

Gosport Borough Council Tenancy Strategy

2013 – 2018

1.0 Introduction

- 1.1 Under the Localism Act 2011 every local housing authority in England has a duty to prepare and publish a tenancy strategy. The strategy must set out the matters which Registered Providers of social housing (RPs) must have regard to in formulating policies relating to:-
- the kind of tenancies they grant
 - the circumstances in which they will grant a tenancy of a particular kind
 - where they grant tenancies for a term certain, the lengths of the terms, and
 - the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.
- 1.2 The strategy also includes Gosport Borough Council's approach to other changes that have been introduced. It sets out how the Council would like RPs with affordable housing stock (as defined in paragraph 1.4) in the Borough to respond to other changes related to housing provision introduced in the Localism Act.
- 1.3 It is important to note that RPs need only to have regard to the tenancy strategy in developing their tenancy policies. In addition they have already signed their contracts with the Homes and Communities Agency (HCA) for the development of homes through the new 'affordable rent product' until 2015. However the Council would ask that RPs in Gosport review their tenancy policies after this strategy has been adopted to ensure that wherever possible their policies work to complement and do not contradict our strategy.
- 1.4 RPs operating in Gosport include non profit making and charitable housing associations registered with the HCA and Gosport Borough Council as a landlord of Council housing.
- 1.5 The term 'affordable housing' covers properties that are let at either an affordable or social rent.

2.0 Scope / Overview

- 2.1 This Tenancy Strategy 2013-2018 gives an overview of how we will address the issues of rent and tenure reform.
- 2.2 Although the baseline data on rents across the Borough is considered, this strategy does not advise on rent setting. It does not consider tenancy management issues, except those relating to the management of fixed term tenancies including:-
- the kinds of tenancies that are granted,
 - the circumstances in which a tenancy of a particular kind will be granted,
 - where a tenancy for a certain term is granted, the length of the term,
 - the circumstances in which a further tenancy will be granted on the coming to an end of an existing tenancy.
- 2.3 The tenancy strategy does not cover in detail changes that will be made to the allocations scheme or the way that the homelessness duty is met in the private sector, as this will be carried out through a separate review in 2013.

3.0 Background

- 3.1 There are 7 RPs, including the Council who provide affordable housing for families with approximately 5102 social rented homes in Gosport. This accounts for approximately 14% of the total housing stock in the Borough. Gosport Borough Council owns 3142 (62% of the social rented stock) with the other RPs owning and managing the remaining 1960 homes (38% of the social rented stock). Most RPs offer nomination rights to tenancies to the Council and homes are allocated and let via the Council's Allocations and Choice Based Lettings schemes. Details of RPs operating in the Gosport Borough Council are shown below;-

Gosport Borough Council

Affinity Sutton

Hyde Martlett (This stock was transferred from A2 Dominion in January 2013)

Home Group

First Wessex

Radian

Guinness Hermitage

- 3.2 A breakdown of general needs affordable housing by property type and size for RPs (including Gosport) and a summary of their tenancy policies are included in Appendix 1.

4.0 Flexible Tenancies

- 4.1 RPs including the Council are now able to offer life time or fixed term tenancies (Flexible Tenancies). Flexible tenancies must be for a minimum period of 2 years. However in practice, most RPs and local authorities who have opted for flexible tenancies have decided to offer a 5 year fixed term period. The key driver for the introduction of fixed term tenancies is to enable RP's and local authorities to make better use of the housing stock enabling housing need to be reviewed when a fixed term tenancy period is drawing to an end.

- 4.2 The Council believes that the use of flexible tenancies for some tenants will contribute to making the best use of the affordable housing stock, reducing under-occupation and increasing stock turnover. Where flexible tenancies are to be offered the following minimum standards are recommended:-

- Any fixed term should be for a minimum of 5 years in accordance with HCA guidance
- Tenancy policies should recognise the benefit of a period of stability for those with young families and children in education.
- 1 and 2 bed sheltered housing should not be subject to flexible tenancies. The likelihood of those resident's circumstances changing significantly, or of them being under-occupied is very small. Residents in need of sheltered housing are likely to benefit from the stability that a lifetime tenancy affords.
- Flexible tenancies for family sized properties with adaptations are encouraged so that best use can be made of properties in low supply
- If a flexible tenancy is not being renewed on the basis of under-occupation it is expected that RPs offer a smaller alternative within their own stock, or through partnership working with other providers and allow the tenant to remain until an

alternative is found.

- Flexible tenancies must not be used as a substitute for dealing with Anti-Social Behaviour or ending failing tenancies in a timely way, although these may be relevant considerations when deciding whether a tenancy should be renewed.
- The criteria for not renewing a tenancy must be clearly published in accordance with the requirements of the legislation.
- If an income limit is imposed it should be set having regard to the income thresholds contained within the Council's Allocations Scheme which will be reviewed as part of the review of the Allocations Policy.
- Gosport Borough Council expects to be notified of all decisions not to renew a tenancy to enable housing advice to be provided for those households who are affected.

5.0 Affordable Rents

5.1 The 2010 Comprehensive Spending Review introduced 'affordable rent' as a new form of social housing and the main type of new housing supply for the future. The new regime enables RPs to let a property at an 'affordable rent' (inclusive of service charges, where applicable) of up to 80% of the gross market rent in the area for a comparable property taking account of its size, location and the services being provided. Homes let under the existing regime of target rents are typically let at 50/60% of open market rental value (OMR). In addition, where an RP has an approved development programme, an affordable rent can be set on a proportion of the its existing relets; the additional revenue raised to fund, in part, the development of new affordable homes. The table below sets out the difference in weekly rent levels in Gosport between the different types of housing product as at April 2012.

Property Size	Local Housing Allowance	Affordable rent	Social Rent (GBC)
1B	115.38	92.00	63.01
2B	138.46	113.60	75.16
3B	167.31	128.00	82.63
4B	230.77	None available	89.50

- 5.2 Gosport Borough Council will regularly review housing needs in the Borough. This will include an assessment of rent levels required to meet housing needs. This information will be used to inform the delivery of the housing offer in Gosport Borough Council.
- 5.3 RPs are expected to deliver homes with rent levels within Local Housing Allowance. Gosport Borough Council will assist in any required negotiations with the HCA.
5. Gosport Borough Council believes that the 'affordable' housing product should be available for those who would have traditionally been housed in social rented properties. We do not therefore expect housing associations to require deposits or rent in advance, or to exclude applicants on the basis of overly onerous referencing.
- 5.5 RPs should consider and take into account the impact of different rent levels on the different household types, and ensure that all household types in need of affordable

housing can be catered for, including larger families requiring three or four bedroom accommodation. RP's need to take this into account in setting their rent policies for new build housing, and also in their approach to converting existing stock from target to affordable rents.

- 5.6 Gosport Borough Council expects RPs to offer advice to their tenants who are likely to be affected by welfare reform and facilitate moves to appropriate housing where necessary.
- 5.7 Gosport Borough Council expects RP's to provide information on the number of conversions they have signed up to and regularly update us as to progress against this target.

6.0 Consultation

- 6.1 Consultation has been carried out with customers and statutory and voluntary groups across Gosport. Consultation included an on-line questionnaire, discussions with tenants and with RPs.

7.0 Review and Publication

- 7.1 The affordable rent and fixed term tenure regime is both new and complex as are the proposals for welfare benefits reform. This first strategy attempts to set some guidelines for how it might work, but inevitably it will be a learning process. The Council will therefore monitor how the strategy is working in practice and review and update it as required. In particular there is a need to understand:
- The number of affordable rented homes created, including the number of conversions
 - Who is being housed
 - How many fixed term tenancies are offered, renewed, not renewed and the reasons for this
 - The number, basis and outcome of any appeals against the length of the tenancy granted or the decision made at review
 - The outcomes for those people whose tenancies are not renewed, including in particular any cases of homelessness
 - The number of transfers and in particular the impact on under occupation
 - The numbers of tenants in rent arrears, the levels of arrears, and the impact of this on both tenants and providers.
- 7.2 RP's are asked to provide the required information to enable a review to be carried out after the Tenancy Strategy 2013-18 has been in operation for 12 months.
- 7.3 A copy of the strategy will be published on Gosport Borough Council web site and made available for inspection on request at the Council offices. Members of the public may also make a request for a hard copy of the strategy.

Appendix 1 Breakdown of social rented housing in Gosport

Landlord	Gosport Stock 1/4/11	% of social housing stock	5Bedroom Social / affordable	4Bedroom Social / affordable	3Bedroom social / affordable	2Bedroom social / affordable	1bedroom social / affordable	Sheltered supported social / affordable
Gosport Borough Council	3142	61%	1	86	1002	543	1320	190
First Wessex	1035	21%	1	43	465	432	94	0
Homegroup	246	5%		18	112	104	12	0
Hyde	374	6%	0	0	0	141	233	0
Guinness Hermitage	236	6%	0	5	47	81	53	50
Affinity Sutton	24	Less than 1%	0	0	0	17	7	0
Radian	45	1%	0	0	12	22 / 1	10	0

Summary of Tenancy policies

Landlord	Fixed Term Tenancies	Affordable Rent	Access (reference and deposit requirements)
Gosport Borough Council	5 Year Fixed Term	No – apart from all new build and acquired property	Open
First Wessex	Life time tenancies	Yes	4 weeks in advance and references
Homegroup	Life time tenancies	None currently	References & Home visits, then 4 weeks rent on sign up or proof of full HB to be put in payment
Hyde Housing	5 Year Fixed Term	Yes	Open
Guinness Hermitage	Lifetime tenancies	Yes	One week's rent if no HB claim
Affinity Sutton	Both Lifetime and Fixed Term	Yes	references
Radian	Fixed term tenancies of 6years and 11months on all new build and 50% of re let properties	Yes – all new build and 50% relets	No requirement at present

Glossary

Affordable housing: Includes social rented housing, affordable rented housing and low cost home ownership such as shared ownership.

Affordable Rent: Rents offered by RPs of social housing at up to 80% of the rent that would be charged if the property were let in the open market.

Choice Based Lettings (CBL): A scheme which enables those on the housing register to express an interest in properties which are available for allocation

Fixed term tenancy: A flexible tenancy with a fixed start and finish date, usually for 5 years.

Homes and Communities Agency (HCA): The national housing and regeneration agency for England, responsible for allocating funding for new affordable housing.

Homelessness duty: A local authority owes the "main homelessness duty" when the authority is satisfied that a homeless household is eligible for assistance, unintentionally homeless and falls within a specified priority need group. Where this duty is owed, the authority must ensure that suitable accommodation is available to the household.

Local Housing Allowance: The current form of housing benefit paid to people with low incomes who are renting in the private sector.

Market rent: The rental income that a property would most probably command on the open market.

RAPS Scheme: Rented Accommodation in the Private Sector Scheme. The scheme that has been developed in Gosport to enable private sector landlords to work in partnership with the Council to provide housing to households who are threatened with homelessness.

Reasonable preference categories: Particular groups who must be given priority on registers for social housing, as defined in legislation.

Social rent: Housing for which guideline target rents are determined through the National Rent Regime, aimed at helping people in housing need. Rents are usually significantly lower than market levels.

Target Rents: A rent calculated by applying a formula from National Government first introduced in 2002

Tenancy policy: A RP's policy that defines how the provider will make decisions about the types of tenancy they will provide to tenants.

Welfare Reform Bill: A bill introduced by National Government in 2011, which proposed to make significant changes to the welfare benefits system.