

FLEXIBLE TENANCIES FOR UNDER 35'S

**Responsible Cabinet Member -
Councillor Andy Scott, Housing, Health and Partnerships Portfolio**

**Responsible Director -
Ian Williams, Director of Economic Growth and Neighbourhood Services**

SUMMARY REPORT

Purpose of the Report

1. To change the Council's Tenancy Policy by removing the need to provide two year Flexible Tenancies to single people aged 35 or under.

Summary

2. At the Spending Review and Autumn Statement in November 2015, the Government announced that Local Housing Allowance (LHA) rates would apply to tenants in social housing, bringing them into line with Private Sector tenants. In response to these proposals the Council took a number of actions to mitigate the impact on tenants and the Council's income.
3. The introduction of the LHA cap would have particularly affected single people aged under 35 as they would have their benefit capped at the LHA shared room rate. In Darlington, this was £59.20 per week, which was approximately £16 to £18 per week below the rents for one bed properties. As a consequence in May 2017 it was agreed that single people aged under 35 who took up a new tenancy would be offered a two year Flexible Tenancy in order to limit the risk of tenancy failure. (Min C159/May/17 refers).
4. Subsequently the Government has decided not to introduce the LHA Cap and recently confirmed that it did not intend to enact provisions in the Housing and Planning Act 2016 that would have forced Local Authorities to let all properties on Flexible Tenancies. Consequently there is now no need to treat new single tenants who are aged under 35 differently to other tenants. It is therefore proposed that anyone currently on a two year Flexible Tenancy be transferred to the tenancy they would have been offered had this policy not been introduced.

Recommendation

5. It is recommended that :-

- (a) The specific requirement to offer two year flexible tenancies to single people aged under 35 be removed.
- (b) Anyone who has been allocated a two year flexible tenancy should be given the opportunity to transfer to a secure tenancy.

Reasons

6. The recommendations are supported by the following reason :-

- (a) The Government have made a number of policy changes removing the risks associated with the introduction of the LHA cap and therefore removing the need for a two year flexible tenancy to address the risks.

Ian Williams
Director of Economic Growth and Neighbourhood Services

Background Papers

Tenancy Policy

Pauline Mitchell: Extension 5832

S17 Crime and Disorder	There are no specific impacts
Health and Well Being	There are no specific impacts
Carbon Impact	There are no specific impacts
Diversity	Single people aged under 35 who have been allocated a new tenancy or are applying for a tenancy
Wards Affected	Those where single people have taken up tenancies since June 2017
Groups Affected	Single people aged under 35 who have been allocated a new tenancy or are applying for a tenancy
Budget and Policy Framework	There are no specific impacts
Key Decision	No
Urgent Decision	No
One Darlington: Perfectly Placed	This will provide more security of tenure for those affected and will therefore contribute towards building a sustainable community.
Efficiency	It will reduce the number of types of tenancy on offer.
Impact on Looked After Children and Care Leavers	There are no specific impacts

MAIN REPORT

Information and Analysis

7. This report focuses on two year Flexible Tenancies let to people aged under 35 years since June 2017. At the time that the decision was made to introduce this type of tenancy there was a specific concern about the impact of the Local Housing Allowance (LHA) cap. This would have limited the amount of Housing Benefit to be paid to single people aged under 35 years to the single room rate. This would result in a gap of between £16 and £18 per week below the average rent for a one bedroomed Council flat. There was therefore a clear risk that some tenants would find it very difficult to afford a tenancy.
8. This was compounded by the Housing and Planning Act 2016 which introduced a requirement for local authorities to let all their tenancies as Flexible Tenancies. Although this was not enacted at the time this led to many registered housing providers introducing two year Flexible Tenancies for people aged under 35. The decision was therefore made in anticipation of the implementation of the changes the Government had set out that all new tenants under 35 years would be offered two year Flexible Tenancies.
9. The Government has subsequently made a number of significant changes to their approach to social housing with a sequence of announcements, including abandoning the introduction of the Local Housing Allowance and the compulsory introduction of Flexible Tenancies. As a consequence the main reasons for introducing two year Flexible Tenancies have been removed. It is therefore proposed to remove this option from the Council's Tenancy Policy.
10. Since the Policy was changed in June 2017 only a few new tenants will have moved from a one year Introductory Tenancy to a Flexible Tenancy. For most therefore, on completion of an Introductory Tenancy they will move to a Secure Tenancy. For those already on a two year Flexible Tenancy both the Council and the tenant will need to agree and sign up to a secure tenancy.

Legal Implications

11. Any change in the terms of a tenancy will require a formal process providing written notice to the tenant and a signed agreement

Consultation

12. It is very unlikely that anyone will refuse the opportunity to move to a more secure tenancy. However, we are obliged to provide a written notice which provides tenants with an opportunity to comment on the proposed change.