

Tenancy Strategy

July 2022

Proposed Copy

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 Affordable Housing Providers should use and how long these tenancies should be granted. The objectives of the strategy are to:

- create sustainable communities,
- 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 Affordable Housing Providers develop their tenancy policies and respond to local housing need.

The updated Tenancy Strategy for Waverley will come into force in September 2022.

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 use of lifetime tenancies (secure and assured tenancies)
- Council to cease the use of flexible 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 Affordable Housing Providers in converting up to 50% of their existing stock to "Affordable Rent" if this is affordable to tenants and 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 homes from other affordable housing providers (social rent, affordable rent and shared ownership) in Waverley is shown below:

Stock profile ¹	1 bed	2 bed	3+ bed	Total	Percentage
Council housing	1,840	1,404	1,549	4,842	71%
Housing Association	829	969	619	2,418	29%

¹ As at 01.04.21. New data to be available May/ June 2022

Total	2,780	2,139	1,996	6,915	100%
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The demand for affordable housing in Waverley far exceeds the supply. New affordable homes completions have averaged 81 properties per year over the last ten years and there are approximately 300 homes relet each year.

There were c1,100 households' registered on the Housing Needs Register as at December 2021. The allocation scheme ensures that those in housing need with greatest local connection are prioritised.

Type of tenancies

The Council expects new tenancies to meet the needs of each household type and ensure that they have security in their home and community. The Council's preference is for secure or assured tenancies to be granted. If lifetime tenancies are not used the Council expects at least five years fixed term tenancy to be renewed for a further term if a household's circumstances remain unchanged.

Affordable Housing Providers in Waverley issue one year starter tenancies for all new tenants, before granting a full tenancy. The Council issues 12 months introductory tenancies before granting a full tenancy. If the new tenancy is for a fixed term, this will be preceded by the one year trial tenancy effectively extend the proposed length of each new tenancy by one year.

Life time tenancies	Fixed Term tenancies
Secure tenancy- council lifetime tenancy	Flexible tenancy – council five year time set tenancy
Assured Tenancy – affordable housing provider lifetime tenancy	Fixed term tenancy – affordable housing provider time set tenancy

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	two years
If a household is statutorily overcrowded, but no alternative accommodation is available	two years

In a geographical areas where shorter tenancies could help to tackle anti-social behaviour	two 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	two years
In supported or move on accommodation to meet the objectives of the scheme	two 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 welfare needs and housing needs of the tenant must be considered with special consideration for vulnerable and elderly tenants. The Council considers the following examples as circumstances where landlords may not grant another tenancy term at the current home:

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

Where a fixed term tenancy is brought to an end the Council expects social landlords to support the tenant to secure alternative housing, preferably in their own stock and refer tenants to independent advice ie local authority Housing Options and Citizens Advice.

Income thresholds for social lettings

The Council considers that households with an income of £60,000² or savings of £30,000 are financially able to access housing in the market sector. These figures are taken from the Council's Allocation Scheme. The figures will be reviewed to take account of future house price and any financial changes.

Social Rents and Affordable Rents

Social rented housing remains a priority for the Council as it meets the needs of households on the lowest incomes. The Council expects Affordable Housing Providers to retain the majority of their stock for social rent, because they are more affordable for local residents. Homes England funding is available to develop new social rented housing.

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 Affordable Housing Providers for new development, so that even more homes can be built.

Affordable Housing Providers who have received grant funding from the Homes and Communities Agency (HCA) are 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.

The Council expects Affordable Housing Providers to aim to keep Affordable Rents either below the Local Housing Allowance³ rates for the area or 80% of market rent; whichever is lower. However, a recent [Housing Affordability Study](#) has indicated that if occupants are not receiving full or any benefits, they are very unlikely to afford rents set at 80%. This has the unintended consequence of being a disincentive to work for tenants.

Provision of Affordable Rents at 80% on new developments can result in a high concentration of non-working households which would not make for a sustainable community in the long term. An Affordable Homes Delivery Strategy was agreed by Executive Committee in April 2022. See www.waverley.gov.uk/housingstrategy for the strategy document '[Build More – Build Better – Build for Life](#)'. The strategy states that, rents on one and two bedroomed homes will be capped at 70% of open market rent and 65% of market rent for three beds and four beds in order to make affordable rents more affordable.

Conversions

The Council expects Affordable Housing Providers to convert no more than 50% of their existing social housing stock to Affordable Rent when a property becomes available for re-letting. Affordable Housing Providers are expected to convert one and two bed flats ahead

² £60,000 is currently the maximum an applicant can earn to be considered for shared ownership schemes

³ 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

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.

Consultation

The Council has consulted with Affordable Housing 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 Affordable Housing Providers, 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.