

# Tenancy Strategy 2014 - 2017

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Consultation Date: 18/11/13 – 06/01/14

Date of Service  
Impact Assessment:

Endorsed by: Cabinet  
Date:

Next Policy Review Date: 2017

Issue Number: 2

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# Basildon Borough Council Tenancy Strategy

## 1. Introduction

This Tenancy Strategy fulfils the requirements of the Localism Act 2011 for local authorities to have a tenancy strategy, setting out the matters to which providers of social housing in their area (in this document called “Registered Providers” or “RPs”) must have regard when setting their own policies.

This strategy has been subject to consultation as required by the above legislation.

As the largest provider of social housing in Basildon, the Council has also carefully considered its own strategic Tenancy Policy, which gives more detail on how we will allocate, review and end tenancies.

## 2. Basildon Borough context

Basildon has a population of approximately 175,200 people living in 74,000 homes, of which 23% are affordable homes (mostly social rented).

There are three main urban areas; Basildon, Billericay and Wickford. Basildon is the largest of the three areas and is a first generation New Town: a planned community and infrastructure built during the 1940s and 1950s. Billericay and Wickford are older settlements that have developed and evolved over time, the remaining 70% of the Borough is open space, of which a considerable amount is protected Green Belt.

House prices and private sector rents are prohibitively high in comparison to average local earnings in Basildon with the average house price standing at £229,548, and average rent for a two bedroom property at £161 per week in the Basildon area, £171 in the Wickford area and £187 in the Billericay area.

Even for households with gross income levels that match the average earnings in the borough (single person £28,163) the average house price puts home ownership beyond the reach of the majority.

For more information about housing generally in Basildon, please see the current version of the Council’s Housing Strategy.

## 3. Our Priorities

The Localism Act 2011 requires local authorities, when preparing their Tenancy Strategy, to take into account the priorities in their housing and homelessness strategies. We have taken account of the Council’s current Housing Strategy and its Homelessness Strategy 2008-2013. We have also had regard to our current Housing Allocation Scheme and additionally to the Council’s proposed revised Allocation Scheme that is currently under review which will ensure a complementary approach to social housing provision in the Borough.

The Council believes that in preparing this Strategy it will support its aspirations for housing in the Borough, which are to:

- develop additional sustainable and quality homes of all types and tenure throughout the Borough, delivering a broad and improved housing offer;
- make best use of existing housing stock;
- enable provision of housing that meets the needs and aspirations of all our residents;
- enable people to make choices and find solutions to their own housing problems.

We have also taken into account the key priorities of our Community Strategy, which we are working with partners to:

- improve the employment prospects, education and skills of local people;
- promote sustainable regeneration and deliver housing growth through high quality, locally distinctive, sustainable developments and supporting infrastructure;
- support and promote the growth in local economies and businesses to benefit local people;
- support local people to improve their health and well-being;
- treat the cause of crime, anti-social behaviour and disorder and improve community safety.

#### **4. Aim of this Tenancy Strategy**

- To ensure that best use is made of the housing stock in Basildon to give residents the opportunity to be able to access different housing tenures.
- To provide fair and equitable housing opportunities for all residents in the Borough.

#### **5. Key objectives**

- To make best use of the housing stock. Basildon has a high demand for social housing and therefore we need to make the best use of the available housing stock for those that need it most.
- To protect and provide stability for vulnerable people.
- To promote economic activity and incentivise work

- To be relatively simple to understand, administer and communicate. The benefits of having greater flexibility over the stock should not be outweighed by the cost of administration.

## **6. Tenure Options**

The following tenancy types may be offered:

### **a. Lifetime Tenancies (periodic secure or assured non-shorthold tenancies)**

The Council expects that lifetime tenancies will be offered to tenants living in sheltered housing.

Registered Providers may choose to offer lifetime tenancies to other vulnerable persons who are living in one bed accommodation and whose needs are unlikely to change including:

- those who require sheltered housing;
- those with severe and enduring mental health problems or severe learning disabilities.

### **b. Protected Right to a Lifetime Tenancy**

Social housing tenants who already hold a periodic secure or assured non-shorthold tenancy, and have done so continuously since before 1<sup>st</sup> April 2012, and who are transferring to a new tenancy at a social rent, have a protected legal right to be offered a new lifetime tenancy.

This requirement does not apply where tenants choose to move to accommodation let on Affordable Rent terms.

### **c. Affordable Rent tenancies**

Affordable Rent tenancies, introduced in 2011, provide Registered Providers with the opportunity to increase revenue through rents higher than social rent, to be set at a maximum of 80% of local market rents.

Notwithstanding that Registered Providers will have their own tenancy policies, we ask that Registered Providers in the Basildon Borough review these and have regard to this Strategy to ensure that, wherever possible, their policies work to complement and do not contradict our Strategy.

Although we recognise that Registered Providers may have already signed contracts with the Homes and Communities Agency over their development of new affordable homes, there are still a number of matters that we expect RPs to have regard to and consider when developing or updating their policies.

Should social housing on assured tenancies not be viable and Affordable Rent schemes prove viable, the Council accepts that Affordable Rent tenancies may be created.

The Council's guiding principles on Affordable Rent are set out below.

- Up to date housing market information should be used when determining whether or not it is appropriate for a property to be provided as or converted to an Affordable Rent tenancy. Ensuring homes remain affordable will remain a key objective.
- We expect Registered Providers to consider the tenure of an area before converting social rents to Affordable Rents and to avoid conversions to Affordable Rents in areas with low percentage of social rented housing.
- We expect Registered Providers not to let properties with three bedrooms or more at Affordable Rents, especially in high market rent areas within the Borough, and if they do let these at Affordable Rent we expect that the Affordable Rent to be set at no higher than the Local Housing Allowance rate for that area and to take into account the proposed national welfare benefit cap.
- We expect that all Registered 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 benefit changes (for example, under-occupancy changes).
- We expect conversions from social rented properties to Affordable Rent properties at the point of re-let to be based on the RP's agreed contract with the HCA and that those agreed numbers be shared with the Council in order for effective monitoring to take place.
- We will seek social rent 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.
- We will accept and/or use the Affordable Rent model when that is considered necessary to ensure the viable development of schemes involving Council-owned rented properties.
- We will not support the conversion of social rented properties that are subject to existing section 106 agreements to Affordable Rents.
- Conversions of void properties owned by the Council from social rent to the Affordable Rent model will be considered and implemented when beneficial to the efficient management of the Council's Housing Revenue Account.

#### **d. Introductory or Starter Tenancies**

Most new tenancies will be issued as introductory tenancies or 'starter' (assured shorthold) tenancies for a period of twelve months. If the tenant keeps to the terms of the tenancy, including rent payments, and is still entitled to a tenancy at the end of the year, then a new tenancy will be issued. This will usually be a flexible tenancy, unless the tenant is eligible for a lifetime tenancy.

If at the end of the twelve month period there are significant rent arrears, or the tenancy has already been demoted due to breaches of tenancy conditions, then the introductory or starter tenancy may be extended for a further 6 months.

Where an introductory or starter tenant, with a good tenancy history and clear rent account, transfers towards the end of the twelve month period, they will not normally be expected to complete another introductory or starter tenancy before being offered a longer-term tenancy.

#### **e. Flexible Tenancies**

Following completion of a satisfactory introductory or starter tenancy, tenants will usually be offered a flexible tenancy. Where granted by the Council, a flexible tenancy is a fixed term secure tenancy. Where granted by other providers of social housing, it will usually be a fixed term assured shorthold tenancy.

A flexible tenancy will normally be granted for five years. Housing providers may issue tenancies for shorter periods (two years or more) if they can demonstrate good reasons to do so. These may include:

- when offering a flexible tenancy to a tenant who has previously had their introductory tenancy demoted;
- where the landlord has identified, and made the tenant aware, that the property offered is not available long-term;
- where the new tenant is identified as a high-risk tenant, and the landlord offers to work with them (and with a support provider) to maximise their chances of success in their management of the tenancy. This may apply to move-on applicants, or to other categories identified by RPs as at risk of tenancy failure.

Flexible tenancies can be ended at the end of the tenancy period. However, the Council expects that the vast majority of these tenancies will be renewed.

Tenants who are transferring from an existing secure periodic or assured non-shorthold tenancy may be eligible for a lifetime tenancy, rather than a flexible tenancy.

#### **f. Other forms of tenancy**

Some supported accommodation is already let on assured shorthold tenancies and will continue to be so.

Some existing tenants will hold other forms of tenancy. Registered Providers may continue to grant other forms of tenancy to tenants who have protected rights.



## **7. Tenancy Renewal**

This Tenancy Strategy supports our Homelessness Strategy and our work to prevent homelessness when tenancies are ended.

For this reason, the Council expects Registered Providers to renew flexible tenancies unless:

- the property is no longer appropriate for the tenant's needs and an alternative property is being offered. This will include tenants who are under-occupying, or living in adapted housing where no household member has need of the adaptations, as well as those who are overcrowded;
- the tenant's savings or household income is now above the limits set in the Council's Allocation Scheme. In this case, the RP will be expected to provide advice and assistance to enable the tenant to secure accommodation through other housing options, including home ownership or private renting. Alternatively, the RP may offer a new tenancy of the property as an Affordable Rent or Market Rent home;
- the tenant has breached the terms of their tenancy (including through anti-social behaviour or rent arrears) and the RP is already pursuing legal action against them. Before making the decision not to renew on these grounds, the impact on household members needs to be taken into account, along with the impact on the community and neighbours.

Registered Providers should carry out tenancy reviews well ahead of the end of the tenancy, to give time to find alternative accommodation, if required, and to allow tenants to explore their own housing options and choices. The tenancy review meeting should be timed to give enough time to consider all the issues and for any appeals to be made. It should be used as an opportunity to link the household to any necessary support including employment support and advice.

Registered Providers may consider not renewing tenancies where the tenant is not engaging in the review process. However any vulnerability issues must be fully taken into account in cases of a failure to engage.

If the Registered Provider is not renewing the tenancy, the Council expects it to provide advice and assistance to the tenant in seeking other options. Non-renewal of a tenancy should not lead to homelessness, nor place extra demands on the housing advice services provided by the Council.

## **8. Income and Capital**

Social housing is a scarce resource, and people who can afford other solutions can obtain advice from the Council but will not be eligible to register for social and affordable housing. The financial limits for income and assets are set in our Allocation Scheme and reviewed regularly.

**9. Appeals and Complaints**

The Council expects all Registered Providers to operate fair and transparent systems for tenants and prospective tenants to register complaints or reviews/appeals about decisions on what type of tenancy they are offered, and non-renewal of flexible tenancies.

For Basildon Council tenants, the review/appeal policy is contained in the Council's Tenancy Policy.

**10. Reviewing the Tenancy Strategy**

This strategy will be reviewed every three years or sooner if circumstances change significantly to ensure that it is in line with the Council's priorities and is fit for purpose. It will also be reviewed and updated whenever the Council adopts a new Housing or Homelessness Strategy. Changes that are not considered 'significant' will be agreed by the Cabinet Member for Housing