

REDDITCH BOROUGH
COUNCIL

DRAFT TENANCY
STRATEGY
2012-2014

1. Introduction

- 1.1 The Localism Act places a duty on the Local Authority to prepare and publish a Tenancy Strategy by 15th January 2013. This Strategy has been developed by Redditch Borough Council in its strategic role through close working with partner Registered Providers.
- 1.2 The Localism Act 2011 introduces a number of housing reforms including the ability for local authorities to grant fixed term tenancies, greater flexibility in the allocation of social housing and changes to legislation relating to homelessness.
- 1.3 The Localism Act 2011 requires local authorities to produce a Tenancy Strategy that sits alongside the Housing Strategy, Homelessness Strategy and Allocations Policy.
- 1.4 Building on our strong and established working relationships within the Borough, this document has been developed collaboratively between the Council in its Strategic role, Redditch Council Housing Services, our partner registered providers and other key stakeholders.

2. Background Policy

2.1 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 achieve this, the Government is seeking to:

- 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 by increasing the supply of housing and
- Create sustainable, inclusive, mixed communities in all areas, both urban and rural

2.2 Definitions of Affordable Housing

National Planning Policy (June 2011) defines and includes 3 types of affordable housing:

- a) Social housing up until the introduction of affordable rents was the main model provided by Councils and Registered Providers (RP's) and

refers to housing that is subject to strict rent controls, which are around 50% of the market rents.

- b) The new affordable rents which allow up to a maximum of 80% of market rent.
- c) Intermediate housing, which includes shared ownership.

It also states that affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Includes provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be re-cycled for alternative affordable housing provision.

2.3 Delivery of New Homes

Alongside the requirements of the Localism Act, the Homes and Communities Agency (HCA) has agreed programmes for the delivery of new affordable housing up to 2015 with Registered Providers and local authorities.

The level of subsidy provided by the HCA for new affordable homes has significantly reduced and the ability for RP's to deliver with the reduced availability of grant has to be made up in the following ways.

- All new homes built with HCA subsidy are expected to be offered at affordable rents; up to 80% of the market rent.
- In addition RP's are offering to increase social rents to Affordable Rent on a percentage of relet properties.
- They have also been encouraged to take a more pro-active approach to managing their stock, including the disposal of stock where this will bring funds to invest in new homes.

3. Aims and Scope of the Strategy

3.1 The aims and objectives of the Strategy are:

- To ensure that affordable housing meets local housing need
- To provide guidance and direction to Redditch Borough Council Housing Services and RP partners in the development of their tenancy policies
- To provide a framework for up to date knowledge of the housing market in Redditch that can then be used to inform policy and practice.
- To indicate to tenants and prospective tenants what they can expect from their tenancy.

The Strategy will provide Strategic guidance to support the development of the Redditch Tenancy Policy and guidance for RP's in the following areas:

- The kind of tenancies that they grant.
- The circumstances in which different tenancies should be granted.
- The length of fixed term tenancies.
- The criteria to consider when reviewing tenancies at the end of the fixed term.
- How disposals of stock should be managed.
- How Redditch Borough Council will give consideration to new government guidance in relation to the allocation of social housing.

The Tenancy Strategy relates to lettings to all social and affordable rented properties to include adapted and sheltered housing. It does not cover lettings to hostels, temporary accommodation or supported housing.

- 3.2 Although local authorities are not required to include an assessment of affordability in their Tenancy Strategy, Redditch Borough Council recognises the importance of ensuring that affordable housing continues to be available and accessible to those who need it most and must therefore remain affordable, as defined locally.
- 3.3 The Strategy makes reference to the new power to discharge homelessness through the Private Rented Sector.
- 3.4 The Strategy has been developed as a result of consultation with a range of partners and stakeholders, including RPs, Social Care, local councillors and voluntary and community organisations.

4. Redditch Borough in Context



- 4.1 Redditch Borough is situated in North Worcestershire and is surrounded by Bromsgrove District to the west and north, Stratford District to the east and southeast and Wychavon District to the south and southwest. The Redditch Borough area covers 21 square miles (5,4365 hectares) and at the 2011 Census, the population totalled 84,200.
- 4.2 The Borough has two distinct areas within its boundaries of roughly equal size. There is the largely urban area of the north east which includes Redditch town centre (which has 93.% of the population) and the other essentially rural area to the south and west, including Astwood Bank and Feckenham (which has 7% of the population).
- 4.3 'New Town' status has been fundamental in creating economic and social change in Redditch over the past 40 years. Redditch was comprehensively redeveloped between 1964 and 1985 with increased development of new communities, such as Winyates, Church Hill, Woodrow and Matchborough.
- 4.4 The Redditch Borough Vision

The vision of the Housing Strategy is:

“The right home, at the right time, in the right place”

4.5 This means that the Council wants every household in the Borough to be able to access housing that suits their needs and circumstances when they need it. It is implicit in the vision that we want all housing to reach an appropriate standard, currently the Decent Homes Standard, and that the right home means one that is affordable to the household’s budget. However, we do not mean that changing household circumstances should always result in the need to move home. Our vision embraces a much wider approach which always involves a housing options assessment to ensure household needs are met.

4.6 How our Housing Strategy Goals link to the Tenancy Strategy:

4.7 How our Housing Strategy Goals Link to Tenancy Strategy Issues & Outcomes

	Housing Strategy Goals	Key Strategic Issues
1	Better use of existing homes	Offering tenancies that meet the households needs but can be reviewed to ensure that best use of stock is achieved. Allocation Policy supports move on opportunities. Fixed term tenancies can help achieve turnover in adapted properties where the adaptation is no longer required.
2	Deliver new housing	Support the development of new homes through affordable rents. Ensure that social rented accommodation is prioritised in new developments not subsidised by HCA.
3	Improve the condition of existing homes	Work with private landlords to achieve suitability standards to enable more housing pathways into the private rented sector.
4	Providing housing related support	Good housing options advice. Link the review of tenancies with support and tenancy sustainment, or pathways into alternative accommodation prioritising homelessness prevention. Make best use of new build

		opportunities by targeting at specific groups ie; older people, lifetime homes, supported housing Monitor access to housing and tenancies by these groups – and monitor potential discrimination
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Housing is important to everybody and is essential to achieving a good quality of life. This may mean something different to each of us and may vary throughout our lives but generally involves a safe, secure and affordable home with the right support. It is true that many people are able to solve their own housing issues without help and support from councils and other agencies but the Housing Strategy is about providing the right type of housing and support to those who need assistance.

5. Principles for Registered Providers on Tenancy Policy

- 5.1 This section will set out the principles that Redditch Borough Council will consider when developing its Tenancy Policy and expects RP's to have regard to when developing their own tenancy policies.

Tenancy Types

Background Information

- 5.2 The Localism Act enables the Council and RPs to let properties to new tenants using fixed term tenancies rather than lifetime assured/secure tenancies. Fixed term tenancies should usually be offered for a minimum of 5 years, unless there is an exceptional reason to reduce the term to 2 years.
- 5.3 Fixed term tenancies can be offered at either social or affordable rent.
- 5.4 The Council and RPs are not obliged to offer fixed term tenancies and lifetime tenancies can continue to be offered.
- 5.5 At the end of the fixed term, the Council or RP will have the option to review the tenant's circumstances and the conduct of the tenancy and can either terminate or extend the tenancy. The Council or RPs are required to develop and publish a Tenancy Policy and the criteria to be taken into account when deciding whether to extend or terminate a fixed term tenancy should be clearly set out in this policy.
- 5.6 Where the Council or RP chooses to terminate a fixed term tenancy at the end of the period, the Council or RP must give notice of their decision 6 months before the end of the tenancy and must also ensure that the tenant is provided with advice and assistance with finding suitable alternative accommodation.
- 5.7 Existing allocation and nomination arrangements will continue, with properties offered on fixed term tenancies being advertised and let through existing schemes, e.g. choice based lettings schemes.

- 5.8 Existing tenants will retain their security of tenure whether they remain in their current home or transfer to another social rent property. However, their security of tenure may change if they move to a property which an RP has chosen to let at affordable rent levels.

Redditch Borough Principles

- 5.9 Redditch Borough Council understands and accepts that social landlords are now able offer fixed term tenancies to facilitate best possible use being made of the limited social housing stock in the Borough. However, it considers it essential that the use of fixed term tenancies should not undermine the sustainability of communities and neighbourhoods and care must therefore be taken in determining in what circumstances such tenancies will be offered and what review criteria will be applied at the end of the tenancy.
- 5.10 Redditch Council considers that where flexible tenures are to be used, they should be generally offered for a minimum of five years in order to provide stability and security and only in exceptional circumstances offered for the minimum 2 year period. An example of this would be where a homeless household eligible for the full re-housing duty is expecting a significant release of equity due to the sale of their property which would enable them to secure a property on the open market or a low cost housing product.
- 5.11 It is also expected that unless there has been a significant change in circumstances following a review, the tenancy will be renewed for a further period. The Council will ensure that the criteria and conditions applied to the allocation and review of fixed term tenancies is published and expects RP's to do the same. This information should be provided to tenants prior to their tenancy commencement. The Council and RP's should also make clear whether they intend to terminate fixed term tenancies, if any or all of the specified conditions are met, and in what circumstances they will renew a tenancy even though some or all of the conditions are met.

Overcrowding and Under-occupation

- 5.12 Redditch Borough Council encourages landlords to take positive action to facilitate a move to more suitable accommodation where a tenants' circumstances change and their current home is too large or indeed where the accommodation is too small.
- 5.13 The proposed housing benefit restrictions on bedroom size being applied from April 2013 for working age households will add further pressure to ensure that properties are not under occupied. Those who are underoccupying their social housing will be placed into a reasonable preference banding on Redditch Home Choice if they make an application to transfer to a smaller property.
- 5.14 Redditch Home Choice Allocations Policy awards reasonable preference to families who are overcrowded.

Properties with Adaptations

- 5.15 It is important that properties with adaptations are used appropriately due to the limited resources available to meet a growing need for

adapted properties. Redditch Borough Council has a significant number of older people living in the Borough and this figure is projected to increase. It is therefore important to ensure that if the circumstances or needs of a tenant with an adapted property change, meaning that they no longer require a property with an adaptation, then the tenant will be moved to a more suitable property. The adapted property should then be allocated to someone requiring such an adaptation.

- 5.16 The Redditch Home Choice Allocation Policy gives reasonable preference to households occupying an adapted property and wishing to move to a more suitable property.

Redditch Borough Council Principles

5.17 Redditch Borough Council expects social housing providers to consider the following factors in determining the criteria to be used for allocating and reviewing fixed term tenancies:

- Due to the shortage of social housing in the Borough, the Council accepts social housing providers making use of fixed term tenancies for properties in order to ensure that this scarce resource can be used most effectively.
- In order to ensure the best possible use of stock, the Council supports the use of fixed term tenancies for properties with specialist adaptations.
- The Council considers that all fixed term tenancies should be renewed unless the household's circumstances have changed to such an extent that the property is no longer suitable for their needs, or they are able to meet their needs through market tenure housing. Examples of this include:
 - The household income or savings would enable them to access market housing or shared ownership.
 - The household is under-occupying their property, particularly in the case of family housing.
 - There have been repeated serious breaches of the tenancy conditions and appropriate support has been offered to the tenant to address these breaches, but there has been a consistent failure on the part of the tenant to do so. In the case of rent arrears, the social housing provider should take into account where arrears have accrued as a result of the introduction of Welfare Reform. In these circumstances, the Council will be, and expects RP's to be, flexible in their approach and to assist tenants to find more affordable accommodation within its own stock.
- Where a tenancy is not renewed at the end of a fixed term, the landlord should ensure that adequate and appropriate advice and assistance is provided to the tenant to enable them to secure alternative accommodation. This may include assisting them to move within the Council or RP's own stock (either rented or shared ownership) or moving into a market tenure. The tenant should be given a notice period of at least 6 months and the Council expects that the housing Options Team will be notified of any intended

tenancy terminations that are likely to lead to homelessness as soon as notice is given.

- The Council expects that very few, if any, homeless approaches should be generated due to the termination of a fixed term tenancy, as appropriate advice should have been provided to the tenant. Where a former tenant does approach the Council for homeless assistance, the RP should assist the Council with its enquiries where requested.
- The landlord should ensure that tenants are provided with clear and adequate information about the reasons why their tenancy has been terminated, and clear guidance should be provided on the way in which they can request a review of any decision to seek possession.
- Where a household is found to be significantly over-crowded at the time of a fixed term tenancy review and the household does not meet any of the other criteria for tenancy termination, the Council expects that the household will be assisted to find suitable alternative accommodation within its own stock.

Affordable Rent

Background Information

- 5.18 The new tenure of affordable rent was introduced in 2010 following the Comprehensive Spending Review and enables RPs who have entered into a contract with the Homes and Communities Agency to charge rents of up to 80% of market rent levels on all new build properties funded through the 2011-15 HCA programme. These RPs may also convert a proportion of their existing properties to affordable rent.
- 5.19 Redditch Borough Council has not entered into a contract with the HCA and therefore, will continue to let properties at social rent levels. Other RPs not in receipt of HCA development funding must continue to let properties at social rent levels. RPs in receipt of funding will also be able to continue charging social rent on existing properties if they choose to.
- 5.20 Existing tenants remaining in the same home will not be affected by this change. However, they may be affected if they transfer to a new home.
- 5.21 Properties at affordable rent levels will continue to be eligible for Housing Benefit rather than Local Housing Allowance.
- 5.22 Existing allocation and nomination arrangements will continue, with properties offered at affordable rent being advertised and let through existing schemes, e.g. choice based lettings schemes.

Redditch Borough Principles

- 5.23 Redditch Borough Council expects RPs to take into consideration the affordability calculations included in the Worcestershire Strategic Housing Market Assessment and the specific demographics of its operating area in determining the rent levels to set and the proportion of its existing stock that it will convert to affordable rent. RPs should also take into account the availability of affordable and market

- accommodation in specific areas and the need to ensure sustainable communities in determining rent levels – e.g. Feckenham has limited affordable housing stock and introducing affordable rent in these areas may make the stock unaffordable to the majority of local people.
- 5.24 It is recognised that affordable rent will meet the needs of some of those in housing need in the Borough. However, it is more likely that this product will assist the wider housing waiting list as opposed to those in significant need, who are likely to have fewer resources available to them. This is because although households in properties charged at affordable rent levels will be eligible for housing benefit, those households on a low income and not in receipt of housing benefit may struggle to afford these rent levels. The Government is keen that benefit dependence and worklessness levels should be reduced and it is therefore also vital that rent levels should not act as a barrier or disincentive to entering employment. In addition, when the Benefit Cap of £26,000 is introduced in April 2013, households may struggle to afford the affordable rent levels; in Redditch, this is particularly true of larger family sized accommodation (3 and 4+ bedroom properties).
- 5.25 Although Redditch Borough Council must consider the whole housing market and ensure the needs of all households are provided for, the conversion of social rent properties to affordable rent which are then let to households not in significant need will not serve to reduce the affordable housing requirement for the Council, in fact it will increase it.
- 5.26 The Council therefore expects RPs to carefully consider the affordability of its stock for local people when determining which properties should be converted to affordable rent and, as a minimum, expects that RPs should not convert existing 4+ bedroom properties to affordable rent.
- 5.27 The Council expects that RPs should publish its criteria for determining which of its existing stock it intends to let at affordable rent levels and should also publish the valuation information it uses to determine the affordable rent level.
- 5.28 The Council expects that in all cases the affordable rent level should be lower than the local housing allowance levels for the Borough.
- 5.29 The Council will provide its tenants who are likely to be affected by changes to welfare benefits with appropriate advice regarding how it will impact them and how they can address any resulting affordability issues and expects RP's to do the same.
- 5.30 The Council expects that all affordable rent properties should be advertised through the Council's allocations system, and that the rent level should be clearly indicated on the advert. The RP should also ensure at the allocation stage that the tenant understands the difference in the rent level prior to making a decision regarding whether to accept the property.

Section 106 developments

- 5.31 Due to the large differential between social and affordable rent in the Borough, the Council considers that there is still a significant requirement for the delivery of new build properties at social rent. The

- Council will therefore continue to seek social rented housing on sites where affordable housing is secured through a Section 106 agreement.
- 5.32 The Council also expects that all properties subject to existing Section 106 agreements should continue to be offered at social rent levels and not be converted to affordable rent. The Council will monitor allocations of properties subject to a Section 106 agreement to ensure that they are offered at the correct rent levels.

Mobility in Social Housing

Background Information

- 5.33 The Localism Act promotes mobility in social housing. All RPs are obliged to participate in a mutual exchange scheme to allow tenants to move more easily.
- 5.34 Applicants are able to apply to Redditch Home Choice from anywhere within the United Kingdom. However, in order to ensure that Redditch Home Choice meets the needs of the local community, reduced priority will be given to those applicants without a Local Connection to the Borough.
- 5.35 Local connection will be assessed having regard to the definition of local connection contained in Section 199 Housing Act 1996.
- 5.36 The following factors as set out in s199 Housing Act 1996 will be taken into consideration in determining whether or not an applicant has a local connection with Redditch Borough. An application is awarded a local connection if an applicant or a member of their household included in their application:
- has lived in the relevant Local Authority area by choice for a certain time (usually for six months out of the last 12 months or for three years out of the last five years);
 - has close family living in the relevant Local Authority area, who have been permanently resident for at least the previous five years;
 - has permanent employment in the relevant Local Authority area
 - has special circumstances that give rise to a local connection
- 5.37 In determining permanent employment the policy gives consideration to the Local Government Association guidelines which state that this is employment other than that of a casual nature.
- 5.38 For the purposes of determining Local Connection, living in the Local Authority area will not include the following:
- Occupation of a mobile home, caravan or motor caravan where it is not their only or principal home
 - Occupation of a holiday letting (which includes a permanent building, hotel or bed and breakfast accommodation) for the purposes of a holiday.
 - Resident of a HMP, Bail Hostel or other such accommodation.
 - In-Patient of Hospitals/specialist centres
- 5.39 The Council participates in a national mutual exchange scheme for its tenants and expects that all RPs operating in the Borough should

participate in a national scheme to enable tenants to move more easily, in order to encourage and facilitate mobility. The Council also expects that existing social tenants should be allowed to retain their security when they move to a new property.

- 5.40 The Council expects that RPs should publish guidance on mutual exchanges, setting out any conditions it may apply to tenants who wish to exchange.
- 5.41 The Council expects RPs to offer flexibility in allowing exchanges and to clearly explain how tenants' exchange rights will be affected by different tenancy types, including fixed term and introductory tenancies. The Council also expects RPs to offer flexibility to tenants who need to move because they are under-occupying their current home and have faced a reduction in Housing Benefit as a result. This may mean relaxing conditions around the ability to exchange with rent arrears, if this will resolve the household's affordability issues and prevent further arrears from accruing.

Disposal of Stock

Redditch Borough Principles

- 5.42 Redditch Borough Council does not wish to see the disposal of housing stock. However, it is recognised that in certain circumstances this may be justifiable providing it allows for future investment within the local authority area in providing more appropriate housing. Agreement would have to be gained from the Council for any disposal of stock.
- 5.43 The Council expects that RPs should have a disposal strategy which clearly sets out their approach to the disposal of stock and how this benefits the organisation and the Borough. The Council also expects that all disposal decisions should be taken at RP Board level. If RPs wish to dispose of stock within Redditch Borough, the Council will require them to provide the following information to the Strategic Housing Manager with any request for support for disposal:
- Address of property
 - Type and size of property
 - Whether the property is currently tenanted and if so, how the current tenant will be assisted to find suitable alternative accommodation
 - The projected income from the disposal
 - How and where this income will be used

6. Social Housing Allocations

- 6.1 Redditch Borough Council currently operates its own Choice Based Lettings scheme called Redditch Home Choice.
- 6.2 The Localism Act 2011 offers local authorities greater freedom in framing their allocations policies which:
- Allows them to restrict access to waiting lists

- Make it easier for existing social tenants to move to more suitable accommodation
- Encourage local authorities to make use of the existing flexibilities within the allocation legislation to ensure that social homes go to people who need and deserve them the most, e.g. introducing priority for economically active households and those who contribute to their local community
- Ensuring that former Service men and women who have urgent housing needs are given 'additional preference' (i.e. high priority) for social housing

6.3 The Government's statutory guidance was published on the 29th June 2012 and the current allocations policy will be reviewed in line with this new guidance.

Use of Private Rented Sector Tenancies

7.1 Local Authorities will be able to discharge their duty to homeless households with an offer of suitable accommodation in the private rented sector provided the tenancy is for a minimum of one year and is suitable for the household. The Government will be developing new guidance on assessing suitability to accompany this new power.

Redditch Borough Principles

7.2 The private rented sector in the Borough is complex and differs in availability and affordability. Market research undertaken as part of the Worcestershire SHMA 2012 highlighted a countywide trend of a lettings market restricted by the lack of available property due to both the withdrawal of the buy to let investor from the market and the growing trend for people to remain within their rental property for increasing amounts of time.

7.3 Redditch Borough Council operates a private rental sector (PRS) access scheme to facilitate households to enter this tenure and reduce the demand on social housing. There are also various schemes offered by partner and voluntary agencies across Worcestershire, providing PRS access services to specific client groups such as single homeless people and ex-offenders. The Council is exploring the possibility of extending the PRS access scheme in the future and establishing whether this sector can offer a suitable alternative tenure for those households who would traditionally have entered social housing.

7.4 Redditch Council operates a rent bond scheme for over 25's and funds an additional scheme for under 25's through an organisation that specialises in dealing with young people.

7.5 The Authority regulates the licensing of 3 storey Houses in Multiple Occupation and licenses are granted to properties achieving the required standards.

7.6 The current rent bond scheme operated by the Council is prioritised to assist customers who are at risk or threatened with homelessness

regardless of their priority need. However, in consideration of the Homelessness provisions within the Localism Act 2011 the Council is researching the potential for the private sector to be utilised to provide accommodation that is suitable and appropriate to meet the needs of homeless households and discharge the homeless duty.

- 7.7 Any use of the private rented sector in this way will always involve a rigorous assessment of the suitability of this option, including an assessment of affordability Any decision to discharge duty into the Private Rented Sector will be subject to the usual homelessness appeal process.
- 7.8 All properties let through the Council's private rented sector access schemes must be in good repair, warm, secure and free from health and safety hazards. The rent charged should also be at or below local housing allowance levels for the Borough. Where rent charged exceeds local housing allowance, the Council must be satisfied that the property is affordable for the tenant and that any top up is reasonable.

Governance

- 8.1 The Tenancy Strategy and principles will be reviewed annually by the Redditch Homelessness Forum to ensure that it remains consistent with the allocations policy and relevant strategies.
- 8.2 The Council, in its landlord role, will also produce a Tenancy Policy to sit under this Strategy and individual RP's are responsible for their individual tenancy policies. These will be published to provide transparency, enabling local communities to understand clearly how social landlords are responding to local needs and priorities.

9. Legislation

- 9.1 In addition to the Localism Act 2011, Redditch Borough Council expects Registered Providers to have regard to the Welfare Reform Act 2012, the Equalities Act 2010, Human Rights Act 1998, Articles 6 & 8 of the European Convention on Human Rights and any other relevant legislation in framing their tenancy policies.

10. Consultation

- 10.1 This draft strategy will be subject to a consultation period running from XXXXXI until XXXX 2012. Relevant partners, stakeholders and housing applicants will be included in this consultation process and their feedback will be used to develop the final strategy.