



# **Gravesham Borough Council**

## **Tenancy Strategy**



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## **1. Introduction and Background**

The Localism Act 2011 received Royal Assent in November 2011 and presented local authorities and registered providers of affordable housing with a number of new choices to enable them to manage affordable housing efficiently to meet housing need.

Section 150 of the Localism Act 2011 provides that every local authority has a duty to publish a tenancy strategy by 15 January 2013. The strategy should set out the matters to which registered providers of social housing within its district must have regard when formulating their 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 certain term, the length of the term; and
- The circumstances in which they will grant a further tenancy when an existing tenancy is coming to an end.

This strategy does not set out the council's policy for granting tenancies in respect of its own housing stock or detail changes that may need to be made to its allocation policy in response to legislation and other government guidance. These will be dealt with in a separate Allocations Policy and Tenancy Policy.

The strategy outlines the council's position on how:-

- Registered providers may choose to introduce the new 'affordable rent' model;
- Registered providers will be able to 'convert' a number of existing social rented homes to a higher 'affordable rent'
- The council could change who can access social and affordable rented homes through the introduction of revised eligibility criteria to join the housing register; and
- The council may assist homeless applicants into private rented homes to meet their housing need.

Local authorities are required under the Localism Act 2011 to consult with private registered providers or social housing providers within its governing area before adopting a Tenancy Strategy. This document has been consulted upon between 5 December 2012 and 5 January 2013.

## **2. Strategic View of the New Tenure Options for Registered Providers**

### **Fixed Term Tenancies**

Previously registered providers generally could not offer fixed term tenancies at social rent and therefore 'lifetime tenancies' were granted to the majority of new tenants in general needs social rented housing. However, a revision to the Tenancy Standard in April 2011 allows registered providers to offer fixed term tenancies at an affordable rent as part of a contract with the Homes and Communities Agency (HCA) to deliver new homes under the Affordable Homes Programme.

### **Strategic Housing Objectives**

It is clear that the message from Government is for local authorities to influence how registered providers will implement and manage these reforms locally so that 'due regard' is given to the Council's preferences as set out in this strategy.

## **3. Affordable Rent – New Build and Conversions**

In November 2010, the government announced the Affordable Rent model in its housing policy consultation document *Local decisions: a fairer future for social housing*.

*The majority of new homes funded through the Homes and Communities Agency's Affordable Homes Programme 2011-2015 will be delivered at Affordable Rents. Affordable Rented housing is housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent.*

Social housing providers now have the opportunity to charge affordable rents as defined above for new homes and an agreed proportion of re-lets where this is part of their contract with government to deliver new homes.

The government's intended outcomes in this respect are:-

- To maximise the delivery of new affordable housing, making best use of constrained public subsidy and;
- To provide an alternative to traditional social rent and allow more flexibility within social housing.

The affordable rent model is intended to enable registered providers of social housing to secure extra financial capacity to deliver new homes.

Whilst initiatives to increase the delivery of affordable housing are welcomed, it is important to ensure that the benefits of those incentives are directed to our local community. Therefore we believe that it is appropriate for the council to set out in this Tenancy Strategy the way in which we would expect them to be used.

#### **4. Aims**

The main aims of the Gravesham Borough Council Tenancy Strategy are:-

- To discharge the council's legal duty as described in the Localism Act and in the Housing Act Part VI and VII (as amended by the Homelessness Act 2002);
- To act as a reference point alongside with relevant policies mentioned herein in exercising housing functions placed upon the Council;
- To ensure best use is made of available social housing stock in the borough;
- To clarify the council's expectations to registered providers operating in the borough;
- To create and maintain sustainable communities; and
- To prevent homelessness and enable housing to be offered to those in the greatest need.

#### **5. Gravesham - Population and Housing**

The borough of Gravesham is located on the south bank of the River Thames in the north of Kent, approximately 20 miles east of London. It covers an area of 40 square miles and stretches from the River Thames in the north to the crest of the North Downs in the south. The borough is bounded to the west by Dartford and Sevenoaks, to the south by Tonbridge and Malling and to the east by Medway.

The 2011 Census results identify the population of Gravesham to be 101,720 compared to the 2001 census figure of 95,800, giving a percentage increase of 6.2%. The 2011 Census results show a 6.4% increase in households from 38,000 to 40,431.

The borough has a high proportion of people from black and minority ethnic origin with most recent figures showing approximately 13% of the borough's population was of an ethnicity other than white British, with over half of these being of Indian origin.

The borough has a mix of house types – detached, semi-detached, terraced and purpose built flats and conversions. The North Kent Strategic Housing Market Assessment published in February 2010, indicates that the proportion of owned properties is similar to the South East average. However, the proportion of socially rented properties in Gravesham is higher and privately rented properties is lower than this average.

In Gravesham there are approximately 7,000 social rented homes, of which approximately 1,700 are owned and managed by Housing Associations.

House prices in the borough are, on average, lower than across Kent and the South East but the vast majority still remain out of reach for local first time buyers. House prices differ across the borough, with the cost of purchasing in the rural area being significantly higher than in the urban area.

Further information on both the regional and local housing markets can be found in the North Kent Strategic Housing Market Assessment. The North Kent Strategic Housing Market Assessment can be found on the Council's website at <http://www.gravesham.gov.uk/services/housing/housing-strategy-and-development/affordable-housing-policy>

## **6. Overall preferences and considerations**

It is important to consider the impact of the Affordable Rent model and fixed term tenancies on communities if introduced 'en-masse' in an area and, as such, it is desirable to consider these factors on a site by site basis.

It should be noted that the council is unlikely to accept conversion or disposal of larger family homes or homes within the rural parishes due to issues of availability and affordability.

### **In relation to Affordable Rent the Council would like:-**

- To encourage the development and retention of social rent where this is feasible in the context of available resources and expects all registered providers to actively engage with us on the issue of delivery of new build affordable homes and conversion/disposal of existing social rented homes;
- Affordable Rent and social rent to meet local housing need (this should be identified in partnership with us, on the basis of an assessment of needs on a site by site basis);
- Consideration to be given to specific local matters such as rural communities and regeneration priorities in making decisions about the use of the Affordable Rent;
- Revenue from the conversion of social rent homes to the Affordable Rent to contribute to additional affordable housing within Kent and Medway;

- Affordable Rent homes to be advertised through Kent HomeChoice in the same way as social rent, to ensure fairness and transparency; and
- Affordable rents to be set at up to 80% of the local market rent (inclusive of service charges) or capped at the Local Housing Allowance (LHA) rate, whichever is the lower sum.

**In relation to the use of fixed term and flexible tenancies by registered providers, the Council:-**

- Prefers a five year fixed term tenancy as the minimum for most households. Where fixed term tenancies are used the primary objective should be to enable the best use of available housing;
- Prefers lifetime tenancies or longer fixed term tenancies where a household's circumstances are unlikely to change over time e.g., people with long term health conditions, or older people for whom the move to a new home may be their last move; and
- Would like fixed term tenancies to be re-issued at the end of the term unless there is a change of circumstance as defined in the Registered Provider's tenancy policy. For most household groups changes in circumstances are likely to include:
  - Housing need related to health and wellbeing
  - Household composition
  - Financial

## **7. Household Groups**

Gravesham Borough Council has suggested more specific circumstances for some household groups:-

### **7.1. Households with a disabled household member (adult or child)**

We consider the following to be important in managing fixed term tenancies and the affordable rent product:-

- A person centred approach;
- Registered providers should engage with other agencies involved in meeting the household's needs e.g. social care, at the review stage and in subsequent action, for example should the household need support to move; and
- Decisions not to reissue should be based on clear criteria which may also include changes in housing need related to disability

The council would prefer:-

- Lifetime tenancies for households moving into Extra Care or designated older persons accommodation;
- Minimum five year (preferred ten year) fixed term tenancies for adapted homes and general needs accommodation;
- Shorter fixed term tenancies for “move on” or respite care – to be determined locally; and
- Affordable rent levels at or below the Local Housing Allowance level

## **7.2. Families with children of school age or younger**

We consider the following to be important in managing fixed term tenancies and the affordable rent product:

- Decisions not to reissue should be based on clear criteria which may also include changes in the age of children, their educational requirements and attainment
- The impact of decisions on local services such as schools, other amenities and communities

The council would prefer:

- A minimum fixed term tenancy of five years; and
- The use of the affordable rents on family housing (newbuild and social rent conversions) to take local conditions into consideration

## **7.3. Lower income households not in receipt of housing benefit**

We consider the following to be important in managing fixed term tenancies and the affordable rent product:-

- Support to households should the tenant become unemployed; and
- Clear information about any additional costs with affordable rent homes, e.g. administration fees, deposits, etc.

The council would prefer:-

- A minimum fixed term tenancy of five years.

## **7.4. Single and childless couples under 55**

We consider the following to be important in managing fixed term tenancies and the affordable rent product:-



- Decisions not to reissue should be based on clear criteria which may also include changes in housing need related to vulnerability; and
- The provider should engage other agencies involved in meeting the household's needs where appropriate e.g. social care, at the review stage and in subsequent action, for example should the household need support to move

The council would prefer:-

- A minimum fixed term tenancy of five years;
- Lifetime tenancies for households who may have an enduring vulnerability e.g. mental health, long term health conditions, etc.; and
- The use of the affordable rents (newbuild and social rent conversions) to recognise that different needs exist within this household group and to take local conditions into consideration

### **7.5. Older people**

We consider the following to be important in managing fixed term tenancies and the affordable rent product:-

- A person centred approach; and
- The provider should engage other agencies involved in meeting the household's needs e.g. social care, at the review stage and in subsequent action, for example should the household need support to move

The council would prefer:-

- Lifetime tenancies for households for whom it is likely the move will be their last one; and
- For fixed term tenancies, if they are to be used, to make the best use of designated or adapted accommodation, bearing in mind the individual circumstances of the tenant and their household

## **8. Managing the impact of fixed term tenancies and the affordable rent product**

In order that registered providers and other social landlords are able to jointly manage fixed term tenancies and the affordable rent product to best effect, the following points need to be addressed:-

**Prospective and existing tenants *understand:-***

- The importance of social rent and affordable rent housing to achieving wider objectives for the area, e.g. economic growth or a reduction in health inequalities;
- The basis for decisions to offer fixed term tenancies and the affordable rent product;
- The benefits of new products for customers and communities; and
- What changes in the social and affordable rent, and welfare system, may mean for households and the housing options available to them.

**Good quality housing options services *which:-***

- Are based on a robust understanding of new products and services and how they differ from other options;
- Are able to advise on the best options when taking into consideration household income (a consistent assessment process was suggested);
- Can refer to opportunities to improve household income e.g. training and employment; and
- Incorporate the private rented sector as an option.

**Registered providers and other social landlords *who:-***

- Clearly advertise affordable rent homes and the circumstances where a fixed term tenancy may be used;
- Provide clear, easy-to-understand, information about the tenancy on offer; its length; the process of starting and ending a tenancy;
- In the process of review, consider how the tenant's quality of life can be improved, and the role of agencies that can enable this e.g. employment, health, care and support;
- Take a consistent, fair and transparent approach to decisions at the point of tenancy review;
- Provide independent and good quality information, advice and advocacy, particularly if a decision is taken not to re-issue a tenancy following review; and

- Communicate decisions not to re-issue a tenancy to other agencies, including the local authority, to ensure that homelessness and other negative outcomes are prevented

**Local authorities in their strategic role *enable*:**

- A coherent approach amongst providers and other agencies, particularly to enable customers to understand what is on offer
- Decisions on fixed term tenancies and the use of affordable rent to be connected to other local authority roles and responsibilities e.g. the approach taken to Disabled Facilities Grants
- The tenancy strategy and tenancy policies, as only one part of a system, to be connected to other mechanisms that enable and manage access to social rent and affordable rent homes, e.g. allocation policies, and to manage tenancies e.g. lettings policies

**Other stakeholders, *with an interest in access to, and the supply of, affordable housing, understand***

- What is on offer and why
- What the potential impact is of fixed term tenancies and the affordable rent product on their customers
- The role they will play in ensuring that negative impacts and unintended consequences are managed so that the customer's quality of life is not affected

## **9. Access to the HomeChoice Register**

Previously almost anyone could apply for social housing. Now, local authorities will have the freedom to set their own eligibility criteria to join the register according to local needs and priorities.

The introduction of this measure is primarily intended to ensure that social housing is targeted at those in most housing need. Households who are able to access other tenures i.e. private rented, will be expected to pursue those options rather than joining the social housing register. Changes to the Council's eligibility criteria to join the register will be dealt with through a review of the Council's Allocations Policy.

## **10. Flexibility for Local Authorities in meeting their Homelessness Duty**

Previously homeless households could turn down an offer of accommodation in the private rented sector and insist on an offer with the council or a housing association.

The Localism Act 2011 allows local authorities to meet their homelessness duty by assisting homeless applicants in accessing private rented accommodation to meet their housing need.

This change is intended to respond to the shortage in social housing whilst also reducing the substantial costs of housing homeless households in temporary accommodation. Therefore, the Council intends to utilise the flexibility provided in the Localism Act 2011 for this purpose.

## **11. Where Tenancy Policies can be found**

The Localism Act requires local authorities to signpost people to where the registered providers' tenancy policies can be found. Gravesham Borough Council intends to provide a detailed schedule of where the tenancy policies of all registered providers active in the borough can be accessed.

## Glossary of Terms

| Term                                       | Definition   |
|--|--|
| Affordable Housing                         | <p>Affordable Housing includes Social Rented, Affordable Rented and Intermediate housing, provided to eligible households whose needs are not met by the market.</p> <p>Affordable Housing should:-</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Include 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 recycled for alternative affordable housing provision.</li> </ul> <p>(See definition in the National Planning Policy Framework)</p> |
| Affordable Rent                            | Rented housing provided by Local Authorities and Private Registered Providers of social housing to households that are eligible for Social Rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent inclusive of service charges, where applicable.  |
| Fixed Term Tenancy                         | A tenancy that runs for a fixed period of time and is reviewed and either renewed or terminated, at the end of the fixed term.   |
| Local Housing Allowance (LHA)              | Local Housing Allowance (LHA) is used to calculate how much Housing Benefit a tenant in the private rented sector will be entitled to. LHA rates are set at different rates for different sizes of accommodation in different local areas.   |
| Local Lettings Plans (LLP)                 | Local Lettings Plans (LLPs) provide details of how homes will be let in a particular development.  |
| Registered Provider (RP)                   | Providers of social housing and includes Private Registered Providers (Housing Associations) and Councils that still have their own stock.   |
| Strategic Housing Market Assessment (SHMA) | A collection of data and survey information about the local housing market. The North Kent SHMA covers the Gravesham, Medway, Swale and Dartford sub-region, and helps in planning for housing and related services in the area.   |
| Tenancy Policy                             | A policy which Registered Providers are required to have in place. The policy must give information such as types of tenancy they will grant, length of  |

|                  |   |
|------------------|---|
|                  | fixed term tenancies, the circumstances in which fixed term tenancies will/will not be renewed.   |
| Tenancy Strategy | <p>A document which, under the Localism Act, all local housing authorities must have in place and which sets out the matters to which Registered Providers operation in the Local Authority area are to have regard to in formulating policies relating to:-</p> <ul style="list-style-type: none"> <li>• The types of tenancies they grant;</li> <li>• The circumstances in which they will grant a tenancy of a particular kind;</li> <li>• Where they grant a tenancy for a 'fixed term', the length of the term, and</li> <li>• The circumstances in which they will grant a further tenancy at the end of a fixed term.</li> </ul> |