
INTRODUCING FLEXIBLE TENANCIES FOR SINGLE PEOPLE UNDER 35

**Responsible Cabinet Member -
Councillor Veronica Copeland, Adult Social Care and Housing Portfolio**

**Responsible Director -
Paul Wildsmith, Director of Neighbourhood Services and Resources**

SUMMARY REPORT

Purpose of the Report

1. To introduce two years flexible tenancies for single people under 35 years as a result of changes being introduced as part of the Government's welfare reforms.

Summary

2. The Government are introducing a Local Housing Allowance (LHA) cap on housing benefit from April 2019 for tenants in social housing. Anyone who becomes a tenant after April 2016 and is in receipt of Housing Benefit (HB) in April 2019 will have their benefit capped to LHA levels. Everyone who is in receipt of Universal Credit (UC) will also be affected by the cap, regardless of when they became a tenant.
3. This change will particularly affect single people under 35, as they will have their benefit capped at the LHA shared room rate. In Darlington, this is currently £59.20 per week, which is approximately £16 to £18 per week below current rents for one bed properties.
4. The introduction of the LHA cap represents a clear risk to the tenant's ability to maintain a tenancy and afford the rent. Consequently, housing providers are now taking action to mitigate this. Some providers will not allocate properties to single people who are not working, whilst other providers are offering two year flexible tenancies which provide an opportunity to monitor a tenant's ability to maintain their tenancy. This recognises that even if applicants are working when they take up a tenancy the position could change.
5. The Housing and Planning Act 2016 obliges Council's to let all new tenancies as flexible tenancies with limited exemptions and this is expected to be implemented in the Autumn 2017. In advance of this, it is proposed that two year flexible tenancies are introduced for single people under 35. This can be done through the existing

powers in the Localism Act 2011. This proposal reflects the way that the LHA is being implemented, and the accumulating number of fewer than 35's who will be affected by April 2019.

6. The introduction of two year flexible tenancies for this group allows a more frequent review of tenant's circumstances, particularly their financial position, allowing for constructive discussions with the tenant about any risks or changes.

Recommendation

7. It is recommended that two year Flexible Tenancies are introduced for single people under the age of 35 from 1 June 2017

Reasons

8. The recommendation is supported to reduce the risk of tenancy failure for people who could be affected by the single room allowance

Paul Wildsmith
Director of Neighbourhood Services and Resources

Background Papers

No background papers were used in the preparation of this report

Pauline Mitchell: Extension 5831

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| S17 Crime and Disorder | The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect. |
| Health and Well Being | There are no issues relating to health and well-being which this report needs to address |
| Carbon Impact | There are no carbon impact implications in this report |
| Diversity | Single people under the age of 35 will be effected |
| Wards Affected | Wards where the Council have one bed flats that single people might apply for |
| Groups Affected | Single people under the age of 35 |
| Budget and Policy Framework | There is no impact on the budget and policy framework |
| Key Decision | This is not a key decision |
| Urgent Decision | This is not an urgent decision |
| One Darlington: Perfectly Placed | The report has no particular implications for the Sustainable Community Strategy. |
| Efficiency | The change will reduce the risk of increasing rent arrears |

MAIN REPORT

Information and Analysis

9. At the Spending Review and Autumn Statement in November 2015, the Government announced that LHA rates would apply to tenants in social housing, bringing them into line with private sector tenants. The current LHA rates that are frozen until 2020, apply in Darlington as follows:

Table 1: LHA Rate for Darlington

| LHA rate | Weekly amount | Monthly amount |
|------------------|----------------------|-----------------------|
| | £ | £ |
| Shared room rate | 59.28 | 257.59 |
| One room rate | 75.00 | 325.89 |
| Two room rate | 90.90 | 394.98 |
| Three room rate | 107.11 | 465.42 |
| Four room rate | 149.17 | 648.18 |

10. Taking account of current Council rents, the main impact will be on single people and in particular people who are single and under 35. The shared room rate applies to anyone in shared accommodation, and anyone under 35, even if they live in self-contained accommodation. Their HB/UC housing costs payment will be capped at £59.20, which is significantly below Council rents. Council rents for one bedroom flats vary, but the shortfall will be £16 to £18 per week, on average and for a small number, the shortfall will be between £20 and £30 per week. For single people aged 35 or over, the LHA is £75 per week. This will mean some tenants will have a shortfall but this will only be £3 to £5 per week on average.
11. The change will affect anyone who takes up a tenancy after April 2016 and are in receipt of benefits at April 2019 when the cap will be implemented. Since making the original announcement, the Government have made a number of changes, moving the implementation date from April 2018 to 2019 and including everyone who is in receipt of UC regardless of when they took up their tenancy.
12. There are currently 193 single people on the waiting list for Council properties:

Table 2: Age: Waiting list

| Age | Families | Non-families | Total |
|--------------|-----------------|---------------------|--------------|
| 16/17 | 1 | 0 | 1 |
| 18-24 | 101 | 91 | 192 |
| 25-34 | 214 | 102 | 316 |
| 35-54 | 222 | 260 | 482 |
| 55-64 | 21 | 208 | 229 |
| 65+ | 11 | 405 | 416 |
| Total | 570 | 1066 | 1636 |

13. From April 2016 to September 2016, 147 properties were let to people under 35. Of these, 46 were single and 32 were in receipt of benefits. Using these figures to project the potential impact, suggests that accumulatively about 130 tenants could be affected by April 2019. However, there will also be an unknown number of people who will be in receipt of UC by April 2019 to take account of.
14. To address the risks that the LHA shared room rate introduces, housing providers are beginning to change their tenancy policies. Thirteen Group, who are the largest housing provider in the Tees Valley sub region and manage the former Council stock in Hartlepool, Middlesbrough and Stockton, has introduced two year flexible tenancies for single people age under 35. They did this so that they can review any risks from the LHA shared room rate with the tenant and agree a plan of action if necessary. This response is similar to other housing providers in the North East. A smaller number of providers have decided to only allocate properties to single people under 35 if they are already in employment.
15. The Localism Act 2011 introduced the discretionary use of flexible tenancies (fixed term). The aim was to help ensure that social housing best meets the needs of local people. It also allows for a review of the tenancy at least 6 months before the end of the tenancy. This enables both the tenant and the housing provider to consider if the tenancy should continue. Generally, tenancies are let for 5 years, but the act also allows for a minimum of two years.
16. The Council already uses flexible tenancies for some properties in high demand, such as four bedroom houses and rural properties but these are for five years. In the Housing and Planning Act 2016, the Government decided to make the use of flexible tenancies compulsory for all new lettings of Council properties with a few exemptions. The Government has delayed the introduction from April 2017 to the Autumn of 2017, to allow supporting guidance to be published. This will see a number of different length flexible tenancies being introduced, based on individual circumstances.
17. In view of the risks to income and to protect tenant's interests, it is now proposed that two year flexible tenancies are introduced for single people who will be under 35 at 1st April 2019. It is proposed that this change is introduced in advance of the wider implementation of flexible tenancies that is expected to follow in the Autumn.
18. The two year flexible tenancy will start after a one year Introductory Tenancy that all tenants new to social housing sign up to. As part of the sign up process, financial checks are undertaken and advice given on the implications of taking on a tenancy. People who are single and under 35 are being given information on the LHA shared room rate and the potential risks from April 2019.

Equalities Considerations

19. An Equality Impact Assessment is provided at **Appendix 1**.

Consultation

20. The potential introduction of a two year flexible tenancy for single under 35's has been discussed with the Tenant's Customer Panel and they understand and agree with the proposed change. All the applicants on the waiting list who would be aged 35 or under in April 2019 and are currently single were contacted to seek their views on the proposed change. They were given a number of options for returning the survey. Only a small number responded to the survey but none felt the change would make any difference to their application.

EIA Record Form – note free version



Equality Impact Assessment Record Form 2012-16

Section 1 – Service Details and Summary of EIA Activity

| | |
|---|--|
| Title of activity: | INTRODUCING FLEXIBLE TENANCIES FOR SINGLE PEOPLE UNDER 35 |
| Lead Officer responsible for this EIA: | Ken Davies |
| Telephone: | 01325 405955 |
| Service Group: | Neighbourhood Services and Resources |
| Service or Team: | Housing and Building Services |
| Assistant Director accountable for this EIA | Pauline Mitchell |
| Who else will be involved in carrying out the EIA: | Money Advice Team Income Management Team Housing Management Team Housing Options Team Customer Panel |
| Stage | Summary of position |
| Stage 1: Initial Officer Assessment. Whole Population likely to be affected identified | A desk top analysis was conducted and it was agreed that 193 single people aged under 35 would be affected |
| Stage 2: Further Assessment. Target Population likely to be affected identified | Detailed analysis of those registered for accommodation found 156 people who were single and would be under 35 at April 2019 when the "Single Room Rate" comes into effect |
| Stage 3: Further Assessment. Individuals likely to be affected | A survey was conducted of all those registered on the Council's choice based lettings system who could be affected by the change |

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| identified | |
| Stage 4: Analysis of Findings | A limited number will be affected by the proposed change. Of those who responded to the survey none felt it would change their decision to apply for Council accommodation |
| Stage 5: Sign-Off | Ken Davies Pauline Mitchell |
| Stage 6: Reporting and Action Planning | The actions will fit into the monitoring processes established for the Tenancy Policy |

Section 2 – The Activity and Supporting Information

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| Details of the activity (main purpose and aims) |
| <p>At the Spending Review and Autumn Statement in November 2015, the Government announced that LHA rates would apply to tenants in social housing, bringing them into line with private sector tenants.</p> <p>Taking account of current Council rents, the main impact will be on single people and in particular people who are single and under 35. The shared room rate applies to anyone in shared accommodation, and anyone under 35 and single, even if they live in self-contained accommodation. Their HB/UC housing costs payment will be capped at £59.20, which is significantly below Council rents. Council rents for one bedroom flats vary, but the shortfall will be £16 to £18 per week, on average and for a small number, the shortfall will be between £20 and £30 per week.</p> <p>The change will affect anyone who takes up a tenancy after April 2016 and are in receipt of benefits at April 2019 when the cap will be implemented. Since making the original announcement, the Government have made a number of changes, moving the implementation date from April 2018 to 2019 and including everyone who is in receipt of UC regardless of when they took up their tenancy.</p> <p>In view of the risks to income and to protect tenant's interests, it is now proposed that two year flexible tenancies are introduced for single people who will be under 35 at 1st April 2019. It is proposed that this change is introduced in advance of the wider implementation of flexible tenancies that is expected to follow in the Autumn.</p> <p>The two year flexible tenancy will start after a one year Introductory Tenancy that all tenants new to social housing sign up to.</p> |
| Who will be affected by the activity? (groups and numbers) |
| Whole population |
| There are approximately 1600 people on the waiting list for Council Housing of which 156 will be aged under 35 in April 2019 and are currently single. |
| Target population |

102 are male

54 are female

All are under 35

All are single

3.8% were from an ethnic minority

Individuals

The flexible tenancy will create an opportunity to review the tenancy and for the tenant to consider if they want to continue with the tenancy or make alternative arrangements.

The review process will be complete at least 6 months before the tenancy end allowing time to find alternative accommodation should a decision be made not to continue the tenancy.

What data, research and other evidence or information is available which is relevant to the EIA?

- Information is available on those who have taken up tenancies since April 2016 when anyone taking up a tenancy could be affected by the single room allowance if they are in receipt of housing benefit in April 2019
- More limited Information is available about applicants who have applied for Council Housing
- Information on the financial consequences of housing benefit not fully covering the cost of rent are available by examining the impact of the “Bedroom Tax”

Section 3: Officer Assessment

Use this table to record your views on potential impact on Protected Characteristics. As the activity and the assessment develop your views may change – record them here.

It is important to be searching and honest about this – many Council activities are planned to be of positive benefit to identified target groups but can often have the potential for inadvertent effects on other groups.

| Protected Characteristics | Potential Impact | | | Potential level of impact | | | | Summary of Impact |
|---------------------------|------------------|----------------------------------|-----|---------------------------|--|---|-----|---|
| | | Positive/Negative/Not Applicable | | | | | | |
| Age | | N | N/A | | | L | | Will only affect people aged under 35 who are single |
| Race | | | N/A | | | | nil | There are no specific disproportionate negative impacts |
| Sex | | | N/A | | | | | There are no specific disproportionate negative impacts |

| | | | | | | | | |
|--|--|--|-----|--|--|--|------------|--|
| Gender Reassignment | | | N/A | | | | nil | There are no specific disproportionate negative impacts |
| Disability (summary of detail on next page) | | | N/A | | | | nil | There are no specific disproportionate negative impacts if account is taken of those who need an overnight carer |
| Religion or belief | | | N/A | | | | nil | There are no specific disproportionate negative impacts |
| Sexual Orientation | | | N/A | | | | nil | There are no specific disproportionate negative impacts |
| Pregnancy or maternity | | | N/A | | | | nil | There Could be some negative impacts if account is not taken of pregnancy when offering a tenancy. |
| Marriage/ Civil Partnership | | | N/A | | | | nil | There are no specific disproportionate negative impacts |

Section 3: Officer Assessment - continued

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|--|--|--|-----|--|--|--|------------|---|
| <p>The Council must have due regard to disabled people’s impairments when making decisions about ‘activities’. This list is provided only as a starting point to assist officers with the assessment process. It is important to remember that people with similar impairments may in reality experience completely different impacts. Consider the potential impacts and summarise in the Disability section on the previous page. Officers should consider how the ‘activity’ may affect a disabled person.</p> | | | | | | | | |
| Mobility Impairment | | | N/A | | | | nil | There are no specific disproportionate negative impacts |

| | | | | | | | |
|---|--|--|-----|---|--|------------|---|
| Visual impairment | | | N/A | | | nil | There are no specific disproportionate negative impacts |
| Hearing impairment | | | N/A | | | nil | There are no specific disproportionate negative impacts |
| Learning Disability | | | N/A | | | nil | There are no specific disproportionate negative impacts |
| Mental Health | | | N/A | | | nil | There are no specific disproportionate negative impacts |
| Long Term Limiting Illness | | | N/A | | | nil | There are no specific disproportionate negative impacts |
| Multiple Impairments | | | N/A | | | nil | There are no specific disproportionate negative impacts |
| Other - Specify | | | N/A | | | nil | There are no specific disproportionate negative impacts |
| Cumulative Impacts | | | | | | | |
| Change activities | | | | Potential cumulative impacts | | | |
| Introduction of a two year flexible tenancy for single people aged under 35 | | | | <p>Council tenants are being affected by a number of changes in national policy. The Welfare Reforms are changing the eligibility criteria for benefits and the way benefits are paid. This is reducing the overall benefit bill but it is also creating risks in maintaining tenancies. The cap on housing benefit will see some tenants being faced with making up the difference between the capped housing benefit and the rent.</p> <p>For single people under the age of 35 the gap will be significant as the single room allowance will apply. In Darlington this will be £59.20 leaving tenants to find on average approximately £16 to £18 per week. There is a risk that those who find themselves affected may be forced into debt to maintain rent payments and over time may get into</p> | | | |

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| | <p>financial difficulties that may also lead to the loss of the tenancy.</p> <p>The Government intend virtually all new Council tenancies to be let as flexible tenancies. These will vary in length depending on individual circumstances. The decision to introduce flexible tenancies for single people under 35 fits in with this change although it is in advance of when the Government will expect implementation. The length of the flexible tenancy for under 35's is the shortest available under the Localism Act 2011. This reflects the risks involved as a result of the housing benefit cap</p> <p>In making this change we need to take account of pregnancy when offering a tenancy as the circumstances are very likely to change and they would then fall outside of the "single" category. Account also needs to be taken of those who need an overnight carer who should not be treated as "single".</p> <p>Conclusion</p> <p>A comparatively small number of people will be affected by the introduction of a two year flexible tenancy. By the autumn it is likely that the Government will have activated the clause in the Housing and Planning Act 2016 that will introduce flexible tenancies for virtually all new tenancies. Although the length of the tenancy for single people under 35 will be the shortest flexible tenancy available it is essential that the financial risks are limited for this group.</p> |
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Section 4: Engagement Decision

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|---|-----------|
| Is engagement with affected people with Protected Characteristics required, now or during the further development of the activity? | No |
| If YES, proceed to the next section. | |
| If NO, briefly summarise below the reasons why you have reached this conclusion. | |
| A survey was done of all applicants applying for Council housing who could be affected | |

Section 5 - Sign-off when assessment is completed

| Officer Completing the Form: | | |
|-------------------------------------|-------------------|---|
| Signed | Name: | Ken Davies |
| | Date: | 7 April 2017 |
| | Job Title: | Housing strategy Officer |
| Assistant Director: | | |
| Signed | Name: | Pauline Mitchell |
| | Date: | 7 April 2017 |
| | Service: | Assistant Director- Housing and Building Services |

Section 6 – Action Plan and Performance Management

| What is the negative impact? | Actions required to reduce/eliminate the negative impact (if applicable) | Who will lead on action | Target completion date |
|--|---|--|-------------------------------|
| The length of the tenancy will be limited to two years | Close monitoring of the tenants circumstance to identify if they are getting into financial difficulties using the end of the introductory tenancy and the review process contained in the flexible tenancy | Veruta Barlow Housing Management Team Manager | On going |
| | Exceptions will be made for those who are pregnant are need an overnight carer. They will not be treated as “single” | Veruta Barlow Housing Management Team | On going |

| Performance Management | |
|--|---|
| Date of the next review of the EIA | June 2018 |
| How often will the EIA action plan be reviewed? | As part of the review of Tenancy Policy |
| Who will carry out this review? | Housing and Building Services |