

Appendix B

Putting the **HEART** into Housing

Health & Wellbeing

Economic Growth & Development

Affordable Housing

Reducing Fuel Poverty and
promoting energy efficiency

Tackling Homelessness



South
Cambridgeshire
District Council

South Cambridgeshire District Council **TENANCY STRATEGY**

October 2012

‘Ensuring social housing in South Cambridgeshire is used as effectively as possible so that it meets the housing needs of its residents who are unable to access accommodation in the private sector ‘

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Introduction

Why do we need a Tenancy Strategy?

The Localism Act 2011 places a duty on the local housing authority to prepare and publish a Tenancy Strategy setting out the broad objectives to which registered providers should have due regard in formulating their Tenancy Policy, which must include -

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

In preparing the Tenancy Strategy, the Council has also reviewed its Allocations Scheme to take into account changes in the welfare reform and within the Localism Act to “*give back to local authorities the freedom to determine who should qualify to go on their housing waiting list*”. We will also be reviewing our Homelessness Strategy during 2012 to ensure the Tenancy Strategy, Allocations Scheme and Homelessness Strategy are all aligned taking into account the changes in housing policy over the last few years. The Council’s Housing Strategy was published in March 2012 and is the over-arching housing-related strategic document for South Cambridgeshire.

Aims of the Tenancy Strategy

The overarching objective of our Tenancy Strategy is to ensure that the social housing stock in South Cambridgeshire is used as effectively as possible so that it meets the housing needs of South Cambridgeshire residents who are unable to access accommodation in the private sector.

Our Housing Vision is *to provide good quality housing across all tenures that is accessible to all – that enhances residents’ quality of life, their health and wellbeing, that supports economic growth and social opportunities, alongside improved energy security and reduced carbon footprints.*

That we **Make Best Use of Existing Stock** through *promoting safe and sustainable communities, ensuring people are living in the right homes at a time that is right for them.*

Housing Strategy – March 2012

The demand for social housing in South Cambridgeshire significantly outweighs supply and as an identified area of growth, we want to ensure that the Tenancy Strategy is flexible enough to balance financial viability for new affordable housing as well as meeting the needs of the most vulnerable within our district.

Key Evidence

The Strategic Housing Information Portal (SHIP) that the Tenancy Strategy sits within provides a wealth of information and evidence that should be taken into consideration when developing individual Tenancy Policies. It is not the Council's intention to be prescriptive but to steer registered providers in the right direction to help them to formulate their own Policies based on current evidence and the local context, with the Tenancy Strategy acting as guidance based on this information.

The Council has undertaken considerable work in preparation for its Tenancy Strategy. Through the Cambridge Sub-Regional Housing Board, a Projections Project has been commissioned to model the future of affordable housing tenures, gauging the effect of Affordable Rent. Further phases of the project include modelling the effect on affordability, identifying where new housing products 'fit' in our housing market and what the effect the new products may have on housing need across our sub-region in the longer term.

The Strategic Housing Market Assessment, Housing Strategy, Local Investment Plan and in particular the Tenancy Strategy data all provide an evidence base to help formulate Tenancy Policies and Development Plans.

Consultation

The Council also undertook initial consultation with some of the main providers of social housing in the District to understand better their position with regards to management of their stock and development of new affordable housing. The main themes coming out of the consultation was that registered providers were also concerned with regards to affordability issues and that tenants should have an element of stability to enable them to be part of community life. Many had also entered into Homes & Community Agency (HCA) Agreements to enable them to provide additional affordable housing and are therefore required to make use of the Affordable Rent model if they are to build in the district.

Guidance on Tenancy Options

Use of Affordable Rents

The Council takes a flexible approach to working with both the HCA and registered providers to provide a package that will deliver a proportionate mix of affordable housing at varying Affordable Rent levels to meet a range of housing needs across the District.

As part of the Council's enabling role, we would wish to have early discussions around the level and mix of Affordable Rent. Affordable Rents must not exceed 80% of market rent and we strongly recommend that they should not be set higher than the Local Housing Allowance rates for this area.

Conversion to Affordable Rents

We understand that in order to secure HCA funding from the 2012-2015 Affordable Homes Programme, agreeing a rent conversion policy may have been necessary. On this basis the Council supports the need for setting targets for converting a proportion of stock from social to Affordable Rents or shared ownership in order to provide further investment into affordable housing.

However, as the majority of future lets will be on newbuild properties which are likely to be set at an Affordable Rent, we would wish to see that the majority of the remaining relet properties help meet the needs of those in highest housing need and encourage mobility within the existing stock. Therefore the levels of conversion should be proportionate to the number of relets and take into account any nomination agreements or local lettings plans.

In setting targets, registered providers are asked to take a strategic approach to conversions and consider areas where it would provide for a more balanced community, especially in areas where there are high levels of social rent.

We will monitor the level of conversions and locations as part of the monitoring of the Strategy to ensure there is a balance of tenure types and rent levels distributed across South Cambridgeshire to meet the diverse needs of the District.

Stock Disposals

The Council's prior consent for any stock disposal should be sought. Generally, we would support stock rationalisation where the housing stock is offered to another registered provider as affordable housing or where a property has insurmountable management or maintenance problems.

Use of Fixed Term/Flexible Tenancies

The principles set out in this section apply to homes let at both Social Rents and Affordable Rents.

The Council supports the use of fixed term/flexible tenancies for the primary purpose of making best use of existing stock, especially in tackling under-occupation in the longer term or making best use of adapted properties, or in some cases where households are able to secure alternative appropriate housing at the end of their initial tenancy. It also acknowledges the need for registered providers to have the ability to rebase Affordable Rents when a tenancy comes to the end of its fixed term in order to raise further investment.

However, this flexibility needs to be balanced against the need to ensure households have stability and security so that they feel part of and contribute to the community. In particular, these flexibilities should not be detrimental to the stability or health and wellbeing of vulnerable households and appropriate support must be available in terms of tenancy sustainment if fixed term/flexible tenancies are used without exception. The Council would also expect that the use of fixed term/flexible tenancies would not see an increase to the risk of homelessness.

A landlord's Tenancy Policy should be clear and transparent to ensure that their tenants are aware and understand the use of fixed term/flexible tenancies so that they have a degree of certainty about their tenancy.

Length of Tenancies

As a minimum, fixed term/flexible tenancies should be fixed at 5 years or more to ensure tenants have a degree of stability in their home and are able to feel part of and contribute to their community. The Council would not support less than five years, other than in exceptional circumstances such as supported move-on accommodation where it is anticipated the tenants would be able to live independently after this period. For the Council's own stock it is intended to offer a minimum tenancy of 10 years in most cases.

The Council would expect registered providers to be clear from the outset when setting the fixed term/flexible tenancy on the criteria to be applied for not renewing at the end of the tenancy period, which should be clearly stated in the Landlord's Tenancy Policy.

Fixed term/flexible tenancies do not give tenants a statutory right to terminate the tenancy before the end of the term and registered providers should consider giving tenants this right via a specific clause in their Tenancy Agreement.

Expiry of a Fixed Term/Flexible Tenancy

The Council is committed to ensuring that the use of fixed term/flexible tenancies and their termination does not lead to an increase in homelessness and therefore expect registered providers to generally offer tenancy renewal or alternative accommodation. We would therefore encourage there to be a presumption for renewal of tenancy in most circumstances. Where this is not the case, for example where a household's circumstances have changed to the extent that they can access the private market, it is expected that appropriate advice and support will be given to enable the household to move to **suitable** and **appropriate** accommodation that is both **affordable** (i.e. housing costs amount to no more than a third of gross household income) and **available** (i.e. within the household's locality for employment, school, family support, etc).

Registered providers should set out clearly within their Tenancy Policy how frequently a fixed term/flexible tenancy will be reviewed and the nature of the review, including what factors will be considered. Where financial circumstance is considered as a factor, it should be stated clearly within the Tenancy Policy what the trigger points are (i.e. level of household income and/or savings, etc).

It is recommended that registered providers should not allow fixed terms to run into insecure periodic tenancies but should renew the tenancy at the expiry of a fixed term.

In terms of the conduct of the tenancy, it is important that the review of the fixed term/flexible tenancy is not used as an alternative to the usual remedies to address breaches of tenancy. On that basis the Council would not expect a registered provider to decide not to renew due to the way the tenant has conducted the tenancy, unless formal possession action is already underway or being considered and that the tenant has been given ample opportunity to rectify the situation.

Advice and Assistance at the end of a fixed term/flexible tenancy

The Council expects registered providers to provide tenants with appropriate advice and assistance about their housing options at the time they conduct a fixed term tenancy review and at the point a decision is made that a tenancy will not be renewed. They must take responsibility to ensure the household receives sufficient advice and support to enable them to find alternative accommodation and should not refer tenants as a matter of course to the Council's Housing Options & Advice Team for assistance. However, the Council should be

informed at the earliest stage where a tenancy is unlikely to be renewed and alternative accommodation has not been found.

Transferring Tenants

Tenants who held an existing tenancy (either secure or assured) on the 1st April 2012 (when the Localism Act 2011, S.154 came into force) must be given a tenancy with no less security where they choose to move to another social rented home. This means that existing tenants' security of tenure will be protected should they transfer to another social rented home, regardless of whether it is with the same landlord or another.

This requirement does not apply where tenants choose to move to accommodation let on Affordable Rent terms. In these circumstances an existing tenant, with an assured or secure tenancy could be offered a fixed term/flexible tenancy.

Mutual Exchange

Fixed term/flexible tenancies include the right to a mutual exchange. The Localism Act 2011 contains a specific right for a tenant with a lifetime tenancy (secure or assured) to take this form of tenancy with them on mutual exchange, which can only then be affected issuing a new tenancy. The lifetime tenant gets a lifetime tenancy and the tenant who was previously on a flexible tenancy may be offered a further flexible tenancy. This protection only applies to tenants who have a secure/assured tenancy at the time the Localism Act 2011 came into force (namely 1st April 2012) and only applies to the type of tenancy – not the rent level.

Probationary Tenancies (also known as Starter or Introductory Tenancies)

The Council supports the use of probationary tenancies, which can be used by registered providers offering fixed term/flexible tenancies. As set out in the Tenancy Standard, probationary tenancies shall be for a period of 12 months, or a maximum of 18 months where reasons for extending the probationary period have been given and where the tenant has the opportunity to request a review. The length of the fixed term/flexible tenancy should exclude the probationary period.

The Right to a Review

Registered providers should include within their Tenancy Policy the way in which a tenant or a prospective tenant may appeal against or complain about the length of a fixed term/flexible tenancy offered or the type of tenancy offered, and against a decision not to grant another tenancy on the expiry of the fixed term.

Developments on Growth Sites on the Fringes of Cambridge

There are a number of sites on the edges of Cambridge, the development of which is being managed jointly between South Cambridgeshire District Council and Cambridge City Councils. For new homes on these sites, rent levels should be consistent across each phase of development, regardless of where each home is located in relation to the district boundary.

Arrangements around use of fixed term/flexible tenancies, length of tenancy and tenancy renewal on sites where nomination rights are shared between the two Councils will be agreed in the local Lettings Plan developed for each area, which may differ in some respects to this Strategy. Where differences arise, the Local Lettings Plan will take precedence in relation to those differences.

Monitoring and Reviewing the Strategy

The Tenancy Strategy will be reviewed on an annual basis to ensure that we continue to meet our key aims and that the impacts of the introduction of Affordable Rents and fixed term/flexible tenancies do not adversely affect particular groups within the District. As part of the Strategy's monitoring function we will look at:

- Conversions of relets to Affordable Rent – numbers, sizes, types and location of homes.
- Affordable Rent levels compared to social rent.
- Bidding patterns through the Home-Link CBL Scheme, including housing needs bands of successful applicants.
- Number of new tenancies that are fixed term rather than lifetime.
- Lengths of fixed term tenancies
- Outcomes at the end of fixed term tenancies
- Trends in homelessness, transfers including mutual exchange, overcrowding and under-occupation.
- Trends in rent arrears, tenancy failures and repossessions.
- Number of new tenants in receipt of Housing Benefit and trend in total housing benefit payments
- New affordable homes being built and trends in new-scheme viability.

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