

Bath and North East Somerset Council

Tenancy Strategy (DRAFT)

March 2012

Introduction

The Localism Act requires the Council to prepare and publish a “tenancy strategy” setting out the matters to which the registered providers of social housing are to have regard in formulating policies relating to:

- the kind of tenancies they grant
- the circumstances in which they will grant a tenancy of a particular kind
- where they grant tenancies for a certain term, the lengths of the terms, and
- the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy

In preparing this tenancy strategy the Council has had regard to its overarching strategy, the Sustainable Community Strategy, the aim of which is to ensure that ‘Bath and North East Somerset Council is a distinctive place with vibrant sustainable communities where everyone fulfils their potential’.

Underneath this the Housing and Wellbeing Strategy has a number of priority themes. This strategy cuts across a number of these themes but it specifically underpins the following:

- to reduce inequalities by meeting housing needs
- to improve access to existing affordable housing by matching people to homes
- to increase the supply of new affordable housing.

This strategy has been prepared with specific regard to the aims and objectives of the Council’s adopted allocations policy, known as Homesearch, and the Homelessness Strategy.

This tenancy strategy has been developed in consultation with registered providers, partner organisations, tenants, applicants on the Homesearch Register and residents in the district.

The changes outlined within this strategy do not apply to existing tenants; principally only to newly created tenancies from April 2012 onwards.

Existing tenants seeking a transfer retain their existing form of tenancy where the transfer request and allocation accords with Sections 158 and 159 of the Act. The specific responsibility for managing transfers rests with individual Register Provider landlords in compliance with the TSA/HCA’s Tenancy Standards.

<p>Guiding Principles & Objectives</p>	<p>The principles and objectives below form the essential determinants of the strategy. Rent and tenancy policies of Registered Providers are expected to accord with these requirements, as well as the subsequent detailed sections.</p> <ul style="list-style-type: none"> • establish a strategic policy framework that will help allocate the limited resource of available affordable housing to best and efficient effect and use of stock • set a crucial balance between the use of the newly introduced Affordable Rent Tenancy and meeting local housing needs • ensure that the approach to fixed term tenancies is consistent and fair and enables better use of stock for those in housing need • that the implementation of flexible tenancies does not have a negative impact on homeless and vulnerable households • manage the introduction of Affordable Rent tenancies to the extent that will generate and support an agreed level of future development investment for this district • accommodate policy and practice that promotes flexibility, innovation and choice and impacts positively on affordable housing supply and access • encourage access and allocation to property that meets the need of eligible applicants that is sensitive to their personal circumstances, and is fair. • rents and housing costs must remain genuinely affordable to the intended client groups and accords with national planning policy guidance • adopt approaches and practice that contribute positively to the environmental, social and economic well-being of communities and neighbourhoods • RP landlord policies must have regard to local circumstances and must be subject to routine monitoring and review • the principles of this strategy and those of RPs' Rent and Tenancy Policies must be responsive to customer understanding and expectation; are clear, concise and equitable in word and in practice • outcomes should be customer focussed, based upon clear rationale and aimed at promoting continual improvement of service delivery • advance the principles of the equality legislation by fostering good relations between people, eliminating discrimination and advancing equality of opportunity. • monitoring must be regular and thorough, with reports and reviews that are evidence based, open, transparent and fully accountable
<p>Specific aims</p>	<ul style="list-style-type: none"> • increase housing options that are appropriate and genuinely affordable for local applicants • sustaining provision of new affordable housing at a time of limited public investment • helping RPs to increase revenue income for future investment and delivery of affordable housing • responding better to local circumstances and priority needs

<p>Local Housing Needs</p>	<p>Bath and North East Somerset is an area of high housing demand with above average house prices and rents. Assessment of the local housing market confirmed that there is a significant need for affordable housing. The Council is committed to increase the access to and availability of affordable housing which is critical to the social and economic sustainability of the area. There are over 11,000 applicants on the Homeseach Register but only about 600 social rented properties available for letting each year.</p> <p>The evidence of local housing need that provides the basis of this Tenancy Strategy can be found in Appendix 1.</p>
<p>Allocation Scheme</p>	<p>We will advertise ART and social rent properties together using the Homeseach website and we will allocate properties in accordance with our Homeseach Policy which is based upon the principle of choice based lettings. Properties advertised for letting under ART will be clearly labelled</p> <p>We expect RPs to ensure that households are able to afford ART properties prior to granting a tenancy.</p>
<p>Introductory and Flexible Tenancies</p>	<p>We welcome the introduction of these flexibilities as they provide an opportunity to address issues such as under-occupation, improve stock turnover and encourage the best use of the limited affordable housing stock. However, we are keen to ensure that these flexibilities are applied in a manner that does not undermine social investment into communities and ensures that the most vulnerable tenants are provided with the level of stability they require.</p> <p>In order to achieve these outcomes we expect that;</p> <ul style="list-style-type: none"> • RPs will develop tenancy policies that are fair but flexible and, that are created to support and deliver on the strategic aims above. • RPs will generally offer flexible tenancies with a term of no less than 5 years and no more than 10 years unless the criteria for a lifetime tenancy is met, as detailed below. In determining the length of tenancy consideration should be given the circumstances of the tenants, as families with dependent children requiring stability in their educational needs or those living in adapted properties and those with a support need that is long-term but not necessarily lifelong. • that RPs offer lifetime tenancies to the elderly or where the tenant has a serious and long term illness or disability or in other exceptional circumstances. • tenancies less than 5 years or greater than 10 years, other than lifetime tenancies described above should be exception only. We believe that tenancies less than 5 years are unlikely to encourage a household to invest in their home and community. That there may be specific issues that necessitate or encourage the use of such tenancies, such as, particular properties where there is exceptional demand e.g. larger properties or to meet strategic

management requirements. Conversely granting tenancies greater than 10 years, other than lifetime tenancies as described above, restricts the effective and efficient use of the housing stock.

A review is required at the end of the flexible period and at this point it will be for the RP to consider the tenants individual circumstances and decide whether to offer a further fixed period or to terminate the tenancy. RPs are required to formulate and publish policies that will govern the process under which tenancies will either be renewed or terminated at the end of the fixed term.

The following factors should be considered when making this decision;

- the current circumstances of the household and the need for a property of the type and size that they presently occupy. We are keen to see that RPs utilise the new flexibilities to address issues such as under-occupation and to make better use of adapted accommodation which is no longer required by a household and for which there is a local need. Tenants whose circumstance result in their tenancies not being renewed on this basis should be offered an alternative property suited to their needs, including advice about home-ownership if appropriate, unless there are other qualifying factors to be considered, such as those set out below.
- the financial capacity of the tenant to secure alternative market accommodation or affordable home-ownership. Both in terms of capital assets and income. However, this assessment must not act as a disincentive to work.
- the conduct of the tenant throughout the fixed term tenancy. This includes any anti-social behaviour issues, rent arrears or property management issues.
- the contribution of the household to the community and the potential impact on the community if they were to move out of the area.

Where the RP intends not to renew a tenancy at the end of the fixed-term their policies need to set out and include clear appeal and complaint procedures for the tenant.

We are committed to ensuring that the decision to terminate a fixed-term tenancy does not lead to increased levels of homelessness. Therefore, we expect RPs to adopt best practice and any HCA guidance with regard to dealing with the ending of tenancies, but as a minimum where an RP will not be renewing a tenancy at the end of the fixed-term the provider should engage with the tenant at the earliest possible opportunity. RPs should provide households affected by the termination of a tenancy with appropriate advice and assistance that will assist them in successfully securing an alternative property. The advice must include specialist housing and welfare advice and the options available to them including;

	<ul style="list-style-type: none"> • low-cost home ownership • alternative affordable housing tenures. • advice on renting in the private sector.
Use of ART	<p>A social housing property will be let under ART if:</p> <ul style="list-style-type: none"> • it is new and provided with HCA grant funding, or • is new and provided under a HCA 'short form agreement', or • is a former social rented property selected for 'conversion' <p>ART rent will be determined independently in accordance to the RICS practice for determining market rents and primarily calculated at 80%. Less than 80% will be required if:</p> <ul style="list-style-type: none"> • it exceeds the Local Housing Allowance rate, or • it fails to meet the needs of eligible households of not being at a cost low enough for them to afford as determined with regard to local incomes and local house prices. (SHMA definition is housing costs should not exceed 25% of household gross incomes) <p>The principles for Flexible Tenancies will generally apply to Affordable Rent Tenancies</p> <p>RP Landlords can only offer ART subject to an approved development delivery plan that will utilise the generated increased revenue income for providing additional affordable housing within this HCA region, but ideally within this district.</p> <p>RP landlords are required to provide and publicise the detailed terms of ART including applicant eligibility, tenancy terms and options and arrangements for termination.</p> <p>RP Landlords converting social rented vacancies to ART must provide notice to the Council of their proposed rate of conversion supported by the HCA investment contract and subject to quarterly monitoring to set the number and type of properties included or excluded.</p> <p>The Council will issue challenges where proposed rents at 80% of market rents are considered unaffordable and require a revision based upon the market evidence of local incomes and house prices, or where the rent exceeds LHA.</p>
Homelessness Prevention	<p>We expect RPs to develop and have in place formally agreed eviction protocols. We expect these to include:</p> <ul style="list-style-type: none"> • policies designed to prevent homelessness; • providing proportionate support for vulnerable people; and • working collaboratively with the Council to prevent homelessness or resolve the practical housing options <p>We will provide high quality and bespoke advice to help prevent homelessness. In addition we will utilise the power to discharge our homeless duty by securing suitable private rented sector accommodation,</p>

	<p>where appropriate and where the supply of suitable accommodation allows. However, this option will not be used for vulnerable clients.</p>
<p>Asset Management</p>	<p>We will support the disposal of housing stock where RPs can effectively demonstrate that:</p> <ul style="list-style-type: none"> • they have a formally agreed strategy in relation to asset disposals with approved recommended actions substantiated by robust options appraisals taking into account stakeholder consultations, and funding obligations linked with the specific property and accommodation, and • the proceeds can be more productively used to develop new affordable housing within the district than maintaining the existing property, and • there will be no negative impacts on the balance and sustainability of the local neighbourhood, • The local authority is willing to provide formal support for the proposed disposal as part of the statutory regulators consent process. <p>We will support and encourage measures to make the most effective use of the existing housing stock that:</p> <ul style="list-style-type: none"> • encourage under-occupying tenants to move to properties of a size more suitable to their needs, or • seek to forcibly and robustly address non-contractual sub-letting
<p>Monitoring & Review</p>	<p>This strategy will be reviewed every 5 years as a minimum. The Council may however choose to review before the end of 5 years if it feels this is necessary due to national or local changes to policy.</p> <p>The Council will develop mechanisms to monitor allocations to ART and the impact of flexible tenancies.</p> <p>RPs will provide relevant data to help with monitoring, which will include the number of AR tenancies, the length of tenancies, the number of complaints and requests for review.</p> <p>We will monitor the success of ART and flexible tenancies by:</p> <ul style="list-style-type: none"> • affordability – applying a household income test based upon local average earnings and market rents. ART rents must be no higher than LHA, and not more than 25% gross household earnings (as supported by the SHMA report 2009). • supply – the number and type of accommodation and rents charged compared with the demand in terms of number and type of applicants that bid. • impact – monitoring whether flexible tenancies and ART are improving access i.e. the waiting times of particular types and classes of applicant. • adverse indicators – monitor if the change on the demand for social rented and if priority applicants suffer worse outcomes e.g. waiting time or economically disadvantaged • market fluctuation – monitor market rents to gauge stability or

	<p>inflationary pressures</p> <ul style="list-style-type: none"> • equality – all strands to be monitored for direct and indirect impacts to test fairness and inclusiveness, including avoiding contravention of Human Rights Act articles • continual improvement – record complaints and appeals and their outcomes so that the policy pre-sets can be tested and areas of improvement can be identified and incorporated within the periodic review.
<p>Concluding Paragraph</p>	<p>This strategy aims to ensure that we meet local need with the limited resources available in the most cost effective way.</p> <p>Although RPs will be developing their own policies which will reflect their priorities RPs are to have regard to this Tenancy Strategy to ensure continuing partnership working.</p> <p>This is a draft Tenancy Strategy which we will continue to develop, in consultation with our partners, with an anticipated adoption and implementation date of September 2012.</p>

<p>Glossary</p> <p>(Not complete)</p>	<p>Act – The Localism Act 2011 – received royal assent on 15 November 2011</p> <p>Affordable Rent Tenancy (ART) – an affordable rented property let on a rent up to 80% of market rent. Applies to certain new build units and converted social rented dwellings</p> <p>Conversion – A former social rented dwelling relet on an ART</p> <p>Equality/Equalities – As defined within the Equalities Act 2010 to ensure that no one is treated unfairly in respect of certain characteristics.</p> <p>Homes and Communities Agency (HCA) – A government body managing public investment for housing delivery and economic growth, including the provision of new affordable housing. From April 2012 it will take over from the TSA the regulatory powers in respect of Registered Providers.</p> <p>Human Rights Act 1998 – provides the framework through a set of articles to protect individual human rights.</p> <p>Registered Providers (RPs) – Social housing landlords, usually housing associations, registered with the TSA/HCA</p> <p>Strategic Housing Market Assessment (SHMA) – a detailed analysis of the local housing market that assesses the market and affordable housing needs of the areas. A study of housing supply and demand for the period 2006-26, published in 2009.</p> <p>Tenant Services Authority (TSA) – The regulatory body of Registered Providers. The TSA will be abolished April 2012 and its functions transferred to the HCA.</p>
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