

CABINET (HOUSING) COMMITTEE

10 DECEMBER 2012

TENANCY STRATEGY FOR THE WINCHESTER DISTRICT

REPORT OF HEAD OF HOUSING SERVICES

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RECENT REFERENCES:

NONE

EXECUTIVE SUMMARY:

As part of its package of Localism, Welfare Reform and Austerity measures, the Government is introducing a raft of changes to the way in which affordable housing is provided in England. As part of the Localism Act 2011, local authorities and other registered providers of social housing have been given increased flexibility in the types of tenancies they may grant and the rents they can charge.

As part of its strategic housing responsibilities, the Council is required under the Localism Act to publish a Tenancy Strategy by January 2013. The Strategy will set the framework by which the Council expects all providers of social housing in the District to operate in relation to rent and tenure reform.

The purpose of this report is to firstly inform the Committee of the overarching Central and North Hampshire Strategy Statement, covering 7 local authorities across Hampshire including Winchester, and request approval of this document. The objective of the Strategy Statement was to encourage a cross-authority working arrangement for the production of individual Tenancy Strategies, seeking to harmonise policies and practices in recognition of the fact that many Registered Providers work across a number of Local Authority areas. Secondly, the report seeks agreement from the Committee for the local Tenancy Strategy for Winchester in order to comply with the statutory requirement under the Localism Act.

The Council has yet to determine or recommend changes to its existing Tenancy Policies for its own stock. Whilst changes introduced by the Localism Act to allow the implementation of flexible tenancies could offer some potential benefits, such as helping to address under occupation, it would certainly have significant resource implications. Potential for real benefits in the short term are arguably very limited. A more detailed paper considering options in more detail will be brought back to the Committee later in 2013.

This report was not included in the December 2012 Forward Plan as a key decision due to an oversight.

Under Regulation 10 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012, the Chairman of The Overview and Scrutiny Committee has been informed and notice has been published on the Council's website

RECOMMENDATIONS:

- 1 That the Central and North Hampshire Tenancy Strategy Statement at Appendix 1 of the report be noted and approved.
- 2 That the local Winchester Tenancy Strategy at Appendix 2 of the report be approved.

CABINET (HOUSING) COMMITTEE

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TENANCY STRATEGY FOR THE WINCHESTER DISTRICT

REPORT OF HEAD OF HOUSING SERVICES

1. Introduction

- 1.1 The Localism Act places a duty on all local authorities to publish a Tenancy Strategy by January 2013. The strategy must set out, in high level terms, the matters to which all registered providers of social housing in its district should have due regard to when they are formulating their policies to implement the new flexibilities the Government has introduced.
- 1.2 The main changes introduced by the Localism Act are:
 - (i) The provision that new tenants can be given a fixed term ("flexible") tenancy
 - (ii) The provision that some of the new tenancies can be lifetime tenancies, for example designated older persons housing
 - (iii) The provision that allows for new homes being built, and existing homes being re-let, to be let under the new 'affordable rent' tenure which enables housing providers to charge up to 80% of open market rents including service charges
- 1.3 The intention behind the legislation is to give housing providers greater flexibility in the type of tenancy they can offer in order to make best use of their stock.

2. Central & North Hampshire Tenancy Strategy Statement

- 2.1 The Central and North Hampshire Tenancy Strategy Statement is an overarching document which has been jointly prepared and which sets out the broad principles and common areas shared by the seven authorities in this sub region. The document establishes consistencies of approach for all seven authorities and also reflects the fact that many housing providers operate across the Local Authority boundaries. It seeks to harmonise the policies and practices of local authorities and housing providers to help make best use of stock across the whole area and create more sustainable communities whilst recognising that different approaches may be needed to take into account local needs.
- 2.2 The common areas include:
 - (i) Tenancy types
 - (ii) Use of tenancies

- (iii) Tenancy reviews
- (iv) Notice period
- (v) Right of appeal
- (vi) Advice at the end of a fixed term

The Central and North Hampshire Tenancy Strategy Statement is attached as Appendix 1.

- 2.3 Each local authority has or will then produce a more detailed local Tenancy Strategy, covering their local views on the new measures taking into account any specific local considerations and priorities.
- 2.4 Some councils in the sub region propose to adopt a very positive stance in relation to the use of flexible tenancies, as they are seen as a potential way to address under occupation in the long term. However, it can also be argued that any benefits will take many years to take effect, as flexible tenancies would only impact on new tenants. There are a number of options for addressing under occupation and recommendations for more urgent actions for the Council's own stock will be considered in the New Year.
- 2.5 At this stage, it is recommended that the Council's Strategy recognises the potential benefits of flexible tenancies, but does not take a firm stance on their application. It is clear that Registered Providers which manage social housing in the Winchester district are taking different views and adopting different policies, with some introducing 5 year fixed term tenancies whilst others are retaining lifetime tenancies for all their stock. The draft Strategy recognises this and retains some flexibility in relation to the Council's own stock.

3. Winchester's Tenancy Strategy

- 3.1 Winchester's Tenancy Strategy builds on the overarching Hampshire document, providing more detail on the Council's views relating to the changes brought about through the Localism Act.
- 3.2 The Tenancy Strategy is a simple, concise document setting out the objectives of the Council and it's expectation of Registered Providers operating in the Winchester district.
- 3.3 The three key objectives are:
 - (i) **Tenancies to be offered that provide the tenant with an appropriate level of security**
To ensure that the appropriate tenancy is granted to a tenant, Registered Providers are asked to take into account the Council's recommendations on the length and type of tenancy offered as well as their review process and grounds for non-renewal of a fixed term tenancy.

(ii) **Affordable rents to deliver new housing whilst continuing to assist those on low incomes**

Affordable rents, which can be set at up to 80% of open market rent levels, have been introduced to provide additional funding for the delivery of new social housing. The Council needs to ensure that new housing remains a feasible option for people on low incomes.

(iii) **A balance between creating flexibility in social housing and promoting settled, mixed communities**

To ensure that flexible tenancies and affordable rents do not undermine the Council's objective to support mixed, cohesive communities.

- 3.4 Once the Tenancy Strategy is in place, the Council will need to begin considering the detail of its own Tenancy Policy for Winchester City Council housing tenants. A further report will be brought to the Committee on this issue in the New Year.
- 3.5 The Council will monitor the effectiveness of the Tenancy Strategy and its objectives through its work with Registered Providers and other partnerships such as Hampshire Home Choice.
- 3.6 The Tenancy Strategy does not cover potential changes to the Allocations Policy or the housing register, as a separate review is being undertaken of these. However, it does set the strategic principles for this area of work. In preparing the Strategy, regard has been had to the Allocations Policy and the Council's Homelessness Strategy.

4. Consultation

- 4.1 The Tenancy Strategy has been produced in consultation with local stakeholders and partner organisations. In accordance with the statutory requirements, the Council has sought the views of Registered Providers operating in the Winchester District and other key stakeholders and partners, and the public. The consultation period ended on 30 November 2012.
- 4.2 The consultation was publicised at the Housing Forum which took place on 21 November 2012 and was on the Council's website.
- 4.3 Officers have also sought the views of current tenants and TACT through the Housing Management Scrutiny Group which discussed the draft Tenancy Strategy at its meeting on 30 October 2012.
- 4.4 Three comments in support of the content of the Strategy as a result of the consultation process.
- 4.5 An Integrated Impact Assessment and Equality Impact Assessment have been undertaken for the Tenancy Strategy. The comments from

the Council's Validation Panel have been incorporated into the Tenancy Strategy.

OTHER CONSIDERATIONS

5. SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

- 5.1 The proposals set out in this report have a direct relationship to the 'Active Communities' Change Plan.

6. RESOURCE IMPLICATIONS

- 6.1 The proposals in this report have no direct resource implications.

7. RISK MANAGEMENT ISSUES

- 7.1 As stated in 4.4 above, the Strategy has been subjected to Impact Assessment and the draft amended in light of the validation comments.

8. TACT COMMENT

- 8.1 Whilst not directly affecting City Council tenants, TACT has concerns regarding any proposals for flexible tenancies and affordable rents and will make strong representations if these are proposed for existing Council tenancies. However, it is accepted they are options for any registered provider to consider.

APPENDIX 1 Central & North Hampshire Tenancy Strategy Statement

APPENDIX 2 Winchester City Council Tenancy Strategy



Central and North Hampshire Tenancy Strategy Statement

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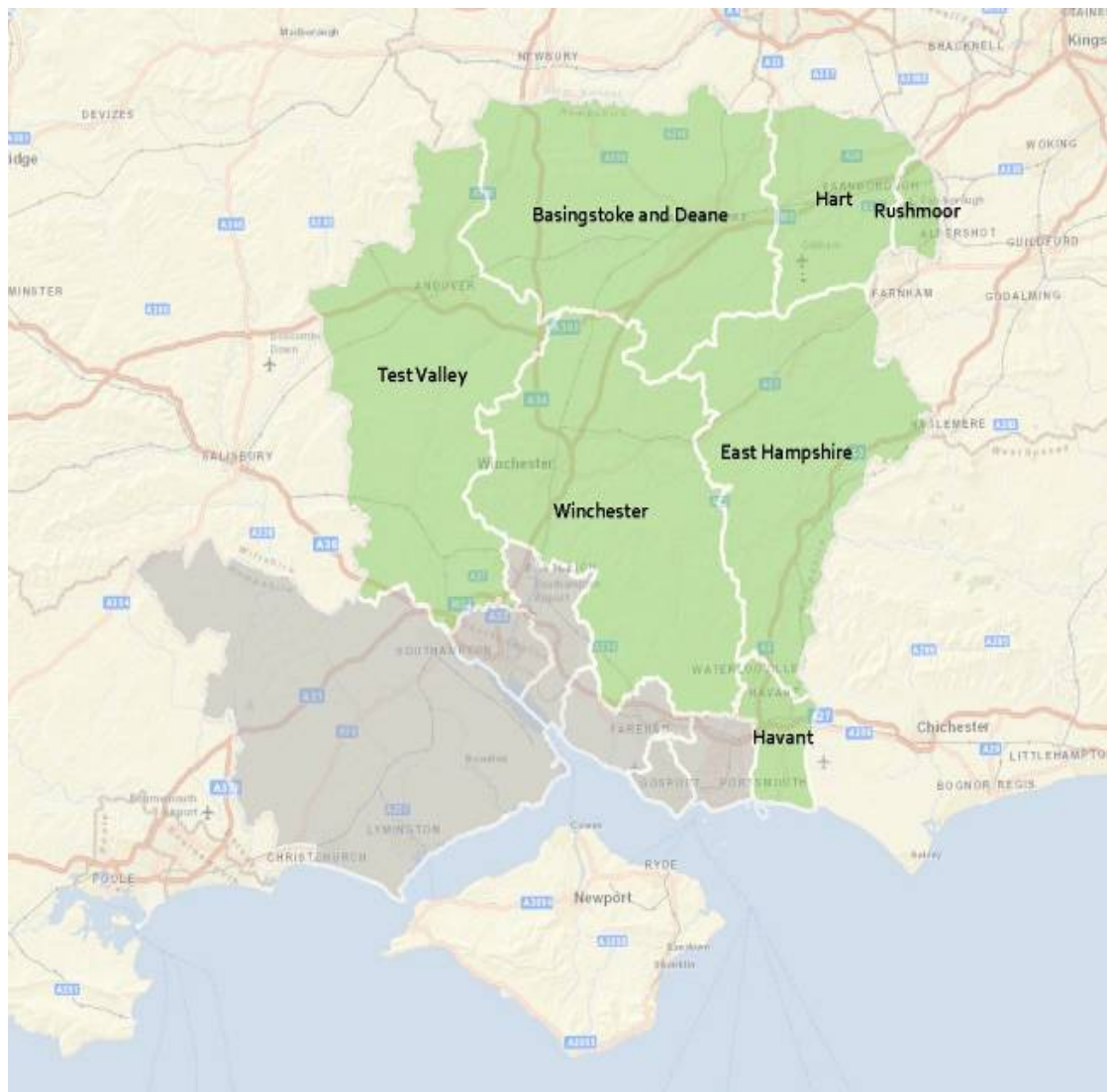
Version	Date	Author
1 st draft	27 February 2012	Kirsty Jenkins
2 nd draft	09 March 2012	Kirsty Jenkins
3 rd draft	15 March 2012	Kirsty Jenkins
4 th draft	09 April 2012	Kirsty Jenkins
5 th draft	10 April 2012	Kirsty Jenkins

1. Introduction

The Hampshire authorities that have produced this pre-strategy statement recognise the additional local flexibility that fixed term tenancies may provide. This over-arching strategy statement has been produced to set out our initial broad principle in our approach to granting tenancies for affordable housing in Central Hampshire Housing Market Area.

The Central and North Hampshire Housing Market Area local authorities each intend to produce its own tenancy strategy in due course; there will be one for each of the following areas:

- Basingstoke & Deane
- East Hampshire
- Hart
- Havant
- Rushmoor
- Test Valley
- Winchester



The Government is enabling providers of social housing with the option to use fixed term flexible tenancies, which in most cases will be for a minimum of five years. This recognises that presently tenancies are granted by local authorities or registered housing providers to meet an immediate need, such as overcrowding or homelessness, which may change over time resulting in homes being under-occupied or occupied by tenants who could afford open market accommodation.

We have produced this pre-strategy statement to help provide a consistent approach to Registered Providers as we recognise that many will own housing stock across a number of local authority areas. We also understand that similar trends and housing market features will be present across the central Hampshire local authorities.

Registered Providers are expected to have due regard to local authority's strategies in framing their own policies and we have worked closely with colleagues from housing associations, and other agencies in the development of this strategy statement. We will continue to work in partnership to make sure that Registered Providers tenancy policies and Local Authorities Tenancy Strategies work together to meet housing needs and priorities

The Central and North Hampshire local authorities have adopted a cross authority working arrangement for this strategy statement; wherever possible seeking to harmonise the policies and practices. We are committed to ensuring this approach is applied to the development and implementation of tenancy strategies. This will help to make best use of stock across the whole area and create more sustainable communities, however it is recognised that different approaches may be needed for rural and urban areas and for some considerations between districts to account for local needs.

This strategy statement offers some general principles on how we will address the issues of tenure reform.

There will be detailed local tenancy strategies produced for each local authority area relating to specific local area needs, this will ensure statutory duties required of local authorities are satisfactorily fulfilled.

Although baseline data on rents across the all districts is considered, this strategy does not advise on rent setting. It does not consider tenancy management issues.

The strategy does not detail changes we may make to our Allocations policies or housing registers (where local authorities still hold them), or our choice based lettings arrangements, as we will carry out a separate review of these. It has been suggested that there should be more joint work undertaken in the area of Choice based Lettings.

It is important to note that Registered Providers must 'have regard to' our tenancy strategy in developing their own tenancy policies. In addition, they have already signed their contracts with the Homes and Communities Agency

over the development of the new affordable rent product for the delivery of affordable housing until 2015, which means they will already have plans in place. However, we ask that Registered Providers in Central Hampshire review their own tenancy policies after the publication of this strategy to ensure that, wherever possible, their policies work to compliment the joint aims of our strategy. It has been suggested that Councils and RP's monitor the availability, affordability and turnover in lettings and the impact on these by the implementation of Universal Credits and whether the number of bids are affected, how difficult it is to let an affordable rented property to those who offer flexible tenancies, refusal rates and the potential increase in void times

2. Aims

The Tenancy Strategy is intended to provide broad guidance to Registered Providers operating in the Central Hampshire Housing Market Area, informing their policies and practices to produce lettings for housing applicants that meet local housing need and improve market functioning across the central Hampshire housing market area. It will do this by:

1. Enable the best use of affordable housing across the Central Hampshire Housing Market Area through greater tenancy flexibility, whilst maintaining a reasonable level of security of tenure to tenants.
2. Providing broad guidance and direction to Registered Providers regarding their use of flexible tenancies.
3. Indicating to current and prospective tenants, what they can expect from the tenancies offered by Register Providers in the Central Hampshire Housing Market Area.
4. Support the development and continuation of sustainable mixed communities
5. Address issues of affordability by seeking to maximize the availability of social rented properties and accepting the need for Affordable Rent properties only as a means of securing additional affordable rented homes.
6. Better meet local housing needs

3. Strategic Links

This Tenancy Strategy has a number of really important links to other key national and local documents, strategies and policies, including

- Allocations polices
- Choice based lettings frameworks
- Homelessness strategies
- Use of private rented sector to prevent homelessness
- Housing strategies

Please see the first appendix for full details.

4. Summary of Evidence

The second appendix to this strategy sets out a range of data and information that has been used to inform this Strategy. Key points to note are:

- Approximately 4/5th of all stock across North Hampshire is private sector homes (this includes both private rented and owner-occupied).
- Although the net number of homes continues to increase the rate at which new homes are being built has been falling.
- The population has increased and is projected to continue to do so, particularly amongst single person households and older people.
- House prices have more than doubled between 1997 and 2011 with a peak in 2007, as has the volume of sales in the same period.
- The number of people accepted onto social housing waiting lists has increased by three-quarters and rents have almost doubled between 1998 and 2011.
- Homelessness has fallen by 85%; the use of temporary accommodation has dropped by 76% from 2004/5 to 2009/10
- The supply of affordable housing has increased by more than 50% Levels stood at 800 in 2009/10, an increase of 200% on levels in 1991/92 and a decrease of 37% on levels in 1996/97.

The population continues to increase, together with the number of households on housing waiting lists and the number of those in housing need. This is taking place against a backdrop of fewer new dwelling starts and completions, and rising house prices. Consequently, the need to make best use of existing and future social / affordable housing stock is paramount.

5. Tenancy Types

This section sets out the broad approach to fixed term tenancies with regards to procedures, reviews and appeals to meet the overriding objective of maximising the best use of affordable housing stock and taking account of the aims set out in Section 2 above.

Use of tenancies

The Central and North Hampshire area would encourage the use of flexible tenancies where possible, to maximise the best use of affordable housing stock but acknowledges that there may be exceptional circumstances where lifetime tenancies may be granted.

Where Register Providers wish to use flexible tenancies, we would expect them to be granted for a minimum length of 5 years. Those wishing to provide shorter tenancies between 2-5 years will need to demonstrate on what basis this is justified.

The choice of not using flexible tenancies should be recognised in the document and a number of respondent RP's have reiterated that that is their current situation. Some organisations will have chosen for the time being at

least to issue life-time tenancies with a probationary one year at the beginning. This strategy recognises this choice.

Tenancy reviews

We expect that RPs tenancy policies will state that not less than 6 months before a flexible tenancy is due to end, it must be subject to a review.

If it is decided, as a result of the tenancy review, that a tenancy will not be renewed, written notice advising the tenant of such will be served. The notice must contain the reasons for the decision and, at the same time, notify the tenant of their right to appeal. Should a tenant appeal and fail to have the decision overturned, the landlord will be able to seek possession of the property.

We expect that RPs tenancy policies will provide clear criteria setting out the circumstance in which tenancies will not normally be renewed. We expect that these criteria will cover issues such as;

- Under occupation
- Overcrowding
- Properties with adaptations
- Where tenants have sufficient income or assets to meet their own housing needs

The tenancy policy should not seek to address housing management issues that can be dealt with through existing processes.

Registered Providers tenancy policies should make it clear that tenants will be made aware of these criteria when taking their tenancy.

It is recognised that there may be circumstances in which it would be unreasonable to expect someone to move even if the relevant criteria applied, and we would anticipate a Registered Providers Tenancy policy will explain when a tenancy might be allowed to continue:

Notice period

When flexible tenancies are coming to an end, it is essential that Tenancy Policies provide that the tenant is given sufficient notice so that they can seek advice about their options. Accordingly, we expect that notice will be served 6 months before the tenancy is due to end.

Well in advance of a tenancy being terminated (at least six months), we expect that the Registered Providers will work proactively with the Local Authorities and with the tenant, to assist them to explore their options for alternative housing, which could include home ownership, a privately rented home or a more suitable affordable rented home. The Local Authorities expect that the Registered Providers will develop local protocols for dealing with cases where tenancies will not be renewed. There will be some cases where RP's will choose not to use flexible tenancies at all or may choose to run a pilot in a designated area or on a property type.

If the tenant refuses to move when the notice period expires, the normal eviction procedure will take effect.

There is potentially a need to educate tenants and potential tenants on the different tenure types and what it means for them. Leaflets, newsletters and web based information could assist. Similarly landlords could propose to include tenancy conduct as a criteria.

Right of appeal

If a tenant disagrees with the decision reached by their landlord to terminate their tenancy, they may use the appeal process. Each Registered Provider is expected to set out in its Tenancy Policy, the appeal process established, and tenants should be directed to this for guidance.

Advice at end of fixed term

Registered Providers are expected to set out in their Tenancy Policies the arrangements they have in place for the provision of comprehensive housing options advice at the end of a fixed term tenancy. The Central and North Hampshire authorities wish to see a plan for provision of this advice set out clearly in each Tenancy Policy and we expect that Registered Providers will discuss with Local Authorities the most effective means of delivering this Housing Options advice.

6. Consultation

This strategy has been developed with the input from colleagues from Registered Providers through a series of workshops held during late 2011, and facilitated independently. A consultation draft version of this strategy has been circulated to these colleagues, and to other stakeholders during March 2012 and the final version will take on board any comments and views emerging from this.

7. Monitoring

The local authorities and registered providers located within the Central and North Hampshire area will review this document periodically. Particular attention will be paid to the information provided in the Appendix and how this is affected by type of tenancies offered.

It has been suggested that the number of FTT's be monitored, note those that fail at the end of the probationary period, the number ending at the end of the FTT period with reasons and the number of appeals completed and upheld and reasons.

Appendix 1 – Strategic links

Allocations policy	Information about how applicants are prioritised for social rented housing can be found in each of our own Housing Allocations Schemes. Applicants whom are deemed to be the most vulnerable in the most acute housing circumstances who have been waiting the longest are prioritised for housing. Monitoring the effectiveness of this Tenancy Strategy can help to inform how applicants are prioritised for social and affordable rented housing in the future.
CBL framework	Irrespective of tenure type, all properties will continue to be advertised through our choice based lettings frameworks. Where a property is to be let on a fixed term, this will be clearly indicated on the property advert.
Homelessness strategy	The local authorities most recent Homelessness Strategies, sought to prevent homelessness, help those who are homelessness and support people so they didn't return to homelessness. The levels of homelessness acceptances and households in temporary accommodation fell significantly 2003 – 2010, during the same period the number of households who were prevented from becoming homeless increased. Use of various incentives to help people access accommodation in the private rented sector was the most successful method of finding alternative accommodation before someone became homeless.
Use of private rented sector to resolve homelessness	The Localism Act 2011 allows local authorities to adopt a power so they can end the statutory homelessness duty by using private rented sector accommodation. Those local authorities that intend to make use of this power will help those facing homelessness access private sector accommodation rather than social rented housing to those facing homelessness.
Housing Strategies for each local authority	The individual Housing Strategies for each authority set out the detail of local housing supply, and demand and establish how locally, these two will be matched. Registered Providers should have regard to the relevant Housing Strategy in framing their Tenancy Policies.
Government housing strategy “Laying the Foundations: A Housing Strategy for England”	<p>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 accomplish this, the Government is seeking to:</p> <ul style="list-style-type: none"> • Achieve a wide choice of high quality homes, both affordable and market housing, to

	<p>address the requirements of the community</p> <ul style="list-style-type: none">• 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 increasing the supply of housing and;• Create sustainable, inclusive, mixed communities in all areas, both urban and rural.
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Appendix 2 – Housing Needs Evidence¹

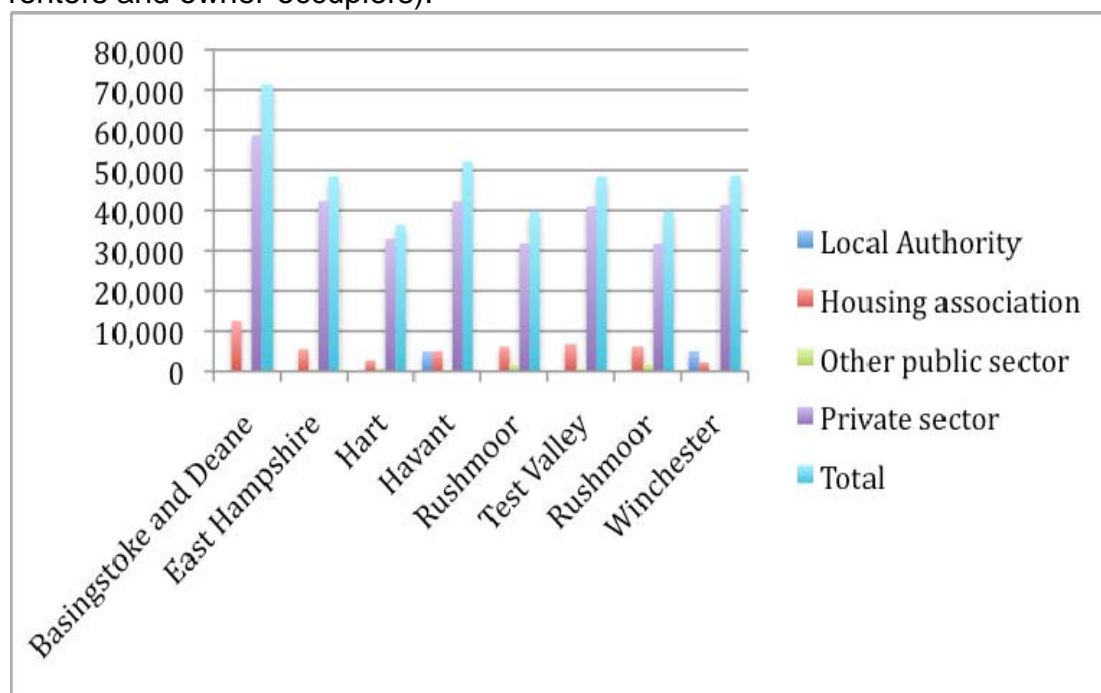
The statistics provided below relate to the following local areas:

- Basingstoke & Deane
- East Hampshire
- Hart
- Havant
- Rushmoor
- Test Valley
- Winchester

Where an overall total is offered is relates to the whole of the Central Hampshire Housing Market Area.

Dwelling stock

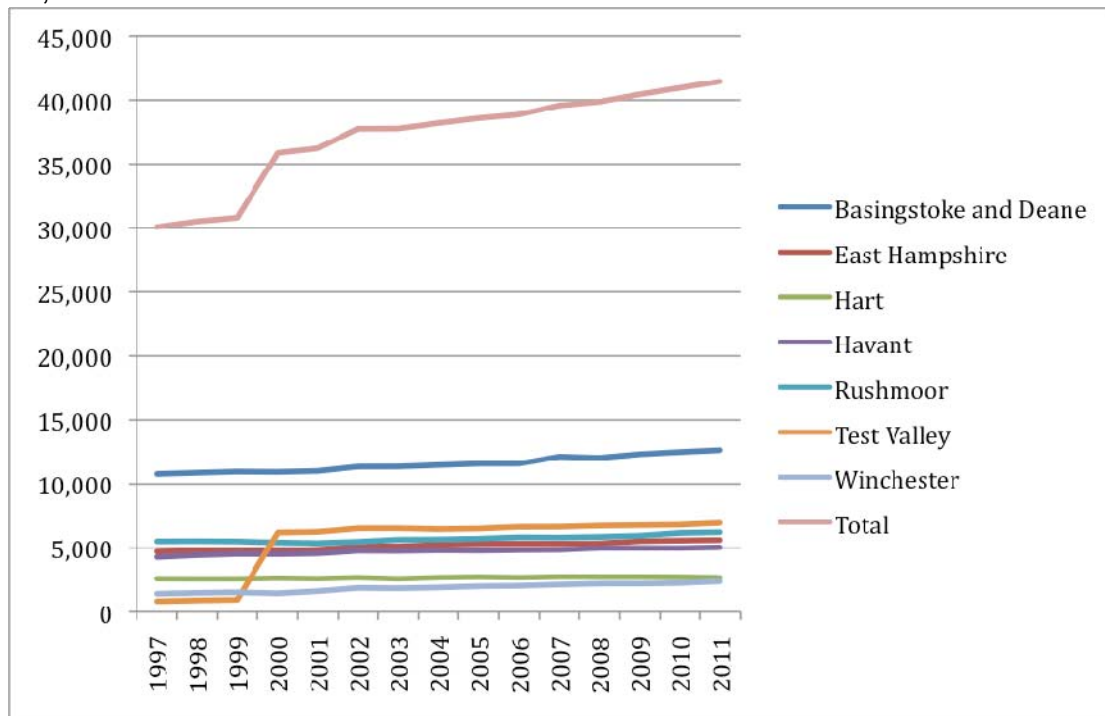
Total dwellings were 385,180 in 2011. 2.5% was local authority dwellings, 12.2% was housing association dwellings, 1.4% was other public sector dwellings, and 83.6% was private sector dwellings (this includes both private renters and owner-occupiers).



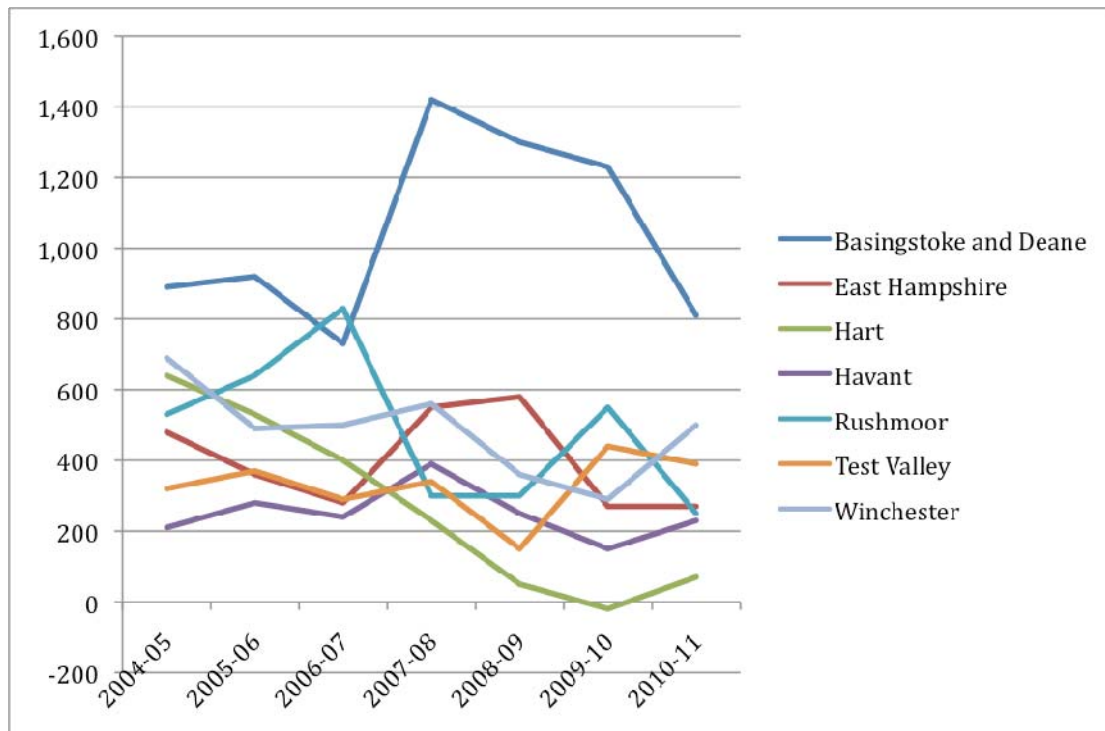
¹ Source:

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/locallevelstatistics/>

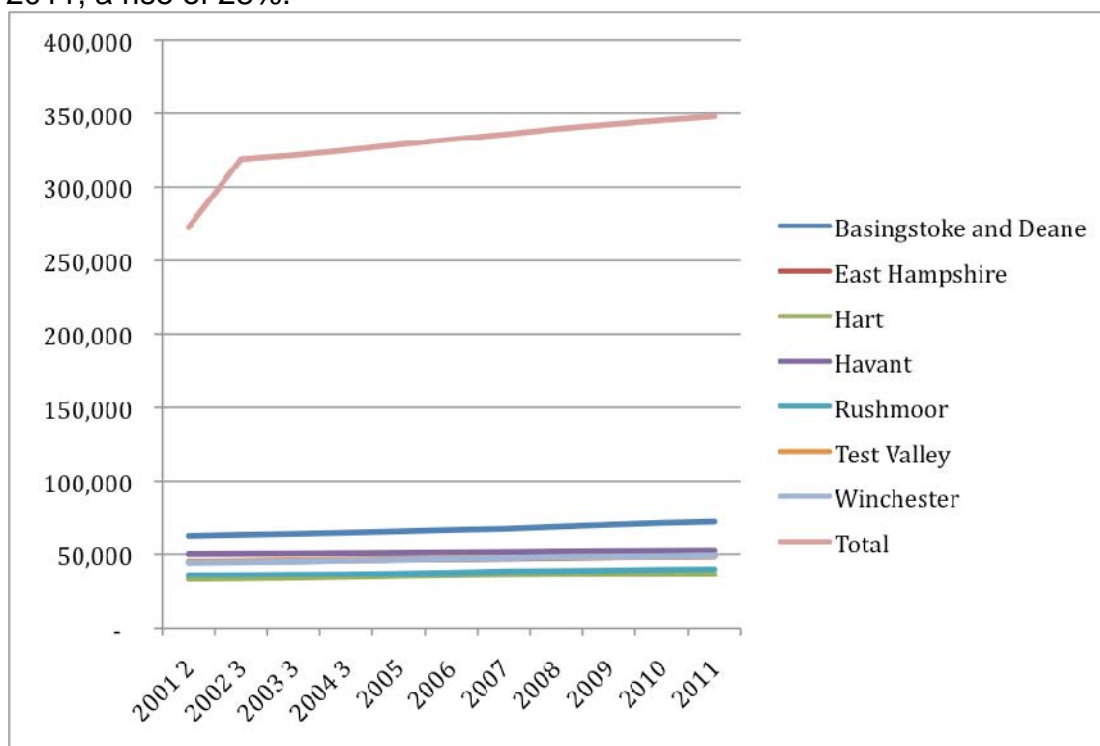
Registered providers owned 41,464 homes in 2011, an increase of 38% from 30,086 since 1997.



Net additional dwellings per year were 3,760 in 2004/05 falling to 2,519 in 2010/11, a reduction of 32%. Levels peaked at 3,790 in 2007/08, this is attributable to an untypically high number of dwellings in Basingstoke & Deane

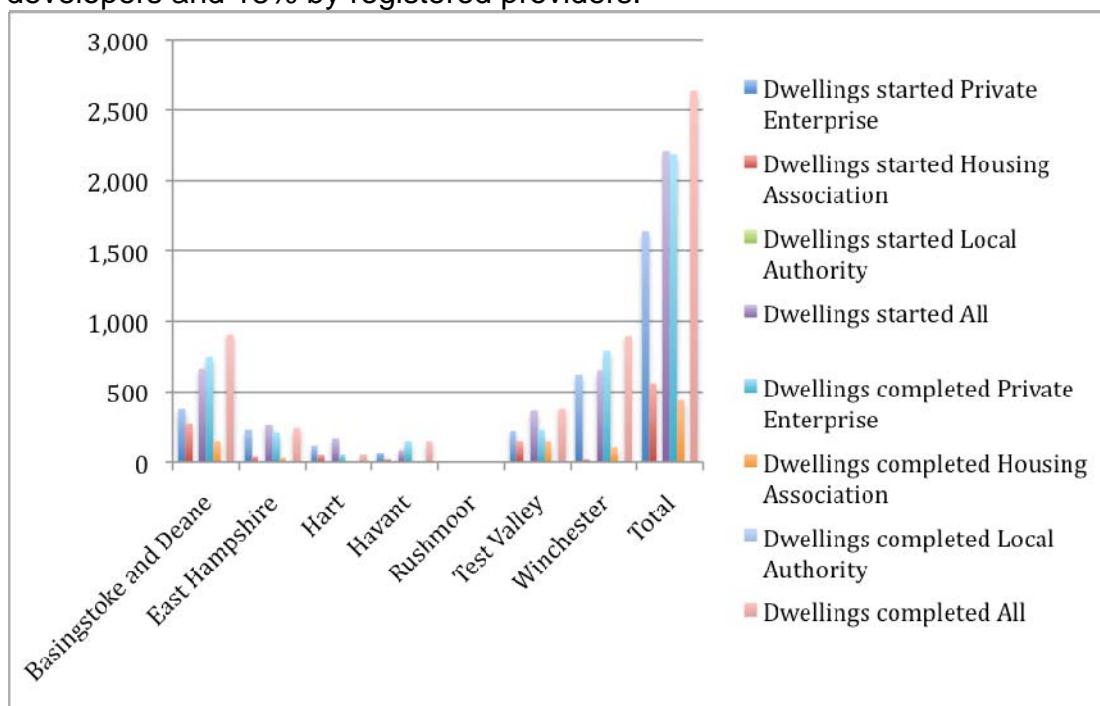


Total dwelling stock has increased from 272,480 in 2001 up to 347,900 in 2011, a rise of 28%.

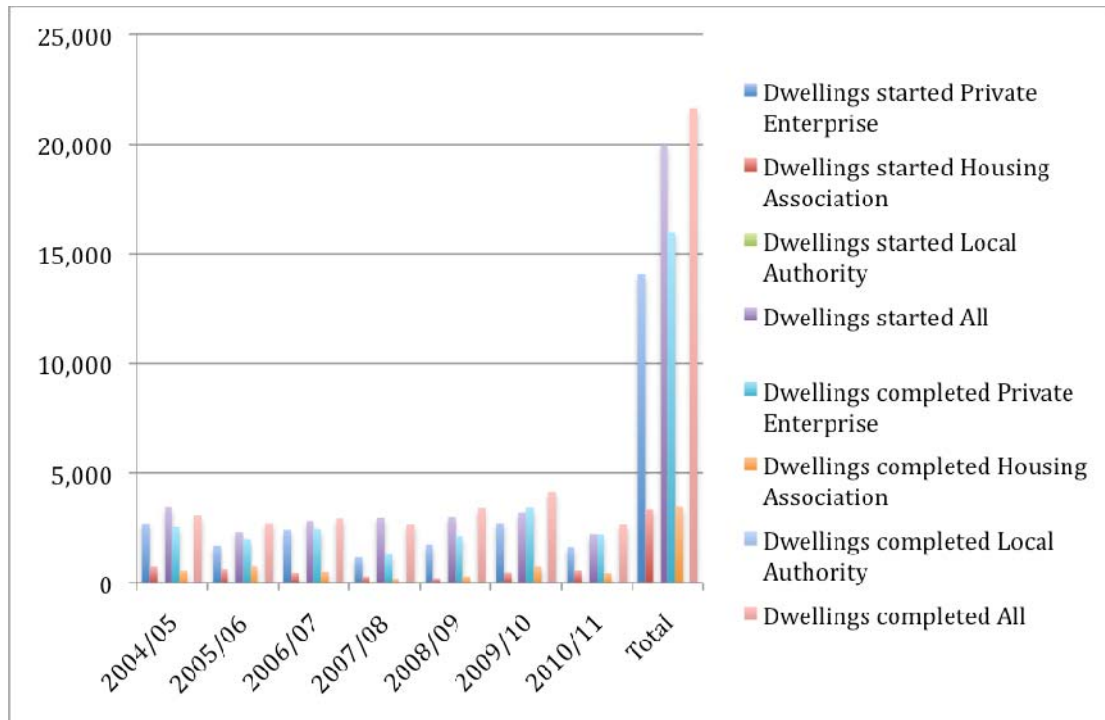


House building

Permanent dwellings started were 2,640 in 2010/11, of which 75% were by private developers and 25% were by registered providers. Permanent dwellings completed were 2,640 in 2010/11, of which 82% were by private developers and 18% by registered providers.

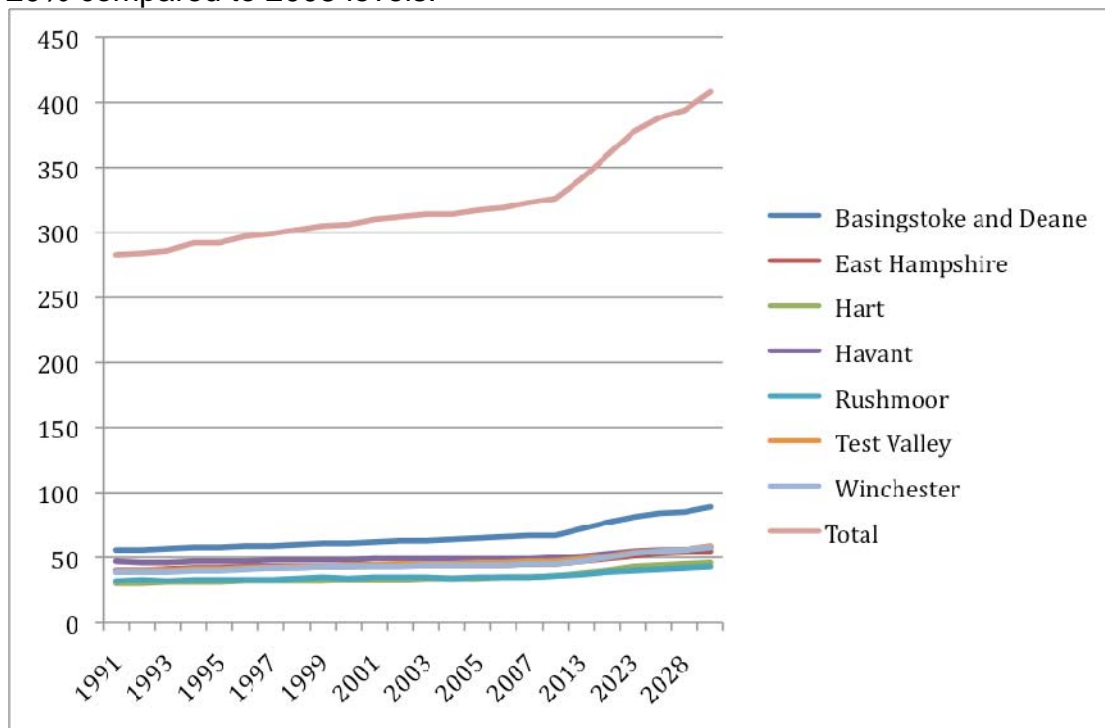


From 2004/05 – 2010/11 a total of 19,970 permanent dwellings have been started, 21,650 have been completed. Starts peaked in 2004/05 at 3,450, by 2010/11 they had fallen to a low of 2,210, a reduction of 36%. Completions peaked in 2009/10 at 4,170, by 2010/11 they had fallen to a low of 2,640, a reduction of 36%.

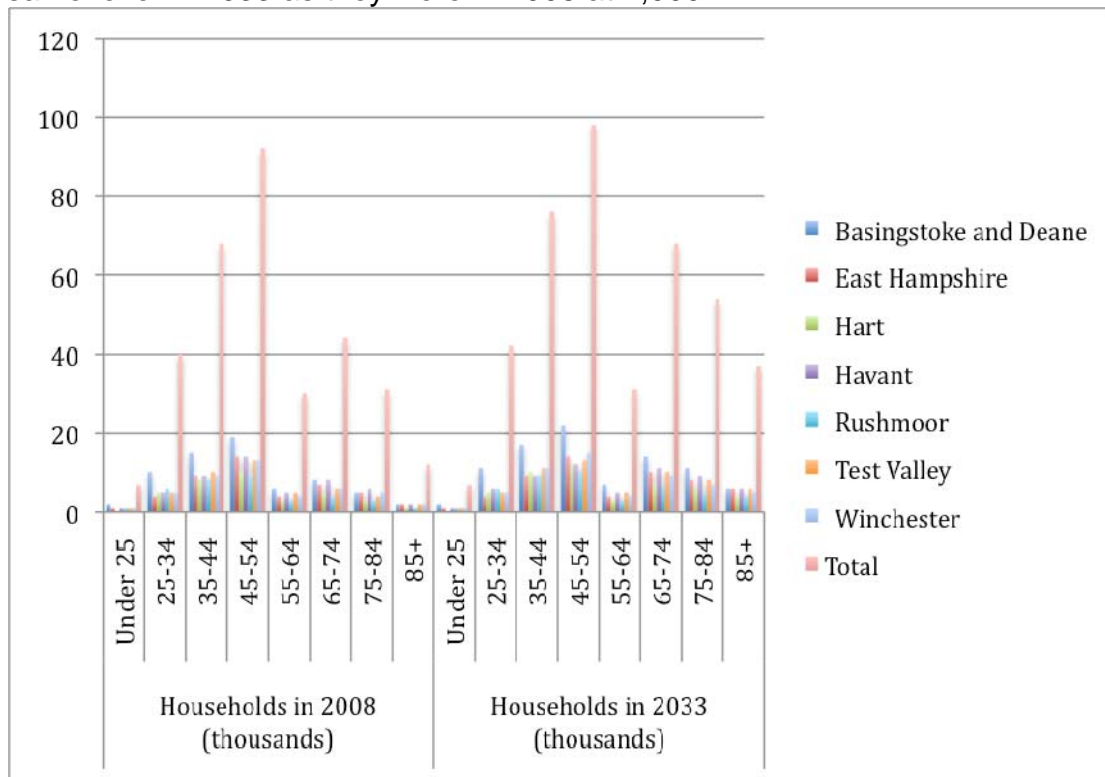


Household projections

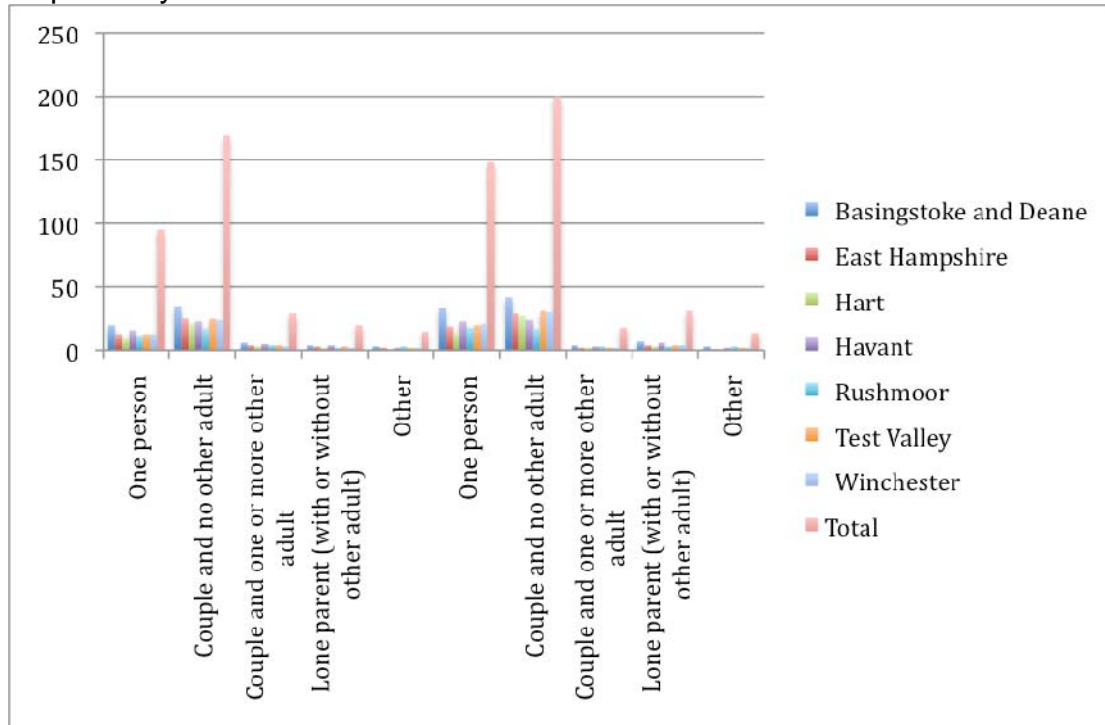
The number of households was 283,000 in 1991 rising to 326,000 by 2008, an increase of 13%. By 2033 there is expected to be 408,000, an increase of 20% compared to 2008 levels.



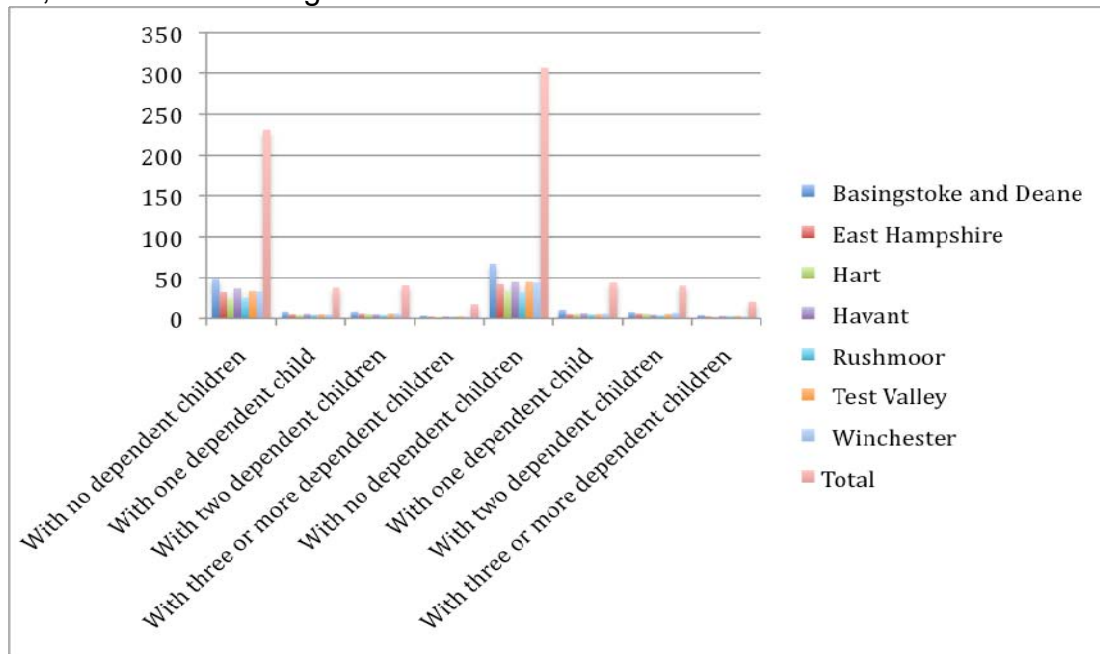
Household aged 45-54 was the most common type in 2008 at 92,000 and is expected to be so in 2033 at 98,000, an increase of 6%. Households aged 85+ are expected to increase the highest by 67% from 12,000 in 2008 up to 37,000 by 2033. Households aged under 25 are expected to remain at the same level in 2033 as they were in 2008 at 7,000.



Couples with no other adults were the most common household type in 2008 at 169,000 and is expected to be so by 2033 at 200,000, an increase of 15%. Couple with one or more other adults is expected to reduce by 37% from 29,000 in 2008 down to 18,000 by 2033. Lone person households and also lone parent households are both projected to increase by 35%, from 95,000 and 20,000 respectively in 2008 up to 148,000 and 31,000 by 2033 respectively.

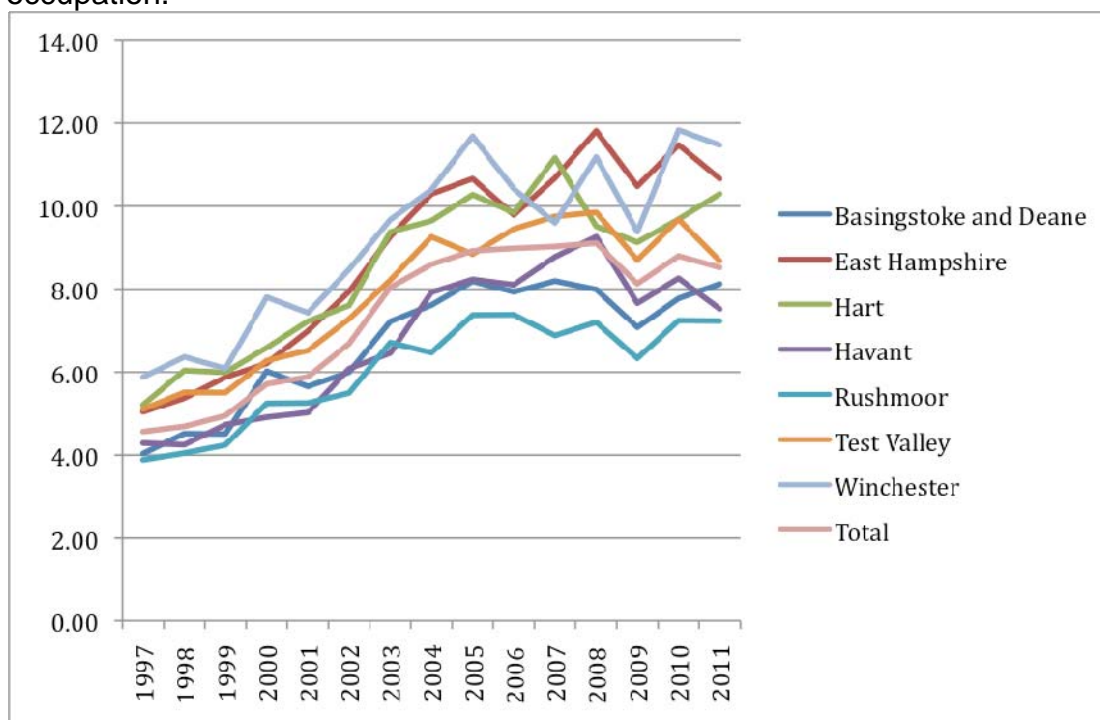


Households with no dependent children were the most common type of household in 2008 at 231,000; they are projected to be so in 2033 at 306,000, the largest projected increase at 24%. Households with three or more dependent children was the least common type of household in 2008 at 17,000, they are projected to be so in 2033 at 20,000, an increase of 15%. Households with two dependant children are expected to remain the same at 40,000 with 0% change.

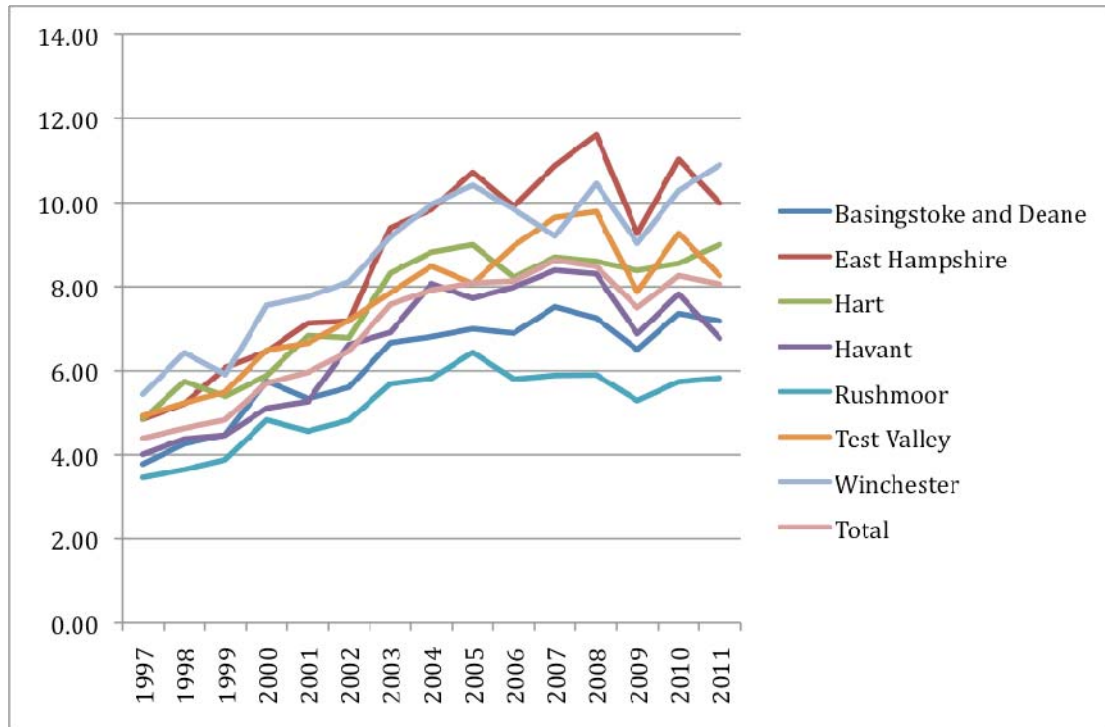


Housing market and house prices

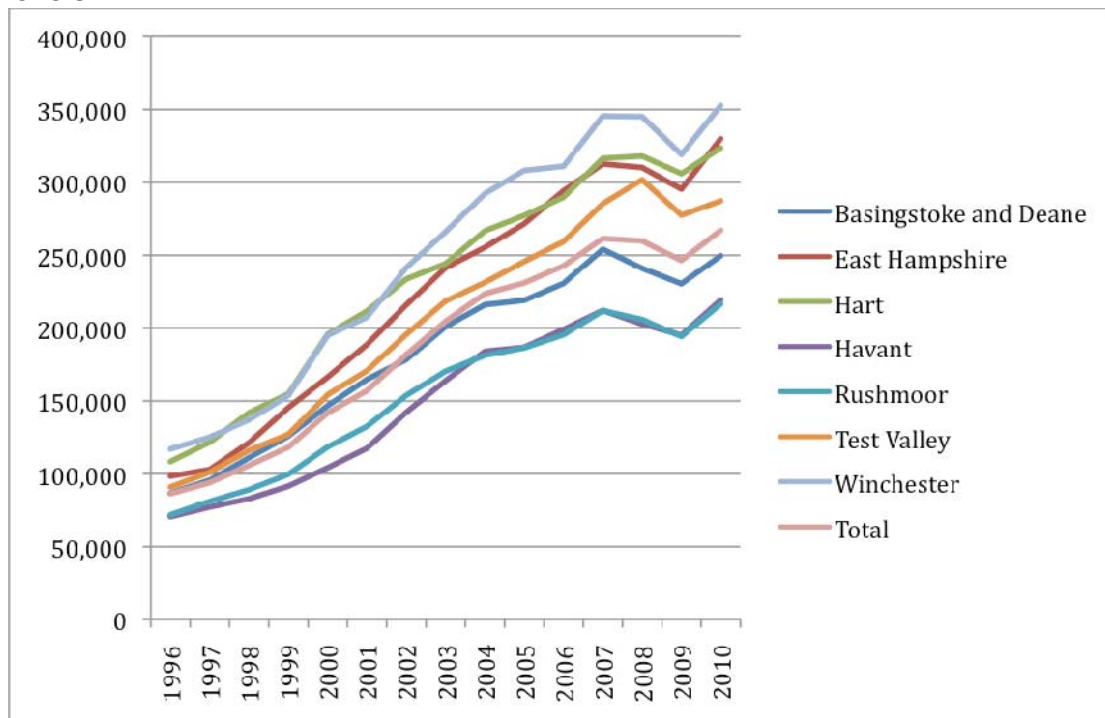
The ratio of lower quartile house prices to lower quartile earnings has doubled from a low of 4.57 in 1997 up to 8.52 in 2011, peaking at 9.11 in 2008. Lower quartile house prices are usually regarded as the entry point for owner occupation.



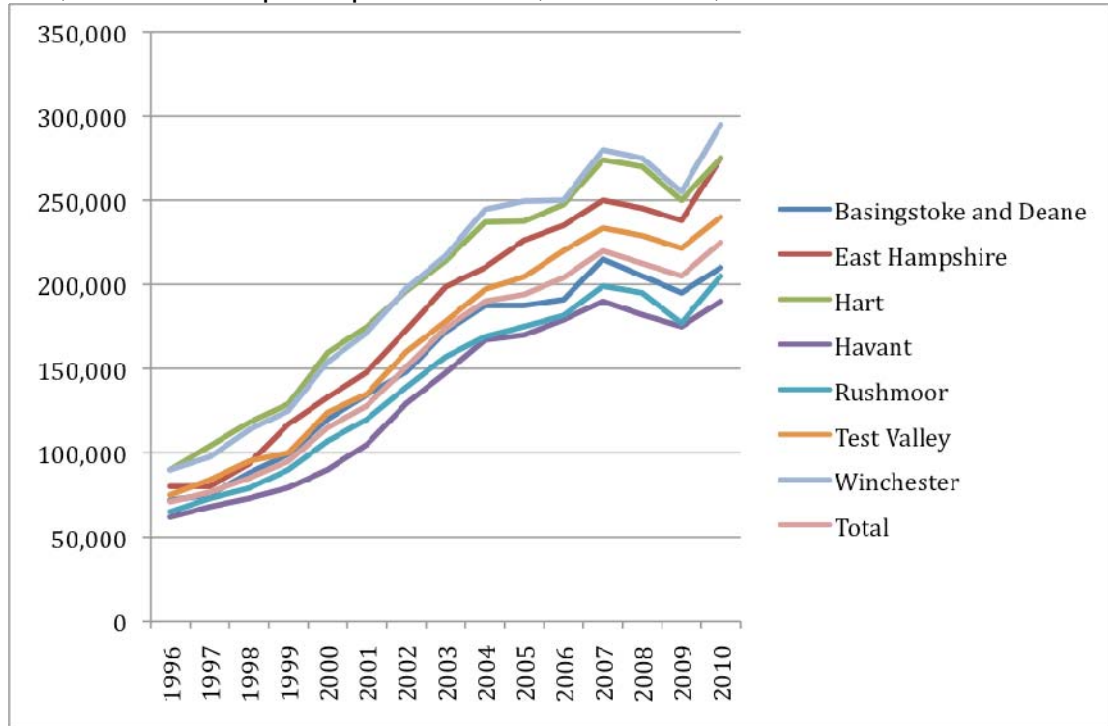
The ratio of median house price to median earnings has doubled from a low of 4.39 in 1997 up to 8.06 in 2011, peaking in 8.63 in 2007. Despite a marginal reduction in 2008/9, house prices have once more returned to pre-recession levels



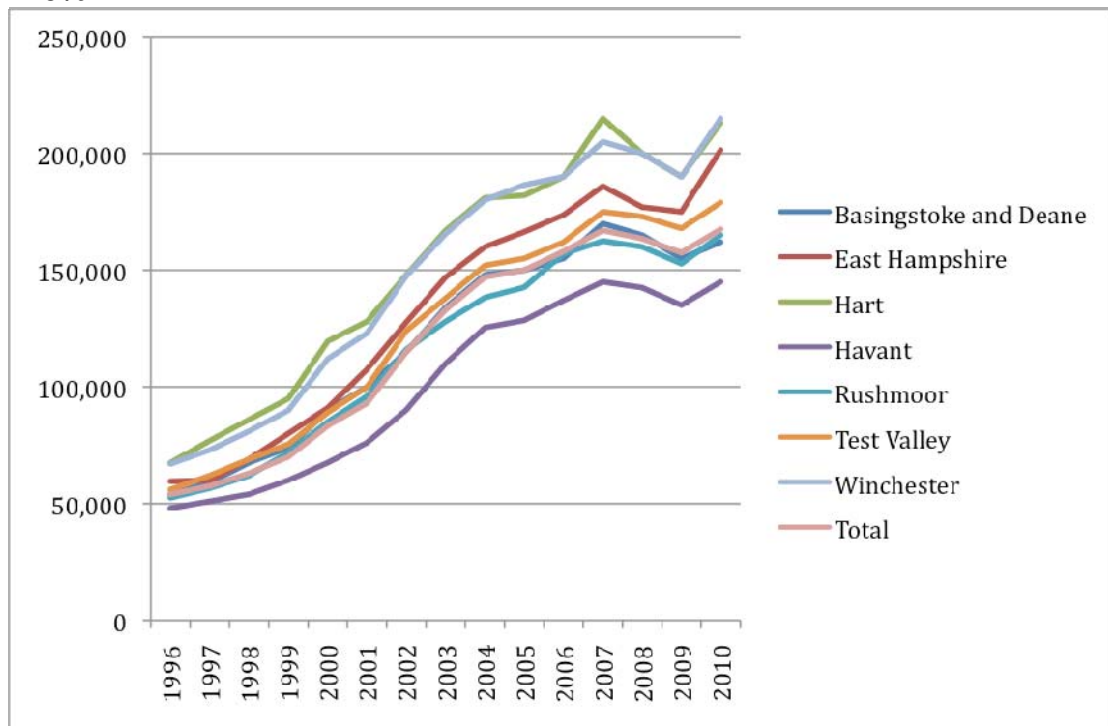
Land Registry data shows that the mean house price has risen from a low of £86,326 in 1996 up to a peak of £267,138 in 2010, an increase of 209%. Despite a marginal reduction in 2008/9, house prices have once more returned to pre-recession levels



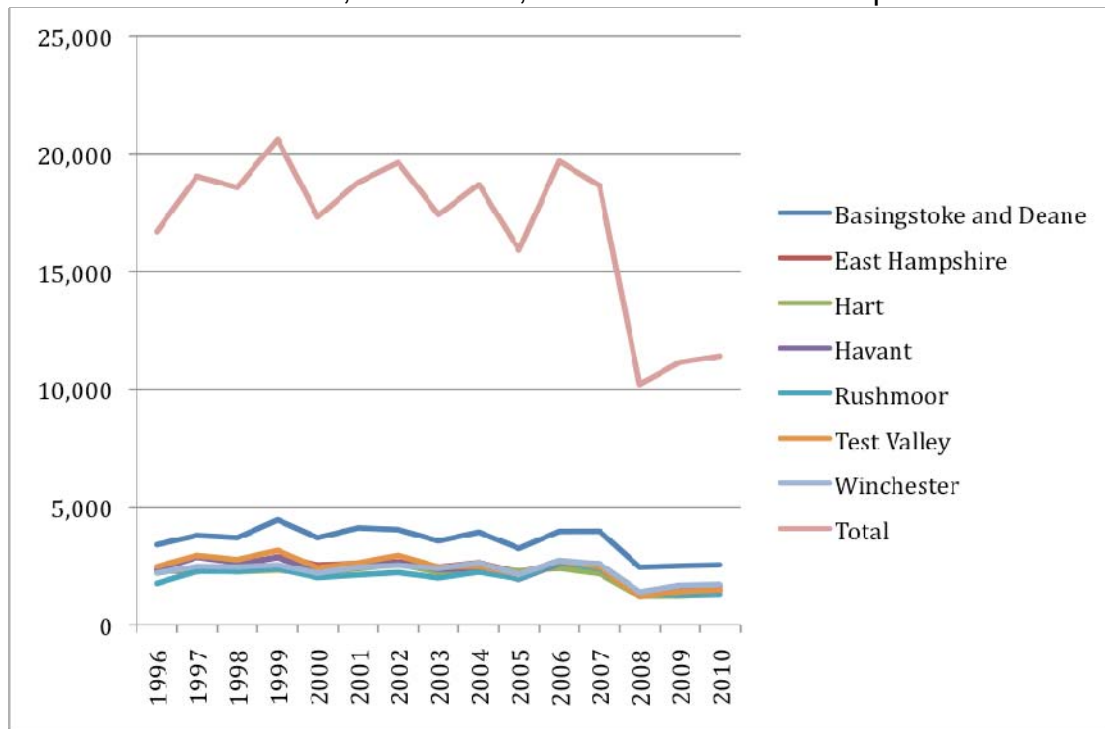
Land Registry data shows that the median house price has risen from a low of £71,000 in 1996 up to a peak of £225,000 in 2010, an increase of 216%.



Land Registry data shows that lower quartile house prices have risen from a low of £54,000 in 1996 up to a peak of £167,500 in 2010, an increase of 210%.

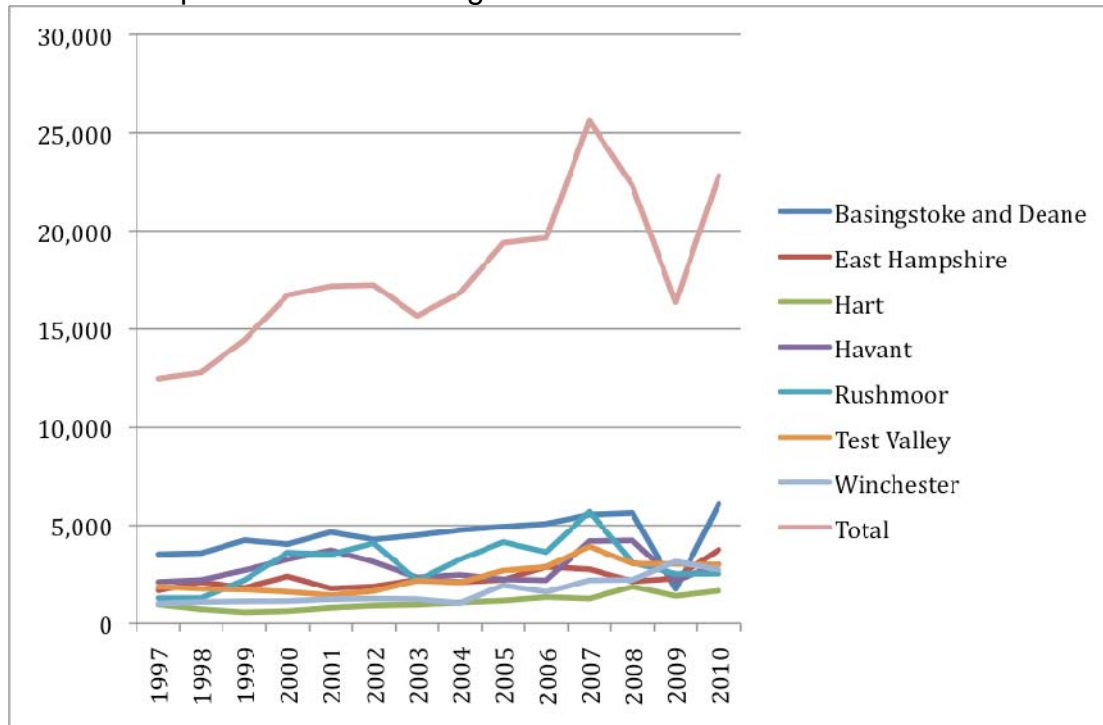


Land Registry data shows there were 16,682 property sales in 1996. Sales increased to a peak of 19,667 in 2006, an increase of 18% compared to 1996. Sales dropped to a low of 10,206 in 2008, a reduction of 48% compared to 2006. Sales stood at 11,403 in 2010, a reduction of 31% compared to 1996.

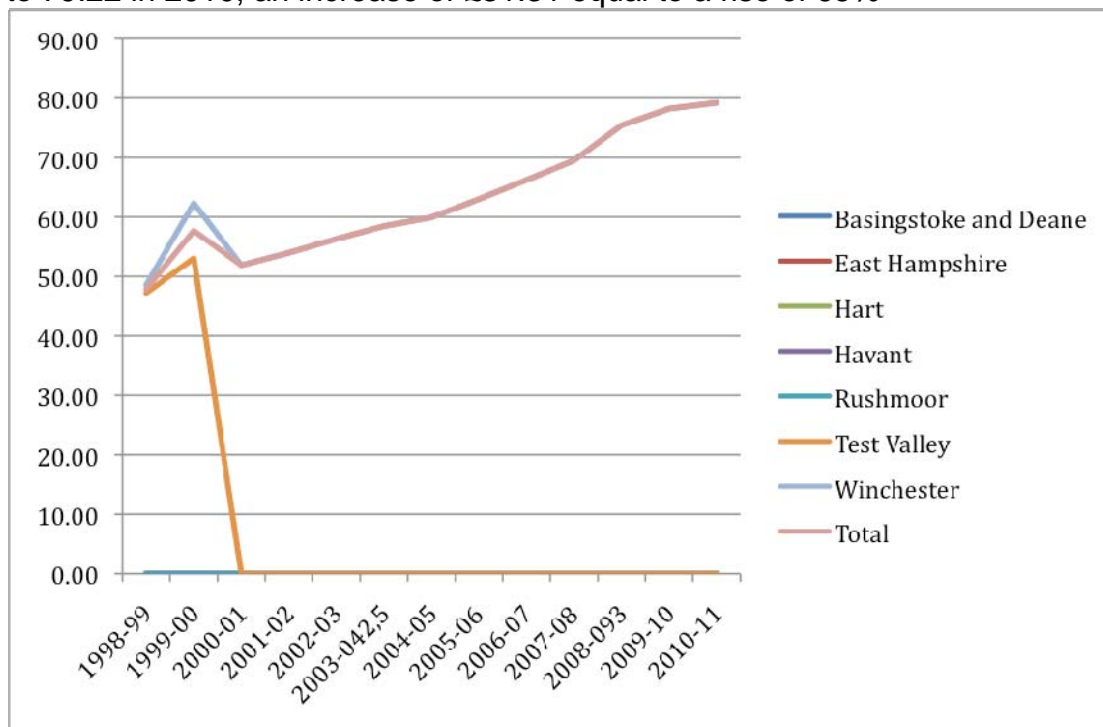


Lettings and Rents

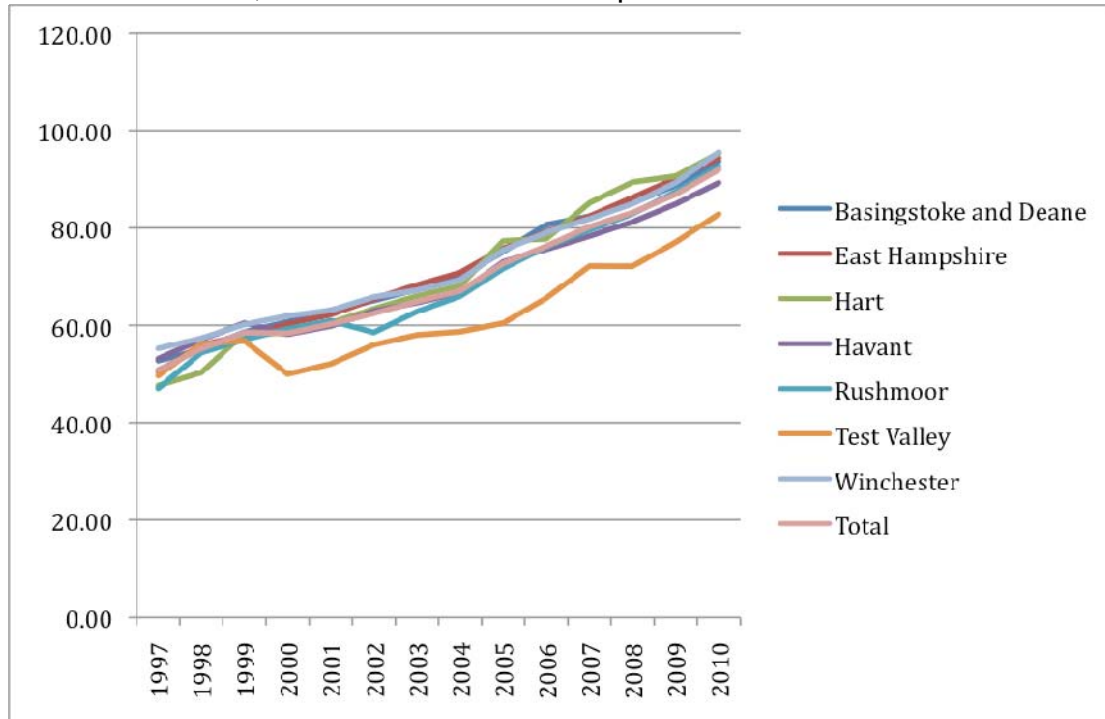
There were at 12,490 households on waiting lists (excluding those waiting for transfers) in 1997. Number peaked in 2007 at 25,594, an increase of 104%. Levels were at 22,807 in 2010, equal to 7% of the population. Six of the seven authorities operate a common register.



Local authority average weekly rents increased from in £47.91 in 1998/99 up to 79.22 in 2010, an increase of £31.31 equal to a rise of 65%

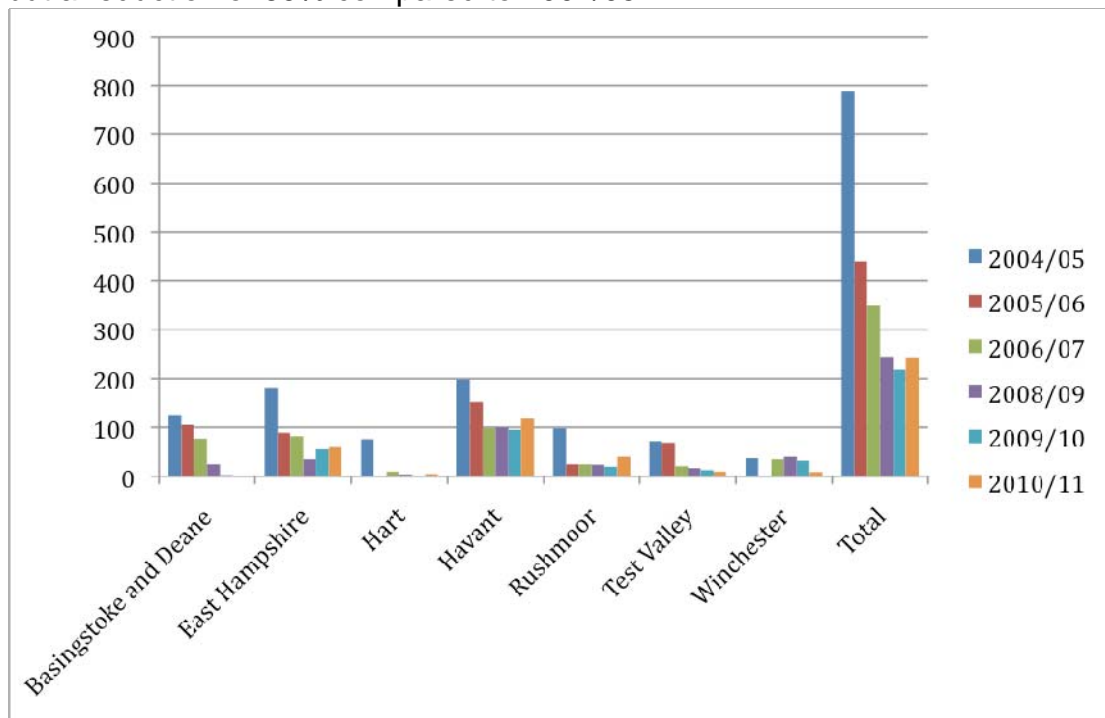


Registered Providers weekly average rents increased from £50.85 in 1997 up to £91.96 in 2010, an increase of £41.11 equal to a rise of 81%.

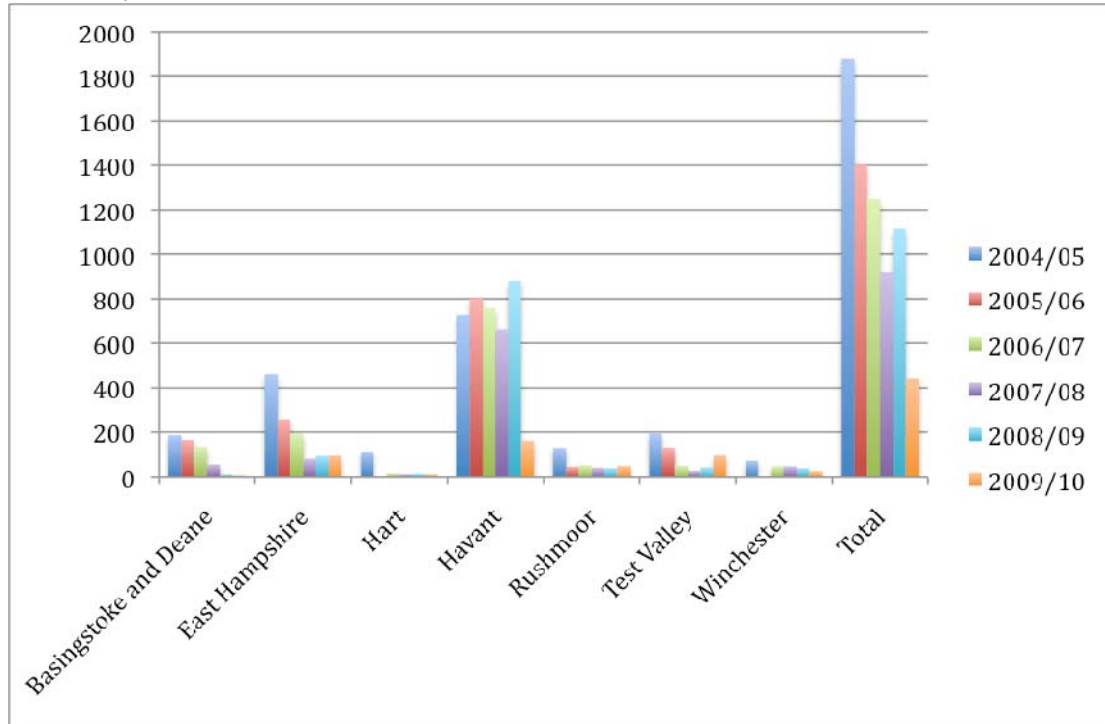


Homelessness

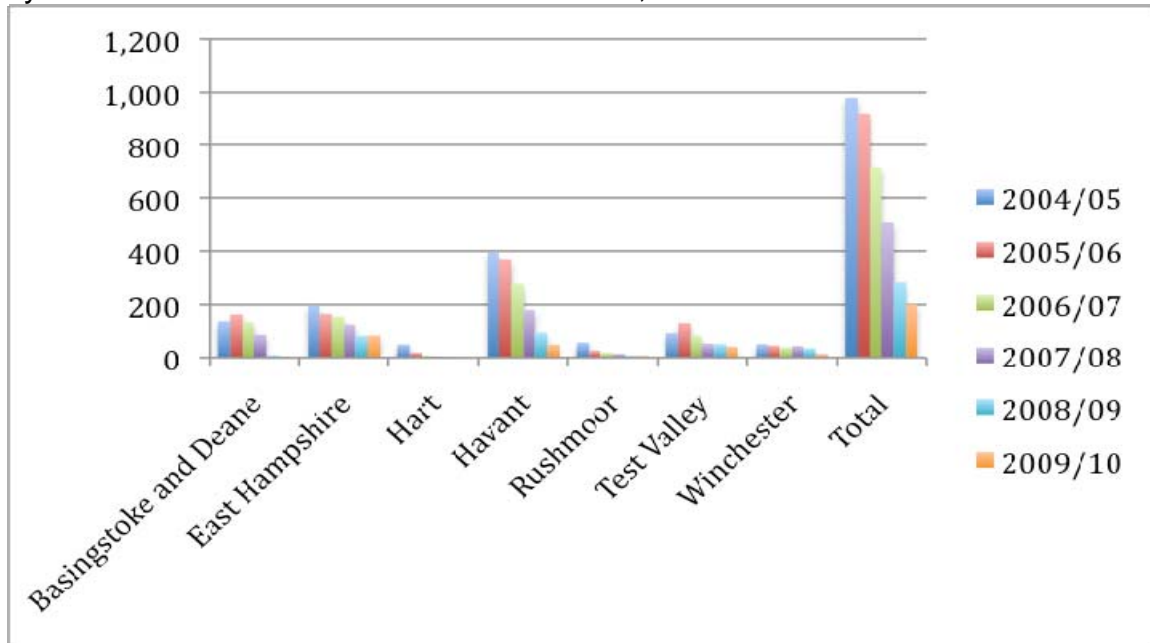
There were 789 households accepted as being homeless and in priority needs in 2004/05, this decreased to a low of 218 in 2009/10, a reduction of 72%. Levels increased in 2010/11 to 244, a rise of 10% compared to 2009/10 but a reduction of 69% compared to 2004/05.



There were 1,880 decisions in 2004/05, this decreased to a low of 442 in 2009/10, a reduction of 76%.

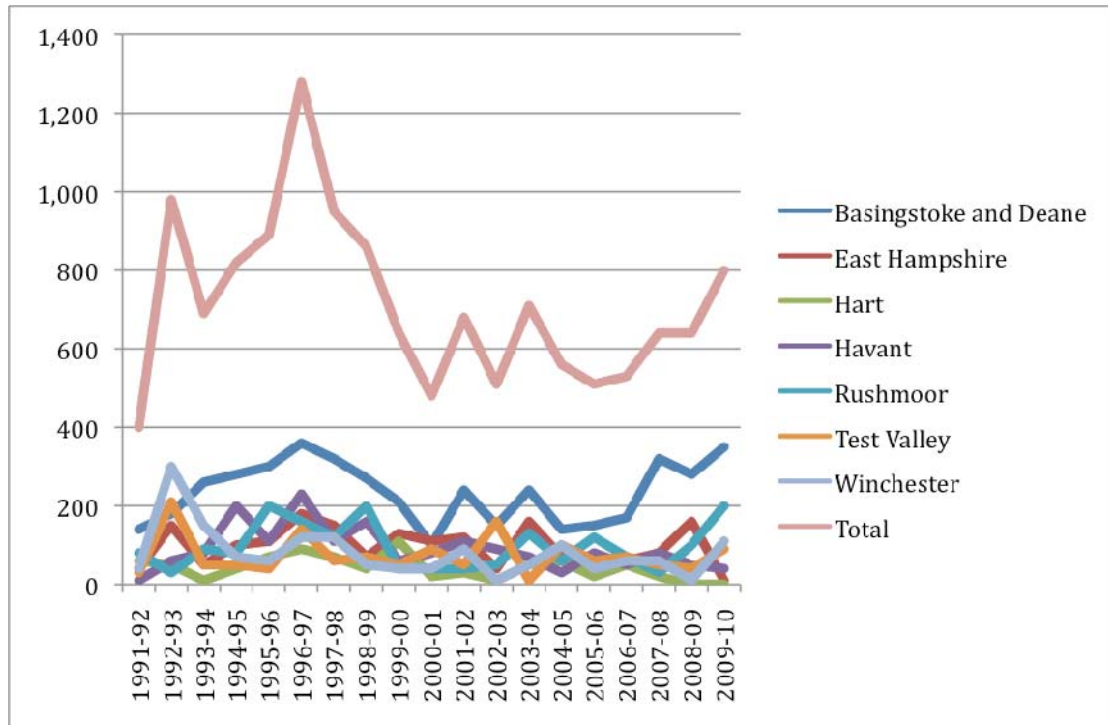


On 31 March 2005 980 households were living in temporary accommodation, by 31 March 2010 levels had reduced to 202, a decrease of 79%.



Affordable housing supply

The number of additional social rent dwellings increased from 400 in 1991/92 up to a peak of 1,280 in 1996/97, an increase of 220%. Levels stood at 800 in 2009/10, an increase of 200% on levels in 1991/92 and a decrease of 37% on levels in 1996/97.



Appendix 3 – Registered Providers operating in the Central and North Hampshire Housing Market Area

Spectrum Housing Association
Sanctuary Car Gomm Housing Association
Aster Housing Association
A2 Housing Association
Hanover Housing Association
Sentinel Housing Association
Sovereign Housing Association
Radian Housing Association
Retirement Lease Housing Association
Raglan Housing Association
Housing 21 Housing Association
Anchor Trust
Stonham Housing Association
Sanctuary Shaftesbury Housing Association
First Wessex Housing Association
Hyde Martlet Housing Association
Abbeyfield Housing Association
Guinness Trust
Advance Housing Association
Two Saints Housing Association
Affinity Sutton Housing Association
Places for People
James Butcher Housing Association
Rural Housing Trust
English Churches Housing Group
Holdway Almshouse
Jephson Housing Association
Kingsclere Almshouses
Sir Robert Gefferys Almshouses
Wessex Housing Partnership
Thames Valley Housing

Winchester City Council (Draft) Tenancy Strategy

1. Introduction

The Localism Act 2011 has introduced the requirement for all Local Authorities to publish a Tenancy Strategy by January 2013. The Winchester Tenancy Strategy 2013 – 2018 sets out the Council's local priorities relating to tenancies. Registered Providers operating in Winchester are expected to have due regard to this Tenancy Strategy when setting their own Tenancy Policies. The strategy seeks to support the strategic aims and objectives of the Winchester Housing Strategy, the Homelessness Strategy and the sub regional Allocations Framework.

The Tenancy Strategy has been produced in conjunction with the Central and North Hampshire Tenancy Strategy Statement, a joint overarching strategy between six other local authorities in Hampshire; Basingstoke & Deane, East Hampshire, Hart, Havant, Rushmoor and Test Valley. This partnership approach aims to provide a degree of consistency for Registered Providers who operate across many of the local authority areas.

1.1 National Policy Context

The Government's housing policy goal is to 'ensure everyone has an opportunity of living in a decent home, which they can afford, in a community where they want to live' (Laying the Foundations – National Housing Strategy 2011). It identified several issues which it believes are standing in the way of achieving this goal and has put a programme of social housing reform in place to address them.

The measures include allowing for the use of a wider range of tenancies in social housing, including new fixed term 'flexible' tenancies. These tenancies will be for a minimum fixed term of two years and are renewable, subject to eligibility criteria; compared to a 'lifetime' tenancy, where the tenant may remain in the property for life.

The Council recognises the option of offering fixed term flexible tenancies enables providers of social housing to make better use of their housing stock by reviewing housing need when a fixed term tenancy period is drawing to an end. The strategy sets out our approach for granting social housing tenancies in Winchester.

The Homes and Communities Agency 2011 - 15 Affordable Homes Programme introduced 'affordable rent' as a new form of social housing. All Registered Providers who have entered into development contracts with the HCA will be able to let a new property at an affordable rent of up to 80% of the gross market rent in the area. Before the introduction of affordable rents, social housing properties were typically let at 50/60% of open market rental value, so

there are significant differences between the two, particularly in larger properties.

The Council recognises the use of affordable rents will help to fund much needed new homes in the District. The strategy sets out our expectations of registered providers when setting their rent levels for affordable housing.

1.2 The Winchester Context

Winchester is a large and varied district which encompasses a prosperous and historic county town together with a number of busy market towns and villages. The population of the district is around 112, 000 people.

Housing affordability is a real issue for many people, with the average house price in Winchester of in excess of £375, 000. Overall an annual household income of £63, 000 is needed to purchase a home, substantially higher than the average household income of less than £50, 000 per annum and well in excess of lower quartile incomes of £23, 000.

The number of households on the Council's housing register is 3,390. With almost 80% of households on the register having incomes of less than £15, 000 a year, there is a pressing need for affordable housing to rent.

There is evidence of under-occupation which suggests better use could be made of some housing. Providing opportunities for residents to find more suitable accommodation that better meets their needs will have the added benefit of freeing up housing for larger families.

2. **Aims & Objectives**

The Tenancy Strategy is intended to provide guidance to Registered Providers operating in Winchester, informing their policies and practices for letting their homes to ensure they meet local need and to improve the functioning of the housing market in the district.

The key aims agreed in the overarching Central and North Hampshire Tenancy Strategy Statement are:

1. Enable the best use of affordable housing across the Central and North Hampshire Housing Market Area through greater tenancy flexibility, whilst maintaining a reasonable level of security of tenure to tenants.
2. Provide broad guidance and direction to Registered Providers regarding their use of flexible tenancies.

3. Indicate to current and prospective tenants, what they can expect from the tenancies offered by Registered Providers in Central and North Hampshire Housing Market Area.
4. Support the development and continuation of sustainable communities.
5. Address issues of affordability by seeking to maximise the availability of social rented properties and accepting the need for affordable rent properties as a means of securing affordable rented homes.
6. Better meet local housing needs.

Through the policy context, evidence base and consultation with partners and residents, the following key local objectives for the Winchester Tenancy Strategy are:

- **Tenancies** to be offered that provide the tenant with an appropriate level of security.
- **Affordable rents** to deliver new housing whilst continuing to assist those on low incomes.
- A balance between creating flexibility in social housing and promoting **settled, mixed communities**.

3. **Tenancies**

The Council is keen to ensure that fixed term tenancies are used in a manner that does not undermine the creation of balanced, settled communities and ensures that the most vulnerable tenants are provided with the level of stability they require.

Registered Providers should take into account our recommendations on the length and type of tenancy offered as well as their review process and grounds for non-renewal of a fixed term tenancy.

3.1 Length of Tenancy

Where Registered Providers choose to use fixed term tenancies, the standard length should be at least five years. This does not include the one year introductory or probationary tenancy given by most Registered Providers to all new tenants. This gives a degree of stability to communities and provides tenants with sufficient assurance that they can expect to remain in the property for a reasonable period of time.

Registered Providers are also asked to consider granting longer lengths of tenancy subject to household individual circumstances, for example those with very young children and those with a disability.

3.2 Type of Tenancy

Assured or secure tenants whose tenancy started before 1 April 2012 moving to another social housing property must be given another assured or secure tenancy (the rights of existing social tenants are protected in law).

Fixed term tenancies can be granted to new tenants occupying general needs properties, subject to there being sufficient safeguards in place for more vulnerable tenants during the review process.

Lifetime tenancies should be granted wherever possible to tenants who are moving into accommodation designated as sheltered/older persons' properties.

The use of fixed term tenancies for some new tenants will contribute to making the best use of social housing. At the same time there must be some flexibility to take into account the needs of vulnerable tenants and provide additional assurances to some groups, such as the elderly living in sheltered housing, or disabled people living in adapted property whose circumstances are unlikely to change in such a way that they become ineligible for such housing.

3.3 Tenancy Reviews

The review process must begin no less than 9 months before the end of the fixed term tenancy and a decision of the review must be made in writing to the tenant no less than 6 months before the tenancy is due to end. This is to provide the tenant with sufficient notice of the need to explore alternative housing options should the tenancy not be renewed.

We expect that for the majority of tenants, their circumstances are unlikely to have changed significantly over the duration of their fixed term tenancy, and so it would be reasonable to expect these tenancies to be renewed. The Council also recognises that there may be cases where it would be unreasonable to expect a tenant to move, even if they met the review criteria, for example if there is a continuing need for a specific adaptation, children attending a local school. In these cases the grounds for not renewing a tenancy must be balanced against the tenant's personal circumstances and the suitability of their current property. See section 3.3.1 for details on the review criteria.

If, as a result of the review process, it is decided that a tenancy will not be renewed, written notice advising the tenant of such must be

served. The notice must contain the reasons for the decision and how the tenant's individual circumstances relate to the registered providers policy (see section 3.3.2 for further details). It must also notify the tenant of their right to appeal the decision and set out how they can do this and the associated timescales (see section 3.3.3 for further details).

Reviews should not be conducted as a desk-top exercise. They must include at least one visit to the property and the collection of documentary evidence to verify the tenant's circumstances. The decision should include a face to face interview with all tenants.

3.3.1 Review Criteria

Registered providers must clearly set out their policy reasons for not renewing a tenancy. We consider the following as reasonable grounds for not renewing a tenancy:

- **Under-occupation** - where this is by two or more bedrooms
- **Adaptations** - where a property has been extensively adapted for someone with a disability who no longer lives at the property
- **Financial** - the tenant or their spouse has an income/assets/savings greater than the amount stipulated in the Council's Housing Allocations Scheme and it is reasonable and affordable for them to pursue another form of tenure or if the property is unaffordable
- **Conduct** - where there is evidence of tenancy breaches (although these must be being addressed throughout the tenancy and steps shown to have been taken prior to the review)

Registered Providers are encouraged to undertake an assessment of the following issues when reviewing a tenancy:

- Health and disability of any member of the household
- Employment or income
- Education and training
- Community and family connections
- Housing need
- Ability to access alternative housing
- Homelessness prevention
- Any other relevant circumstances

The assessment should consider the implications of the Registered Providers decision on these issues and how any negative impacts can be mitigated.

The Council strongly encourages options that allow the tenant to remain in their own home where this appropriate. Ending tenancies on the basis on income alone could undermine self improvement and lead to more social polarisation of neighbourhoods. The Council encourages registered providers to consider other options in these cases such as re-letting at an affordable rent or offering shared ownership on the existing property.

3.3.2 Notice Period

When fixed term tenancies are coming to an end it is essential that the tenant is given sufficient notice so that they can seek advice about their options. As such, we expect notice to be served no less than 6 months before the tenancy is due to end, and for the Council to be provided with a copy of the notice. We expect the registered provider and the Council to work proactively with the tenant from the start of the notice period to assist them in exploring their options for alternative housing which could include home ownership, privately renting or a more suitable affordable rented home. Other housing options must be reasonable, sustainable and settled housing solutions and there must be evidence that the tenant can maintain the rent and other tenancy obligations.

Should the tenant refuse to move when the notice period expires, the standard eviction procedure will need to be followed.

3.3.3 Appeal Process

Should a tenant disagree with the decision reached by their landlord, they may place an appeal. Each registered provider must have their own appeals process. When setting their appeals policies, registered providers must take into account the following principles:

- All tenants have the right to request information about their tenancy review, including the reasons for not renewing and the circumstances that were taken into account when coming to this decision
- A formal review of the decision can be made up to 21 days after service of the notice. Requests should be made in writing to a manager or appropriate officer who has had no previous involvement in the case. If the tenant is unable to complete the review form, consideration should be given to waiving the requirement for the initial request to be made in writing. In such cases, a written submission from another agency or advocate on the tenant's behalf will be acceptable or a verbal request from the tenant will be accepted where this is not possible. Tenants should be given the opportunity to request an oral hearing where they have the right to be accompanied or represented by

another person. The manager reviewing the appeal must notify the tenant of the outcome of the review, including the reasons for their decision in writing before the date specified in the notice after which possession proceedings can begin. Ideally this should be 20 working days after the appeal being submitted or within 20 working days of the oral hearing.

- If the formal review upholds the decision, the tenant can challenge the right of possession in the county court only on the grounds that the landlord has made a legal error or a material error of fact.

3.4 Expectations of Registered Providers

Registered providers are expected to:

- Set out and publish their policy and rationale for applying fixed term tenancies, under what circumstances and for how long they would be granted, any exceptions to this policy, where tenancies would be granted as lifetime;
- Set out the criteria that will be used at review to assess whether a tenant can remain in the property at the end of the fixed term tenancy, whether the tenancy will be renewed, or whether a tenancy will come to an end;
- Set out the review process, timescales, what advice the tenant should receive, how the tenant is able to obtain advocacy, the agencies and partners that can provide additional advice and how the tenant may contact them, and how to appeal a review decision.
- Have regard to the principle of sustainable, mixed communities and the overall effect of their policies on local neighbourhoods.
- Demonstrate openness, transparency and fairness.

3.5 Tenant Incentive Schemes

The Council supports the use of incentive schemes particularly to encourage existing secure/assured lifetime tenants to downsize. As a local authority we already give additional priority to those seeking to transfer to more suitable accommodation for their housing need.

4. Affordable Rents

The Council accepts that if it wishes to see much needed affordable housing in the district registered providers must be given the option of letting homes at affordable rents.

Government policy for affordable housing is that the capital cost of affordable housing should largely be met from the rental income it generates. It has therefore significantly reduced the capital grants available to support new building and has set a benchmark affordable rent of up to 80% of market rent which should be paid by the tenant, with or without help from benefits.

We expect registered providers to ensure that rents fall within Local Housing Allowance rates and that larger dwellings in high value areas remain affordable, taking into account disposable income levels and changes to the welfare benefit system.

Registered Providers are expected to complete financial viability tests with tenants who are being offered tenancies at affordable rents. If rents are unaffordable, Registered Provider should discuss other housing options with the tenant rather than continuing with offering the affordable rented property.

Where registered providers are looking to convert existing social housing stock to affordable rents, we expect this process to be managed to ensure a mix of property tenures in an area to support the aim of settled mixed communities.

5. Monitoring & Review

We are aware that many registered providers have already published their own tenancy policies. We ask that they review these in light of the Winchester Tenancy Strategy to ensure, so wherever possible, their policies do not contradict our strategy.

The Council in conjunction with various existing groups such as Hampshire Home Choice, will monitor the Tenancy Strategy and review and update it as required.

We ask that Registered Providers record and monitor the outcome of tenancy reviews and if requested, can provide equality profiling information for those tenancies which were not renewed.

6. Publication

A copy of this strategy will available on the Council's website and made available on request at the Council Offices for inspection. A paper copy can be provided for a small charge.

If you would like more information on the Tenancy Strategy, please contact Housing Services.

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