

# **HINCKLEY AND BOSWORTH BOROUGH COUNCIL**

## **TENANCY STRATEGY**

### **1 THE REQUIREMENT FOR A TENANCY STRATEGY**

The Localism Act has introduced a requirement for every Local Authority to produce a Tenancy Strategy. The Strategy must be produced within 12 months of the relevant part of the Act coming into force, which at the latest is January 2013.

Registered Providers must have regard to Tenancy Strategies when they are producing their own policies.

### **2 THE PURPOSE OF THE TENANCY STRATEGY.**

The Tenancy Strategy is a document published by all Local Authorities as part of their strategic role for their area. It is an overarching strategy, meant to give guidance and information to Registered Providers of social housing.

The Tenancy Strategy must set out the broad objectives on the granting of tenancies to be taken into consideration by Registered Providers operating in the area. Registered Providers have been granted more freedoms in the length and types of tenancy they are now able to grant. The Tenancy Strategy sets out the Local Authorities broad objectives on the granting and reissuing of tenancies in their area.

The Tenancy Strategy is not a document that stands alone; it is in conformity with the Councils Homelessness Strategy and the Council's Allocations Policy. It also has regard to the policies for the supply of new affordable housing in the Borough set out in the Planning Local Development Framework documents, particularly the Core Strategy Development Plan Document, the Affordable Housing Supplementary Planning Document and the Rural Needs Supplementary Planning Document.

### **3 TENANCY POLICIES**

The detail of how these objectives will be achieved will be set out in the Registered Provider's own Tenancy Policy. All Registered Providers need to produce a Tenancy Policy, including Local Authorities who still own their own stock.

A companion document to this Tenancy Strategy is therefore Hinckley and Bosworth Borough Council's Tenancy Policy, which gives the detail on how the Council will respond to the issues in the Tenancy Strategy.

### **4 CONSULTATION**

A number of consultation exercises have been carried out to assist in the preparation of this document. Since many Registered Providers work across Leicestershire, a joint stakeholder event was carried out in December 2011 which included Registered Providers active in the County, relevant colleagues from the County Council such as Adult Social Care Teams, and representatives from voluntary agencies operating in the

area, such as Age Concern and Citizen's Advice Bureaux. A copy of the draft Tenancy Strategy and Tenancy Policy was circulated to all Registered Providers operating within the Borough.

People on the Housing Register, who may be affected by any proposed changes, were consulted by a questionnaire. They were invited to complete this by a link which appeared when they accessed the Housing Register.

Further consultation was carried out with the Tenants Advisory Panel (TAP) to ensure that any issues affecting existing tenants has been fully considered.

## **5 RENTS**

The Council is concerned that affordable housing is used to meet the needs of the people in the Borough with the greatest need for housing. This includes people who are unable to work, who are receiving benefits and those who are working but on an income too low to permit them to buy on the open market.

Until April 2011, all rents for affordable housing were calculated by a formula set by the Government (called target rents). However, in order to release money to invest in new affordable housing, from 2011 Registered Landlords can, in some circumstances, charge affordable rents, which are set at up to 80% of the private rent charged in the local housing market.

The Council acknowledges the contribution that affordable rent can make to the choice available to people on the housing register, particularly those on low incomes to whom it is a more attractive proposition than private rented accommodation.

The Council is therefore willing to negotiate affordable rent properties on section 106 sites that do not have Affordable Homes Grant included in the price in the following situations:

- Where there is evidence that there is a demand for affordable rented units with reference to the affordable rent evidence base and the housing register.
- On sites which are economically unviable where provision of affordable rent properties increase the number of affordable dwellings on site;
- Where inclusion of affordable rent is necessary for the Registered Provider to meet its contractual obligations with the homes and Communities Agency .

However, the Council does not wish to see the demise of social rented properties since it believes that in some areas, and some property types, affordable rents may be too high at 80% of market rents to be a truly affordable housing product.

The Council therefore wishes to see a continued supply of social rented housing to be available in the Borough, particularly in rural areas, and for larger family accommodation where applicants may already have difficulties in accessing affordable accommodation. Consideration should be given to setting the affordable rent at less than the 80% upper limit, and in any case should not exceed the Local Housing Allowance.

Similarly, whilst it is acknowledged that Registered Providers are required as part of their contract with the Homes and Communities Agency to convert a number of

properties for relet into affordable rented properties, it requests that Registered Providers have regard to the following:

- Conversions should not disproportionately affect family housing;
- Conversions should not be focussed on rural areas, where rents are traditionally higher, at the expense of properties in the urban core;
- Where conversions are proposed in higher rental areas, consideration should be given to setting the affordable rent at less than the 80% ceiling, to ensure that the property is still affordable to low income households.

## **6 FIXED TERM TENANCIES**

The Localism Act gives Registered Providers the opportunity to change the way that tenancies are granted. Previously, after successfully completing an introductory tenancy, tenants were granted a lifetime tenancy which was honoured unless the conditions of tenancy were broken.

Registered Providers may now offer a tenancy for a fixed term period. The starting point for a fixed term tenancy is for 5 years, but in exceptional circumstances it can be for 2 years, and a longer term tenancy can be granted if the landlord feels it is appropriate. A fixed term tenancy can be renewed for further periods where it is not suitable to bring the tenancy to an end.

### **Length of tenancy .**

Hinckley and Bosworth Borough Council has a preference for lifetime tenancies to continue to be granted to all tenants, and will do so for all council tenancies. However, the Council expects that where Registered Providers are offering flexible tenancies, tenants will be made aware at the start of the tenancy as to what would be a reason for not renewing the tenancy at the end of the fixed term. They must be assured that the default position is that if nothing has changed they will have their tenancy renewed.

There are different client groups whose different needs may lead to a different assessment as to the appropriate length of tenancy. In particular, the following minimum terms are recommended:

- Older people in age designated accommodation – lifetime tenancies should be considered as this accommodation is specifically designed to meet their needs.
- Families with school age children – a minimum of five years, but consideration should be given to a tenancy length which would allow the children to have stability through their school years;
- All adult households, where members of that household are likely to form their own household and move out – a 5 year tenancy;
- People with a disability- for long term disabilities – a minimum of a 10 year tenancy. However, for people with a short term condition in adapted properties, a shorter term tenancy could be acceptable dependant on the prognosis, again, with the default position that the tenancy will be renewed for a further period if the family member still requires adapted accommodation.
- Working households on low income – a minimum of 5 years.
- People under 35 – this group could in exceptional circumstances be considered for a 2 year tenancy, otherwise a 5 year tenancy would be appropriate.

Where a large housing development (more than 10 affordable houses) comes forward, consideration should be given to staggering the length of the fixed term tenancies, so that the tenancies do not all end at the same time.

**Notice to leave.**

Six months notice must be given to bring a tenancy to an end, but it is expected that Registered Providers will be working with the tenant before the notice is served, so that the decision to end a tenancy does not come as a surprise when the notice arrives, and the landlord and tenant are jointly working towards identifying suitable alternative accommodation.

It is anticipated that the most common reasons for ending a tenancy will be:

- Where the tenant is significantly underoccupying the property (more than one bedroom)
- Where the tenants income has increased to a point where it is feasible that they can meet their own needs on the open market, having regard to the likely deposit required to privately rent or to purchase a property, and the likelihood of securing a mortgage;
- Where a property is specially adapted to meet the needs of a person with a disability, and there is no-one in the household who requires that adaptation.

The ending of a fixed term tenancy is not considered to be a punitive action and is therefore not suitable for breach of tenancy conditions such as anti social behaviour or rent arrears. These issues should be pursued through the Registered Providers tenancy conditions procedures, as for lifetime tenancies.

**Homelessness Duties**

Whilst the statutory duty in respect of homelessness is vested in the Local Authority, Registered Providers has a duty to render assistance in the discharge of this duty as is reasonable in the circumstances. The Council will continue to work in partnership with Registered Providers to achieve a satisfactory outcome for priority homeless applicants.

**Stock disposals and stock swapping.**

Where a Registered Provider is considering disposal of its stock, or swapping stock to rationalise its are of operation the Council will be sympathetic to such measures where:

- The properties will remain as affordable housing with an alternative Registered Provider;
- The properties will be replaced by new affordable housing in the same settlement.

**7 REVIEW OF THE STRATEGY**

The Tenancy Strategy will be reviewed at least every 5 years, and sooner if there is a major change in policy which would affect the issues outlined in the Tenancy Strategy.