



Tenancy Strategy

December 2012

Introduction

Waverley Borough Council's Tenancy Strategy sets out how social housing in the borough will be let. It provides a framework for what new tenancies the council and local housing associations should use and how long these tenancies should be granted. The objectives of the strategy are to:

- make the best use of the affordable housing stock; and
- meet the housing needs of Waverley residents who are unable to secure a home for themselves in the private sector

The Tenancy Strategy will help local people to understand how the Council and housing associations develop their tenancy policies and respond to local housing need.

The Tenancy Strategy for Waverley will come into force in January 2013.

Key proposals:

- Support the allocation of social housing to those with the greatest housing need.
- Support the use of introductory and starter tenancies across the social housing stock
- Support the introduction of flexible and fixed term tenancies across the social housing stock to make the best use of the existing stock.
- Support a five year tenancy term with an expectation to renew if a household continues to be in housing need, is not under-occupying the property and is still unable to access the market sector.
- In exceptional circumstances, support the use of two year tenancies.
- Continue to encourage the delivery of social rented homes to provide accommodation that low-income households in housing need can afford.
- Support the delivery of homes let at 'Affordable Rent' where this is the only option to increase housing supply.
- Support housing associations in converting up to 60% of their existing stock to "Affordable Rent" if this leads to more investment in housing development in Waverley

Local Context

Waverley has a population of 121,600 living in 50,790 dwellings. There are just under 7,000 affordable homes in the borough, of which 6,200 are social rented. The breakdown of council and housing association homes (both social rent and shared ownership) in Waverley is shown below:

| Stock profile | 1 bed | 2 bed | 3+ bed | Total | Percentage |
|---------------------|-------|-------|--------|-------|------------|
| Council housing | 1,871 | 1,402 | 1,609 | 4,882 | 71% |
| Housing Association | 909 | 737 | 387 | 2,033 | 29% |
| Total | 2,780 | 2,139 | 1,996 | 6,915 | 100% |

The demand for affordable housing in Waverley far exceeds the supply. New affordable homes completions have averaged 34 properties per year over the last five years and there are approximately 300 homes relet each year.

There were 3373 households' registered on the Housing Needs Register as at 1 October 2012. This figure will significantly reduce when the new allocation scheme is introduced by an estimated 1000 households to ensure that those in housing need with greatest local connection are registered.

The type of tenancies that will be granted in Waverley

The Localism Act 2011 has given councils and housing associations more flexibility, so that they can make the best use of the social housing stock for people in greatest housing need. The legislation protects the rights of existing secure and assured tenants, but enables social housing providers to issue different tenancies, called flexible and fixed term tenancies, to new tenants.

Length of new tenancies

The Council expects new tenancies to meet the needs of each household type and ensure that the limited housing stock can be managed in the most effective way. Where secure or assured tenancies are not used the Council expects a tenancy to be renewed for a further term if a household's circumstances remain unchanged.

Housing associations in Waverley issue one year starter tenancies for all new tenants, before granting a full tenancy. The Council may be issuing introductory tenancies from April 2013 (subject to consultation). If the new tenancy is for a fixed term, this will be preceded by the one year starter tenancy effectively extend the proposed length of each new tenancy by one year.

| Household Type | Tenancy Type | | Proposed length of new tenancy | Reason |
|--|--------------|------------|--------------------------------|--|
| | Council | HA | | |
| New tenancies | | | | |
| Elderly (state retirement age) in Sheltered accommodation | Secure | Assured | Lifetime | To provide older people assurance that they can live in their home as long as they want |
| Households with a disabled person | Flexible | Fixed Term | 5 Years | To give households with a disabled person accommodation (and support) while they need it |
| Families (including single parent households) with children of school age or younger | Flexible | Fixed Term | 5 years | To give family households accommodation (and support) while they need it |

ANNEXE 2

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|--|----------|------------|---------|---|
| Single or two-person Households (without children) | Flexible | Fixed Term | 5 Years | To provide accommodation (and support) while they need it |
|--|----------|------------|---------|---|

| Existing tenancies | | | | |
|---|-----------------------------|------------------------------|----------|--|
| Households who move to another property through Homechoice | Secure | Assured | Lifetime | The law protects existing tenants |
| Households who choose to bid for an Affordable Rent home through Homechoice | Secure with Affordable Rent | Assured with Affordable Rent | Lifetime | To give all households the choice to move to an affordable rented home if that is what they want |
| Households who exchange their home through mutual exchange with a tenant who has lesser security of tenure irrespective of provider | Secure | Assured | Lifetime | The law protects the security of existing tenants who move to another social rented home via mutual exchange |

Exceptional circumstances where a tenancy of less than five years could be granted

In exceptional circumstances, social housing providers can consider granting a tenancy of less than five years. The Council considers the following circumstances to be exceptional and could result in a two year tenancy term:

| Exceptional circumstances | Tenancy length |
|--|-----------------------|
| If an Introductory tenancy has been extended due to anti-social behaviour | 2 years |
| If a household is statutorily overcrowded, but no alternative accommodation is available | 2 years |
| In a geographical areas where shorter tenancies could help to tackle anti-social behaviour | 2 years |
| Where a Notice of Seeking Possession has been issued due to rent arrears and the Court has accepted a payment agreement which the tenant has kept to | 2 years |
| In supported or move on accommodation to meet the objectives of the scheme | 2 years |

Circumstances when a tenancy will not be re-issued

Before the end of the tenancy, social housing providers must carry out a review to assess the individual circumstances of each tenant, in order to make a decision about whether the tenancy will be re-issued or brought to an end. The Council considers the following examples as circumstances where landlords may not grant another tenancy term:

| Situation | Reason |
|--|--|
| Property is under-occupied – eg. children have moved out | To make the best use of the existing stock |
| Property is no longer suitable for the tenant's needs – eg. an adapted property is no longer required | To make the best use of the existing stock and target resources where they are needed most |
| Tenant's circumstances have changed – eg. the tenant has sufficient income to be able to afford market housing, the tenant has come into legal ownership of another home or property | To make the best use of a scarce resource |
| Tenant and/or their advocate do not engage in the tenancy review process | Failure to comply with conditions of tenancy agreement |
| Possession proceedings have commenced or tenancy obligation has been broken – eg. anti-social behaviour, rent arrears | Failure to comply with conditions of tenancy agreement |
| Disposal or refurbishment of property | To manage housing assets |

Income thresholds for social lettings

The Council considers that households with an income of £60,000¹ or savings of £30,000 are financially able to access housing in the market sector. This is consistent with the new allocation scheme. (To be confirmed) The figure will be reviewed to take account of future house price and any financial changes.

Affordable Rent

In 2011, the Government introduced 'affordable rented' homes, where rents could be up to 80% of market rent, to reduce the amount of public subsidy paid to housing associations for new development, so that even more homes can be built.

Registered providers (RPs), generally housing associations who have received grant funding from the Homes and Communities Agency (HCA) in the 2011-2015 Affordable Housing Programme will be able to charge the new affordable rents on any new homes they build and can convert some of their existing housing when it become available for letting.

¹ £60,000 is currently the maximum an applicant can earn to be considered for shared ownership schemes

The Council expects housing associations to retain the majority of their stock for social rent, because they are more affordable for local residents.

The Council expects housing associations to aim to keep Affordable Rents below the Local Housing Allowance² rates for the area.

Conversions

The Council expects housing associations to convert no more than 60% of their existing social housing stock to Affordable Rent when a property becomes available for re-letting. Housing associations are expected to convert one and two bed flats ahead of larger family homes, ensure conversions are evenly spread across the borough and ensure that planned conversions do not breach any legal agreements such as under Section 106 agreements.

Local Lettings Plans

The Allocations Scheme provides the main mechanism to create sustainable communities and prevent management problems, but the Council would encourage the use of Local Lettings Plans on new developments to ensure a successful community is established.

Consultation

The Council has consulted with Registered Providers, Housing Register applicants and tenants in council-owned properties to inform the development of the Tenancy Strategy. The Council also invited the views of statutory stakeholders, Town and Parish Councils, Waverley's Equality and Diversity Forums and the Tenants' Panel.

Equality Impact Assessment

The Council has carried out an Equality Impact Assessment to make sure that the impact on those with protected characteristics is mitigated. However, if an impact is identified in implementing the strategy, action will be taken to address it.

Monitoring and Review

The Council will monitor the compliance and effectiveness of the strategy through regular meetings with housing associations, analysing performance data and collecting information on key trends that affect housing in the borough.

The Tenancy Strategy will be reviewed annually to ensure it is meeting the objectives and updated accordingly.

² LHA is set annually by the Valuation Office Agency Rent Officers for each Broad Rental Market Area and is the maximum rent that can be met by benefits