

Ref No: TS2019

Proposal: Tenancy strategy 2019

## **Business Impact Assessment**<sup>1</sup>

Conducted by: Housing services

Date: Jan 2019

### 1. Aims of the Proposal

Under Section 150 of the Localism Act 2011 Councils have a duty to prepare and publish a Tenancy Strategy. The Tenancy Strategy must set out the matters to which Registered Providers of social housing for its district are to have regard in formulating policies.

As a local authority Teignbridge Council must keep its tenancy strategy under review, and may modify, or replace it from time to time. The last strategy was adopted in 2013, however since that time there have been major changes in housing legislation and welfare reform, as well as increased affordability issues across the sector.

In response to these changes Teignbridge Council has updated its tenancy strategy to put forward a more holistic approach to managing social housing in the district.

#### KEY ISSUES

1. Registered providers are becoming more commercial in their business models
2. Some registered provider rents are beyond Local Housing Allowance Rates thus unaffordable for many
3. Registered providers' 'rent in advance' policy can vary, with some charging 8 weeks rent in advance. This is not affordable for many on low incomes
4. Teignbridge has high house price to income ratio, with the average house price now being ten times the average salary
5. According to Homes England, Teignbridge is a local authority in a 'high affordability pressure area'
6. In 2010 the government introduced 'affordable rents', which are typically 80% of the local market rents. These rents are more expensive than social rents, which were typically 60% of market rents. In areas of high house prices, such as Teignbridge this is a particular issue

#### AIMS OF THE STRATEGY

Our strategy proposes developing local housing framework, which would set ranges for rents in relation to local incomes, whilst also enabling social housing providers to develop and maintain property, as well as manage homes through the tenancies they offer.

In summary, the overarching aims of this strategy are to:

1. Comply with the legislation
2. Encourage a wide range of housing options
3. Promote affordability
4. Make the best use of the available social housing stock
5. Ensure that vulnerable households are able to access appropriate accommodation
6. Promote mobility within social housing and other housing tenures
7. Promote clarity

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<sup>1</sup> Guidance notes are available to help fill in this form at [www.teignbridge.gov.uk/bia](http://www.teignbridge.gov.uk/bia).

More specifically registered providers are encouraged to:

1. Charge rents under the local housing allowance rate
2. Publish clear and accessible policies on tenancy management
3. Create clear and transparent advertisements on Devon Home Choice
4. Seek a maximum of two week's rent in advance
5. Co-operate with the Council to make the best use of stock
6. Bid for social grant where available
7. Assist the local authority to maintain tenancies and prevent homelessness
8. Limit the conversion of social rents to affordable rents
9. Promote mobility within the sector
10. Take precautions to tackle tenancy fraud

## 2. Methodology

This Equalities Impact Assessment uses the methodology and approach set out in Teignbridge's Engagement Strategy toolkit. Every new, or revised, strategy requires the undertaking of such an assessment to make sure that the proposals within the strategy address the Council's equalities policies and statutory requirements.

The BIA has considered the draft tenancy strategy's proposals and has analysed whether they are likely to have a positive, or negative, impact upon the different groups within our community. Action to be taken to prevent direct and indirect discrimination and to positively promote harmonious community relations is set out below.

## 3. Environment impacts

<b>The proposal indicates the following impacts on the environment.</b>	<i>Please score</i> <b>+3 ← 0 → -3</b>
a. Natural environment (wildlife, landscape, trees)	0
b. Built environment (townscape, design, archaeology, conservation)	0
c. Climate change (adaptation, mitigation)	0
d. Resource use (land, energy, water, minerals)	0

## 4. Value and financial impacts

<b>The proposal indicates the following financial impacts.</b>	<i>Please score</i> <b>+3 ← 0 → -3</b>
a. Jobs, or training opportunities	0
b. Business investment within the area	0
c. Tourism	0
d. The supply, or quality of housing	+3
e. Access to services and benefits	+3
f. Reduce cost, or increase income	+2
g. Increase capital receipts/funding	+2

### 4d. The supply, or quality of housing +3

Social housing is more than providing a roof over people's heads. It helps to create thriving, mixed communities and meets a need alongside home ownership, shared ownership and private rented accommodation.

The strategy aims to provide decent, affordable, stable homes for thousands of local households, whilst making the best use of Teignbridge's social housing stock. It contributes to health and wellbeing, reducing pressure on other public services and stimulating the wider economy.

#### 4e. Access to services and benefits +3

The Council is keen to see registered providers carrying out affordability assessments with households when letting properties at rents that are close to the current Local Housing Allowance, to ensure that the tenancy will be sustainable over time. This will include looking at benefits to which the household may be entitled.

#### 4f. Reduce cost, or increase income +2

The Council would like to see households being able to transition smoothly into safe and secure homes, regardless of income. However, we are increasingly concerned that there is a significant number of people who cannot afford upfront payments. We have therefore recommended to registered providers that they should not be charging more than two week's rent in advance.

Additionally, the Council expects registered providers to take the level of service charge payable on the property into account when looking at affordability. Rent and basic service charges, excluding water/waste, pull-chords/alarms etc., should be included in the rent setting, which should fall below the Local Housing Allowance rate.

#### 4g. Increase capital receipts/funding +2

The Council expects that any registered provider bidding for grant funding and/or developing in Teignbridge to become a member of the Teignbridge Affordable Housing Partnership, who will provide support for appropriate funding bids to Homes England and other bodies. This will provide more affordable housing and increase funds from the government's New Homes Bonus scheme.

### 5. Social impacts and duties

The proposal indicates the following social impacts.	%	Please score 3 ← 0 → -3
<b>a. Age Children (Under 16)</b>	16.3%	+2
<b>Young (16-24)</b>	9%	+2
<b>Working age (25-59)</b>	42.8%	+2
<b>Older (60+)</b>	31.9%	+1
<b>b. Women</b>	51.6%	0
<b>c. Men</b>	48.4%	0
<b>d. Transgender</b>	0.01%	0
<b>e. BAME (Black, Asian, minority ethnic)</b>	3.8%	0
<b>f. LGB (lesbian, gay, bisexual)</b>	5%	0
<b>g. Marriage and Civil Partnership</b>	52%	0
<b>h. Religion and belief (or none)</b>	71.9%	0
<b>i. Disability</b>	20.6%	+2
<b>j. Pregnancy and Maternity</b>		0
k. Rural	27%	+2
l. Economic Deprivation	21.8%	+2

\* **Bold** = 'Protected characteristics'

#### 5a. Age

The Tenancy Strategy does not discriminate on the basis of age. According to the government's green paper 'a new deal for social housing', 'social housing tenants tend to be of a similar age mix to all households in the population', which is not true of other tenures.

#### Young +2

The Council encourages landlords to offer fixed-term tenancies where this will help to make best use of the stock, in particular on larger properties of 3, or more bedrooms. This will help to ensure that in future, if a household no longer requires a larger, or adapted property, they can be supported to move on and the property can be reallocated to those in greater housing need. This will enable larger properties to become available for families with children.

### **Working age +2**

The Council expects registered providers to take the level of service charge payable on the property into account when looking at affordability. Rent and basic service charges, excluding water/waste, pull-chords/alarms etc., should be included in the rent setting, which should fall below the Local Housing Allowance rate. This ensures that affordable rents do not exceed the maximum benefits entitlement for housing costs.

### **Older households +1**

The Council encourages landlords to offer fixed-term tenancies where this will help to make best use of the stock, in particular on properties that have been significantly adapted for use by someone with a disability, more often for retired people. This will help to ensure that in future, if a household no longer requires an adapted property, they can be supported to move on and the property can be reallocated to those who have the most need for an adapted home.

### **5i. Disability +2**

The Council would like to work with providers to set up direct matches on adapted homes that are fully wheel-chair adapted and/or have wet rooms. This may require the Council facilitating a Multi Adapted Panel Meeting, extending the invite to all local providers.

The Council also encourages landlords to offer fixed-term tenancies where this will help to make best use of the stock, in particular on properties that have been significantly adapted for use by someone with a disability. This will help to ensure that in future, if a household no longer requires an adapted property, they can be supported to move on and the property can be reallocated to those in greater need for an adapted home.

### **5k. Rural Communities +2**

The Council expects registered providers work in partnership with the Council to develop local lettings plans to help create sustainable communities. One of the aims of a lettings plan would be to ensure that providers let homes in a way that enables people to live and work in rural areas.

### **5l. Economic deprivation +2**

To keep rents affordable for households on low incomes, the Council expects registered providers to charge rent, including basic service charges, below the Local Housing Allowance rate. This ensures that affordable rents do not exceed the maximum benefits entitlement for housing costs.

The Council is keen to see registered providers carrying out affordability assessments with households when letting properties at rents that are close to the current Local Housing Allowance, to ensure that the tenancy will be sustainable over time.

The Council expects that providers commit to the use of Devon Home Choice as their principle method of identifying new tenants. Advertisements should clearly set out the rent and detail any service charges, making it clear if they are eligible under the housing element of Universal Credit, or if the tenant is to pay on top. This will help potential tenants better understand costs making tenancies more sustainable.

The Council further recommends that:

1. There should be better access to pre-tenancy information for tenants, including budgeting and income maximisation
2. A financial assessment for potential vulnerability be introduced at the allocation stage
3. Providers should continue to improve their engagement with tenants and prioritise tenancy support, including helping tenants get online where appropriate
4. Joint working arrangements between the Council, the Department of Work and Pensions and registered providers should be maintained to ensure a holistic service is provided

The Council expects all registered providers to work proactively to manage and sustain tenancies. This should include regular contact with the tenant, regardless of tenancy type.

## 6. Summarise potential impacts and planned mitigations:

Have representatives of those likely to be affected by the proposal been <b>consulted</b> ?	<b>Yes</b>
Are there ongoing plans to <b>monitor</b> the impact of the proposals	<b>Yes</b>
Are there any relevant <b>Human Rights</b> considerations?	<b>No</b>

## 7. Duties

Under the Equality Act 2010 s.149 the Council must annually publish what actions we have taken in response to our three equality duties. This proposal contributes to the duties in the following ways:

### a] The elimination of discrimination, harassment, victimisation and other prohibited conduct

Our strategy proposes a local housing framework, which would find a balance to establishing fair rents and policies equitable to all groups regardless of race, tenure, family composition, gender, religion and sexual orientation.

### b] The advancement of equality of opportunity by:

According to the government's green paper 'a new deal for social housing', 'social housing helps to keep neighbourhoods diverse and integrated. It goes on to say that 'social housing tenants tend to be of a similar age mix to all households in the population', which is not true of other tenures. By promoting quality, affordable social housing Teignbridge Council is advancing equality of opportunity to local residents.

### c] The fostering of good relations between people by:

NA

Service information here: [www.teignbridge.gov.uk/equalityduties](http://www.teignbridge.gov.uk/equalityduties)

## 8. Managers' evaluation

<input checked="" type="checkbox"/>	No major change required
<input checked="" type="checkbox"/>	Adjustments have been made to better advance equality
NA	Continue despite having identified some potential for adverse impacts.
<input checked="" type="checkbox"/>	Cease the proposal. It shows actual or potential unlawful discrimination.

## 9. Recommended Actions

That the housing strategy is adopted and that Housing remains a priority for the Council

## 10. Sign off

	Business Manager		BID
	Amanda Pujol		Kay O' Flaherty
Signed		Signed	
Date	February 2019	Date	February 2019
Review date	February 2020	Review date	February 2020

## If you need this information in another format, please contact us.

If you would like further information about this report, please contact us.



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Text us your name or reference number and we'll call you back

**07768 808 160**

Please note that by texting us you give Teignbridge District Council the right to contact you on this number, unless otherwise instructed by you.

**TDC tenancy strategy 2019 BIA 190201 v4 SIGNED**

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