of opportunity. These can be found as follows and each assessment contains a number of further actions to take forward:

Appendix 5: Integrated Impact Assessment – Tenancy Strategy

Appendix 6: Integrated Impact Assessment – Allocations Policy

Consultation

14. A report containing a full overview of all consultation undertaken, for both our proposed Tenancy Strategy and proposed Allocations Policy can be found as follows:

Appendix 4: Formal Stakeholder Consultation Report

15. The report outlines that consultation took place with the following:
- Elected Members (via four workshops with members of the Strategic Housing Board).
 - Housing Register Applicants (via a survey)
 - Gateshead Residents (public consultation via the Councils consultation portal)
 - Registered Providers (contacted individually as well as via our Providers Partnership Meeting's)
 - Internal Stakeholders (Internal Working Groups and Project Meetings)
 - External Stakeholders (contacted individually)
 - Tenants (via a Tenants Workshop)
 - The Residents Influence Panel
 - Housing Portfolio Members
 - The Health and Wellbeing Board
16. The report also provides greater detail on the consultation activity which has been completed, including:
- Methodology.
 - Timeline.
 - Analysis of results.
 - The direction provided/taken from each relevant consultation activity
 - Confirmation of which proposed changes were adopted and any further amendments/changes made as a result of the feedback received.
17. On the 1st September 2022 the Strategic Housing Board were consulted on the proposed new Tenancy Strategy and Allocations Policy and endorsed the proposed new documents.
18. It should be noted that this consultation report also contains details of the consultation completed for the Tenancy Management Policy that was approved by Strategic Housing Board on 1st September, which does not require approval by Cabinet.

Alternative Options

19. There are no alternative options. An Allocations Policy and a Tenancy Strategy are both required to ensure we are meeting our regulatory and statutory requirements.

Implications of Recommended Option

20. **Resources:**
- a) **Financial Implications** – The Strategic Director, Resources and Digital confirms there are no financial implications directly arising from this report.
 - b) **Human Resources Implications** – There are no human resource implications directly arising from this report.
 - c) **Property Implications** - We are aiming to have a broad impact on improving our communities and neighbourhoods, through greater partnership working with others, to deliver our strategic housing aims.
21. **Risk Management Implications** – Integrated Impact Assessments have been completed for both the Tenancy Strategy and Allocations Policy, with any mitigatory actions required included.
22. **Equality and Diversity Implications** – The Tenancy Strategy and Allocations Policy will aim to reduce inequalities within Gateshead. Integrated Impact Assessments have been carried out to identify potential implications and impacts related to protected characteristics identified in the Equality Act 2010.
23. **Crime and Disorder Implications** – The Tenancy Strategy and Allocations Policy will contribute to the achievement of reducing crime and disorder in Gateshead.
24. **Health Implications** - The Tenancy Strategy and Allocations Policy will contribute to the achievement of improving health and wellbeing outcomes for local people and aim to reduce inequalities within Gateshead.
25. **Climate Emergency and Sustainability Implications** – The Tenancy Strategy and Allocations Policy will contribute to the achievement of having sustainable communities and neighbourhoods within Gateshead.
26. **Human Rights Implications** - there are no Human Rights implications relating to this report.
27. **Ward Implications** - all wards within the borough are covered by the Tenancy Strategy and Allocations Policy.