

Havant Borough Council

Tenancy Policy 2013-2018



Tenancy Policy Havant Borough Council

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1. INTRODUCTION

The framework under which social housing has historically been resourced, allocated and managed is changing significantly through a far-reaching programme of reform under the Localism Act 2011. These changes make it necessary, as well as provide opportunities, to review how the Council and its partners will achieve the strategic housing objectives.

The White Paper “*Local decisions: a fairer future for social housing*”, published in November 2011, set out the Government’s intentions to radically reform social housing in England. It is based on the premise that social housing is made available for those who need it as well as acting as a springboard to alternative housing to meet people’s higher housing aspirations.

Government policy to ensure everyone has the opportunity to live in a decent home, which they can afford and is in a community where they want to live remains. It believes lifelong tenancies no longer fit with the needs of many households in today’s market and no longer provide for the best use of a valuable resource.

Central to the reforms is the introduction of a time limited tenancy which is subject to review at the end of a fixed term. The idea of the fixed term to be able to help people at points of crisis such as homelessness, allow households to plan for their future housing needs using all the options realistically available and make best use of stock across Councils and Registered Providers.

Every Local Authority is required to provide a Tenancy Policy that best fits their local area. Registered Providers, when determining their tenancy policies, should have regard to the local authority’s Tenancy Policy and the new flexibilities available.

2. PURPOSE OF THE TENANCY POLICY

This is the Council’s first Tenancy Policy and it is principally concerned with tenure reform with the overall aim to provide strategic direction on tenancy type, duration and the kind of circumstances where it expects fixed term tenancies to be awarded and renewed within Havant.

This Tenancy Policy has a number of important links to other key documents, strategies and policies which are detailed below;

	Links
Allocations policy	Information about how applicants are prioritised for social rented housing can be found in the Council Housing Allocation Scheme at Hampshire Home Choice. Monitoring the effectiveness of this Tenancy Strategy can help to inform how applicants are prioritised and the kinds of tenancies granted for social and

	Links
	affordable rented housing in the future.
CBL framework	Irrespective of tenure type, all properties will continue to be advertised through the choice based lettings frameworks. The kind of tenancy will be clearly indicated on the property advert.
Homelessness Strategy	The Council is in the process of developing a new Homelessness Strategy which seeks to prevent homelessness, help those who are homeless and support people to avoid repeat homelessness.
Housing Strategy	The Housing Strategy sets out the detail of local housing supply and demand and seeks to establish how these are met locally.
Use of private rented sector to resolve homelessness	The Localism Act 2011 provides local authorities with the power to end the statutory homelessness duty by making placements in private rented sector accommodation with or without the applicant's consent. This part of the Localism Act came into force on the 9 th November 2012, and will be used wherever it is practicable to do so.
Government housing strategy "Laying the Foundations: A Housing Strategy for England"	<p>The Government's key housing policy goal is to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live. To accomplish this, the Government is seeking to:</p> <ul style="list-style-type: none"> ▪ Achieve a wide choice of high quality homes, both affordable and market housing, to address the requirements of the community ▪ Widen opportunities for home ownership and ensure high quality housing for those who cannot afford market housing, in particular those who are vulnerable or in need ▪ Improve affordability across the housing market, including increasing the supply of housing ▪ Create sustainable, inclusive, mixed communities in all areas, both urban and rural

As the Council does not have its own housing stock, we ask that Registered Providers consider the following factors in developing their tenancy policies.

- To ensure that affordable housing meets locally, identified housing need
- To assist in making the best possible use of housing stock in the borough
- To assist in tackling the issue of under-occupation in Havant
- To assist in the creation of sustainable communities
- To maximise opportunities for access into home ownership where appropriate

It is important to note that Registered Providers must 'have regard to' the Council's Tenancy Policy in developing their own tenancy policies. They have already signed their contracts with the Homes and Communities Agency over the development of the new Affordable Rent product for the delivery of affordable housing until 2015 and many have already reviewed their Tenancy Policies. However, we hope that

Registered Providers in Havant review their own tenancy policies after the publication of this policy document to ensure that, wherever possible, their policies work to complement the Councils.

3. GOVERNANCE

It is proposed that the Council will establish a monitoring group consisting of representatives of RPs and other key stakeholders. This group will support the Council in its role of monitoring and reviewing the effectiveness of this Tenancy Policy. This will be achieved by monitoring of trends that can be used to inform future policy and amendments as necessary. Where appropriate this will link into other established local or Regional Groups.

Monitoring will include trends in:

- Housing needs, including housing register data
- Reviewing the effectiveness of allocation policy
- Rent levels across all tenures
- Registered Providers activity
- Number of new homes built including affordable, and which tenure(s)

The first review meeting will be held 6 months after publication of the Tenancy Policy, and ongoing review arrangements will be timetabled thereafter.

4. FIXED TERM TENANCIES

It is anticipated that Registered Providers will provide fixed term tenancies for no less than five years unless there are clear reasons not to do so. Such circumstances need to be clearly defined taking into any legislative direction. The Council believes it may be appropriate for life time tenancies to be used for tenancies in sheltered housing schemes.

RENEWAL OF TENANCIES

Tenants on a fixed term tenancy will be subject to a review at the end of the fixed term. Registered Providers are expected to contact tenants whose tenancies are due for renewal within a reasonable time period to assess the household circumstances, provide advice and discuss options available to the household.

Government guidance recommends a review period of six months before the end of the fixed term and the Council would endorse this. Where Registered Providers wish to do this initial review earlier than 6 months from the end of the tenancy the Council would see this as a reasonable step to take.

Where a tenancy is not being renewed the Council expects the Registered Provider to inform the Council.

Government guidance recommends a review period of six months before the end of the fixed term and the Council would endorse this. Where Registered Providers wish to do this initial review earlier than 6 months from the end of the tenancy the Council would see this as a reasonable step to take.

When a decision is made not to renew a tenancy, the Registered Provider must serve, six months before the end of the fixed term, a 'minded to' notice on the tenant advising that the tenancy is unlikely to be renewed. In such cases, Registered Providers must notify the Council's Housing Options team in writing **prior** to serving notice so that the Council is able to input any relevant information into the decision making process and is aware at any potential tenancies ending at an early stage.

Where a decision is made not to renew a tenancy the tenant should be informed of the full reasons, in writing, within a week of the decision being made.

For any tenant who faces eviction by either a private or social landlord, the Housing Options team can offer housing advice. However, in cases where the eviction is the result of an RP's decision not to renew a fixed term tenancy, the Registered Provider must provide advice and assistance to the tenant, together with outlining their options for alternative housing, and appropriate help in finding alternative accommodation.

We expect that tenancies will not normally be renewed where one or more of the following apply:

- A tenant or a member of their household has been convicted of an act of civil disturbance or other criminal activity
- The tenant has breached the terms of their tenancy and has failed to reach or maintain an agreement with their landlord to remedy this breach. For example, there are rent arrears and the tenant has not agreed or maintained an agreement to clear these. We anticipate this circumstance only being relied on where all other action to recover the tenancy has failed.
- The property is under- occupied
- The property has been extensively adapted but for someone with a disability who no longer lives with the tenant (this allows the property to be released for someone who will benefit from the adaptations)
- Assets – the tenant or their spouse has assets or savings greater than the amount stipulated in the Council's Housing Allocations Scheme which would normally exclude someone from being granted a council tenancy

The Council recognises that there may be circumstances in which it would be unreasonable to expect someone to move even if the above criteria applied, and we would anticipate a Registered Provider to normally allow a tenancy to continue if:

- The tenant has children attending a local school and education would be disrupted with detrimental affect if the household were asked to move.
- The tenant is a foster carer and the tenancy needs to continue to enable them to fulfil this role.
- The tenant is participating in a Family Intervention Project programme.

APPEALS PROCESS

The Council expects Registered Providers to establish a clear and transparent appeals process.

Some general guiding principles for what should be included in the appeals are set out below:

- All applicants have the right to request general information about their tenancy review, including the facts that have been taken into account and the reasons for terminating their tenancies
- An applicant who is unhappy with a decision made under this policy should in the first instance contact their landlord to explain why they think that the decision is unreasonable
- The applicant will be notified whether the decision still stands and the reasons for this, usually within 48 hours
- If an applicant wishes to pursue the matter further, they can make a request for a formal review of the decision within 21 days. Formal reviews should be conducted by a team leader or a manager who has had no previous involvement in the case.
- Where an applicant wishes to appeal the termination of a tenancy and the notice period expires during the period of the appeal, the tenant should be permitted to stay in the property where this is not likely to lead to an unreasonable delay in the property being vacated.
- If the formal review upholds the decision, the tenant then has recourse to the county court and should be advised of this.

5. EVIDENCE

This is an evidence based Tenancy Policy. The appendix sets out a range of data and information that has been used to inform this Tenancy Policy. This data set has facilitated an examination of supply, demand and housing affordability in Havant. This data will be reviewed periodically to ensure that the Tenancy Policy remains based on local market information.

6. AFFORDABLE RENTS

The 2010 Comprehensive Spending Review introduced the concept of Affordable Rent as an alternative to social rent, to help fund new development.

Subject to certain conditions, a proportion of new-builds and re-lets of existing social housing can be designated as 'affordable rent' properties with rent charged at up to 80% of a market rent. The intention is that the additional funding generated by the higher rents can be used to support new build investment in a time where homes and Communities Agency (HCA) subsidy is falling dramatically.

The Council accepts that they will increasingly be part of 'the housing offer' to deliver growth and local infrastructure in Havant, particularly as some element of affordable rent is a condition of most new development contracts with the HCA.

The Council understands that Registered Providers of affordable housing have already signed contracts with the HCA over their development of new affordable homes. However, there are still a number of points that we hope providers will consider when developing or up-dating their policies:

- We expect that all providers will offer tenants who are likely to be affected by welfare benefit changes advice and information about what these changes will mean to them, having particular regard to the introduction of the Universal Credit and housing benefits changes, for example, under occupancy changes.
- We expect all providers to advertise Affordable Rent properties through the Council's choice based allocations system, to ensure fairness and transparency.
- We will seek social rented homes on new developments where no HCA grant has been given, in line with our existing tenure split policies, subject to the viability of the scheme. However, the overall aim will be to keep rents as low as possible, and the Council will negotiate these down where possible.

7. CONSULTATION PROCESS

The Council has developed this Tenancy Policy in partnership with colleagues from a range of statutory and voluntary agencies, and with colleagues from Registered Provider organisations. This has been achieved through workshops and by sharing draft versions of the Tenancy Policy for comment and input.

8. PUBLISHING THE POLICY

This Tenancy Policy will be:

- Available on the Council's website.
- Available on request at the Council Offices, for which a small charge may be made.

The Tenancy Policy will be kept under review and if a revised version is published, stakeholders will be consulted on a draft. In modifying the Tenancy Policy, the Council will have regard to the relevant Allocations Policy, Homelessness Strategy and Housing Strategy.

9. REVIEWING THE TENANCY POLICY

Although covering the period 2013-2018, the Tenancy Policy will (initially) be reviewed annually with Registered Provider input. In addition, the views of tenants who have fixed term tenancies will be sought and taken into consideration.

Joint working may also be required at other times to ensure we address any unintended consequences promptly and effectively.

The Council will lead on reviewing the Strategy with input from partners. This will involve monitoring the impact of the Tenancy Policy and the individual Registered Provider tenancy policies.

Appendix – Evidence used to inform the Tenancy Policy

The Appendix to this strategy sets out a range of data and information that has been used to inform this Tenancy policy. It is known that housing needs in Havant are high, and also that housing supply is limited. Creating turnover in the social housing stock and ensuring it is let to those in need, is critical in meeting needs in the future.

Housing needs information

Hampshire Home Choice

Hampshire Home Choice is a Sub-Regional Choice Based Lettings partnership. Test Valley Borough Council, East Hampshire District Council, Havant Borough Council, and Winchester City Council have agreed to adopt a joint approach to allocating social housing and operate a sub regional scheme across the four areas (the HHC area). The Choice Based Lettings Scheme operates under the name of Hampshire Home Choice, overall statistics are as follows:

Table 1: Overall Hampshire Home Choice Register information 30 September 2012

Band	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed
1	5	3	2	1	0	0
2	307	180	42	29	1	0
3	4904	1973	1106	630	16	0
4	1078	352	215	155	0	0
5	1424	675	513	300	1	0
Total	13,912					

Source: Hants Home Choice Register

Breaking those Statistics down the following two tables show the September Home Choice statistics for Havant.

Table 2: Havant Hampshire Home Choice Housing Register Information 30 September 2012

Band	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed
1	1	1	0	0	0	0
2	8	6	1	0	0	0
3	1464	760	214	7	0	0
4	233	101	30	1	0	0
5	282	237	93	5	1	0
Total	3,443					

Source: Hants Home Choice Register

Approximately 3,443 households are registered on the housing register for social housing in Havant.

A total of 3,443 or 7.1% in Havant are registered on the housing register, compared to 7.8% across the whole of Hampshire, 6.3% across the South East, and 8.2% across England.

Havant have more households who under-occupy and there is less overcrowding than the countywide, regional, and national averages. 83% of households have at least 1 spare room compared with 75% nationally, 3% of households are living in an over crowded home compared to 7% nationally.

Market Profile and Population Statistics

Havant's population is 120,700 which is 3.2% higher than 2001. The population estimates were underestimated by around 4000 for HBC (see table below).

The split by gender is:

Table 3: Population by Gender

District	Gender	Estimated Total
Havant	Male	56388
Havant	Female	60312
Havant	Total	116700

Source: Census Update from Office of Population and Statistics

The largest population increase in Havant was in the 75+ age group at 28% increase and the largest decrease was 30-44 at 14.5%. The full statistics are set out below:

Table 4: Population Change by Age

Havant	0-14	15-29	30-44	45-64	65-74	75+
2001	21679	18614	24551	29893	12186	9926
2011	20300	20800	21000	33100	12900	12700
% Change	-6.36	11.74	-14.46	10.73	5.86	27.95

Source: Census Update from Office of Population and Statistics

There was a 5.9% increase in properties occupied by 1 or more persons in Havant. The table below shows up to date information on the make up of the stock profile in Havant.

Table 5: Dwelling Stock by Type

Havant Borough Council Dwelling Stock by Tenure and Condition, 2011	
Source ONS 2012	
Total Dwelling Stock	52440
LA Dwelling Stock transferred to housing association	4951
LA Dwelling Stock	9.4%
RSL Dwelling Stock	5034
RSL Dwelling Stock	9.6%
Other Public Sector Dwelling Stock	0
Other Public Sector Dwelling Stock	0%
Owner Occupied and Private Rented Dwelling Stock	42450
Owner Occupied and Private Rented Dwelling Stock	80.9%
Energy Efficiency of Private Sector Housing: Average SAP Rating	53

Source: Havant Borough Council

This table shows the tenure of stock in the Borough:

Table 6: Dwelling Stock by Tenure

Havant Borough Council Tenure	
All Households	48460

Owner occupied: Owns outright	15577
Owner occupied: Owns outright	32.14%
Owner occupied: Owns with a mortgage or loan	20107
Owner occupied: Owns with a mortgage or loan	41.49%
Owner occupied: Shared ownership	195
Owner occupied: Shared ownership	0.4%
Rented from: Housing Association / Registered Social Landlord	9402
Rented from: Housing Association / Registered Social Landlord	19.4%
Rented from: Private landlord or letting agency	2055
Rented from: Private landlord or letting agency	4.24%
Rented from: Other	1124
Rented from: Other	2.32%

Source: Havant Borough Council

Havant is located in the South Hants Housing Market Assessment area (HMA). Information to support this strategy has therefore been taken from this HMA. The price of the average home purchased is nearly 9 times the average annual salary of the buyer.

The number of first time buyers is at a record low; 8 out of 10 first time buyers require financial assistance from family or friends and the average age of an un-assisted first time buyer is 37.

The housing market in South Hampshire has experienced a recovery in house prices and some increase in sales volumes. Affordability and ability to access mortgage funding remain major issues.

There has been a marked switch in completions from flats to houses. In Central Hampshire houses accounted for 65% of all completions in 2000-11, 68% in 2009-10 but this must be compared to 49% in 2008

In 2011/2012 in terms of starts and completions the following are the out turns from DCLG Live Tables:

Table 7: Development Starts and Completions

Local Authority	Private starts	RP Starts	Private Completions	RP Completions
Havant	140	110	130	40

Source: DCLG Housing Statistics-Live Tables

Property transactions are a better indicator of the health of the housing market than prices. In the year to June 2011 transactions increased by 8% in the PUSH area, compared to a 13% increase in the South East. However, levels remain about 55% of normal market volumes recorded in the decade to 2007.

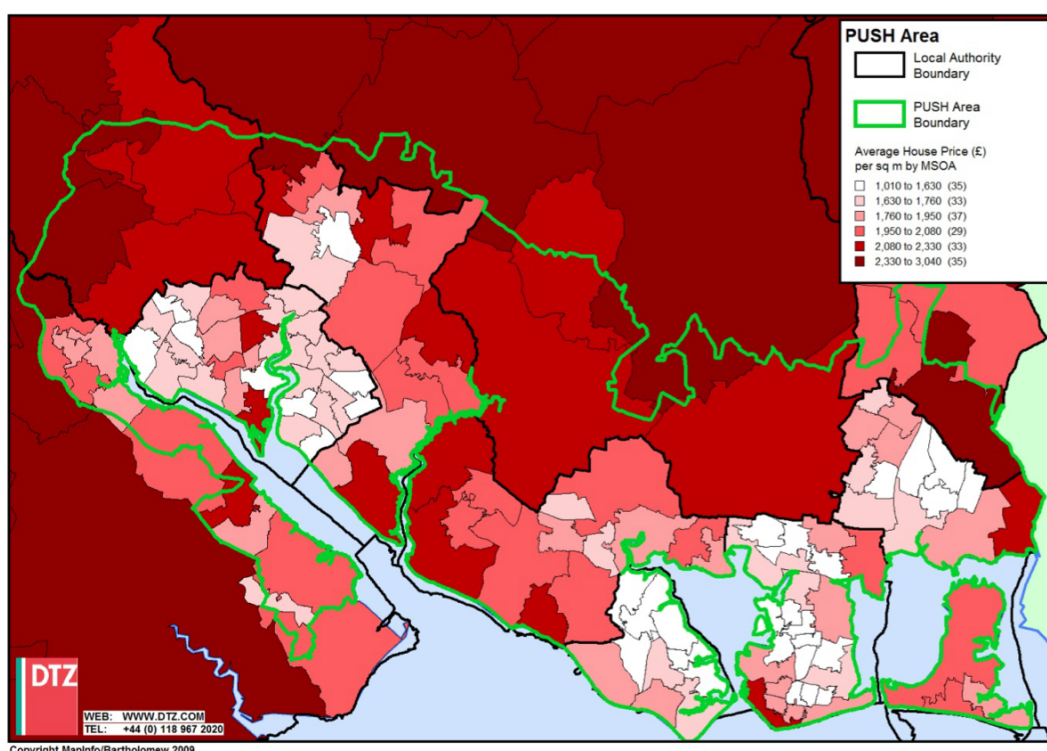
On average house prices in the PUSH area increased by 8% in the year to June 2011, compared to an increase of 10% in the South East as a whole.

Overall in 2011 house prices increased by:

- 10% in Winchester
- 5% in East Hampshire and Havant,
- 4% in New Forest; and fell marginally
- (0.8%) in Basingstoke & Deane.

Examining housing completions reveals a mixed picture – with a slight increase in the PUSH area. 1,973 new homes were completed in the Central Hampshire area, compared to 2,180 in 2008-9 (a fall of 10%).

Table 8: PUSH area Average House Prices 2011



Source: DTZ South Hants SHMA

Since April 2011, the level of grant available from the Homes and Communities Agency (HCA) which provides public funding to deliver affordable housing has reduced. This has had an adverse impact on the ability of Registered Providers to deliver new affordable homes in Havant. In order to address this, the Government has enabled Registered Providers to offer new tenants a new type of tenancy under the Affordable Rent regime.

This new tenure will have its rents set at levels of up to 80% of local market rents. This new tenure will be less affordable as rents will be significantly higher than the traditional social or target rents and will impact on Council's housing benefit budgets. The Affordable Rent tenancies will generate increased income for Registered Providers and in this way, reduce the level of capital subsidy required.

Affordability is often defined as having to spend not more than 33% of gross household income on accommodation but households spend more in practice, especially those on low incomes.

By comparison, Hampshire social (target) rents represent about 45 to 50% of Open Market Rents whereas Affordable rents may be between 70 and 80% OMR.

Registered Provider's average weekly rent for a 2 bed 4 person house in 2012 is £86.52, an increase of 43% from 1997 when the amount was £49.66.

Table 9: Income needed to afford different tenures

Income required to rent a property, by size:	Havant			
	Market Rent	80%	70%	Social Rent
1 bedroom	£17,700	£14,100	£12,400	-
2 bedroom	£24,300	£19,500	£17,000	-
3 bedroom	£31,900	£25,500	£22,300	£13,185 (average)
4 bedroom	£54,200	£43,300	£37,900	-
5 bedroom	£86,700	£69,400	£60,700	-

Source: South Hants SHMA

A range of households are actively interested in intermediate products in Havant. The majority could afford market rent for size of property they need. Affordable Rent at 80% would help an additional 30 households, most needing 2-3 beds

Some existing tenants in social rented homes would be able to afford Affordable Rent but their willingness to move into this tenure is uncertain.

Most of those households, who have registered their interest in intermediate affordable housing, would be able to afford Affordable Rent based on their current incomes and it could help those needing larger properties in particular. Housing Benefit will generally allow households to access properties priced at 80% of market rents. There are concerns about the affordability of larger properties in terms of affordable rents set at the 80% level.

Two changes to the benefit system could have more dramatic impacts on the ability of households to afford suitable accommodation: Universal Credit and the Benefit Cap.

With many excluded from home ownership by current conditions in the mortgage market, the demand for private rented property continues to grow. The indications are that generally market rents have increased over the course of 2010.