



<b>Meeting</b>	Cabinet (Housing) Committee
<b>Date and Time</b>	Wednesday, 30th January, 2019 at 4.30 pm.
<b>Venue</b>	King Charles Hall, Guildhall, Winchester

## AGENDA

### PROCEDURAL ITEMS

- 1. Apologies**  
To record the names of apologies given.
- 2. Disclosure of Interests**  
To receive any disclosure of interests from Members and Officers in matters to be discussed.  
*Note: Councillors are reminded of their obligations to declare disclosable pecuniary interests, personal and/or prejudicial interests in accordance with legislation and the Council's Code of Conduct.*
- 3. To note any request from Councillors to make representations on an agenda item under Council Procedure Rule 35.**  
*Note: Councillors wishing to speak about a particular agenda item are requested to advise the Democratic Services Officer before the meeting. Councillors will normally be invited by the Chairman to speak immediately prior to the appropriate item.*
- 4. Minutes of the previous meeting held on 21 November 2018 (Pages 5 - 10)**

### BUSINESS ITEMS

- 5. Public Participation**  
– to receive and note questions asked and statements made from members of the public on issues relating to the responsibility of this Committee (see note overleaf).



6. Housing Revenue Account (HRA) Budget 2019/20 & Business Plan (Pages 11 - 28)  
**Key Decision** (CAB3111(HSG))
7. Tenancy Strategy Update (Pages 29 - 46)  
**Key Decision** (CAB3113(HSG))
8. Tenancy Policy (Pages 47 - 70)  
**Key Decision** (CAB3114(HSG))
9. Rental Exchange Initiative (Pages 71 - 76)  
**Key Decision** (CAB3115(HSG))
10. Tenant Involvement - Appreciation and Incentive Scheme (Pages 77 - 90)  
**Key Decision** (CAB3110(HSG))

L Hall  
Head of Legal Services (Interim)

Members of the public are able to easily access all of the papers for this meeting by opening the QR Code reader on your phone or tablet. Hold your device over the QR Code below so that it's clearly visible within your screen and you will be redirected to the agenda pack.



22 January 2019

Agenda Contact: Nancy Graham, Senior Democratic Services Officer  
Tel: 01962 848235 Email: ngraham@winchester.gov.uk

### **Membership 2018/19**

**Chairman:** Horrill (The Leader with Portfolio for Housing)  
Brook  
Miller

Deputy: Ashton

Non-Voting Invited representatives  
Councillors Berry, Izard, Power and Scott, McLean (Non-voting Deputy)

TACT representatives  
Mr M Fawcitt and Mrs M Gill, Mrs S Down (Non-elected, Non-voting Deputy)

In the event of any of the standing or deputy or deputy member not being available for a particular meeting, another member of Cabinet will be selected in alphabetical rotation by the Legal Services Manager to substitute for the standing member.

**Quorum** = 3 members

### **PUBLIC PARTICIPATION**

Public Participation is at the Chairman's discretion. If your question relates to an item on the agenda, you will normally be asked to speak at the time of the relevant item. Representations will be limited to a maximum of 3 minutes, subject to a maximum 15 minutes set aside for all questions and answers. If several people wish to speak on the same subject, the Chairman may ask for one person to speak on everyone's behalf. As time is limited, a "first come first served" basis will be operated.

To reserve your place to speak, you are asked to arrive no later than 10 minutes before the start of the meeting to register your intention to speak. Please contact the Democratic Services Officer in advance for further details.

The names of members of the public etc who have registered to address committee meetings will appear in the minutes as part of the public record, which will include on the Council's website. Those wishing to address a committee meeting who object to their names being made available in this way must notify the Democratic Services Officer either when registering to speak, or within 10 days of this meeting.

### **DISABLED ACCESS:**

Disabled access is normally available, but please phone Democratic Services on 01962 848 264 or email [democracy@winchester.gov.uk](mailto:democracy@winchester.gov.uk) to ensure that the necessary arrangements are in place.

### **TERMS OF REFERENCE**

Included within the Council's Constitution (Part 3, Section 2) which is available [here](#)

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## **CABINET (HOUSING) COMMITTEE**

**Wednesday, 21 November 2018**

Attendance:

Councillors

Horrill (Chairman)

Brook

Miller

Other Invited Councillors:

Berry

Izard

Deputy invited Councillors:

McLean

Others in attendance who addressed the meeting:

Councillor Rutter

Apologies for Absence:

Councillors Burns

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1. **MINUTES OF THE PREVIOUS MEETING HELD ON 4 JULY 2018**

RESOLVED:

That the minutes of the Cabinet (Housing) Committee held 4 July 2018 be approved and adopted.

2. **PUBLIC PARTICIPATION**

Ian Tait spoke regarding the Council's register for the provision of sites for self-build properties as had been highlighted by a local resident (Michael Gibbons) at a previous meeting of the Committee on 22 November 2017. In summary, he queried whether the measure was working effectively as, to his knowledge, only one site since had received planning permission.

The Chairman confirmed that offering a mixture of tenures was an important element of the Council's Housing Strategy and offering sites for self-build was one part of this. The Portfolio Holder for Built Environment would examine this further as part of the forthcoming Local Plan Review. In addition, the Chairman requested that the Head of New Homes Development investigate this matter.

3. **DISPOSAL OF LAND AT MOUNTBATTEN PLACE, KINGS WORTHY**  
(CAB3104(HSG))

The Chairman emphasised that building new affordable homes and offering a variety of options was a key part of the Council's housing strategy. The Council had previously worked with Footsteps Living Limited on a scheme in Otterbourne.

During public participation, Ian Tait spoke in support of the scheme, which he noted had previously been considered by Winchester Housing Trust (of which he was a Director) but the Trust had suggested Footsteps might be a more appropriate organisation to deliver the scheme due to design issues.

At the invitation of the Chairman, Councillor Rutter spoke as a local Ward Councillor and in summary, whilst not objecting to the proposals overall, raised a number of concerns:

- The proposed size of the flats was very small and whilst possibly large enough for one person, would not allow for growing families. Would the person become ineligible for other affordable housing options if they wished to sell and move on?
- She requested reassurance about the level of demand for such properties locally;
- Why was the site being offered to Footsteps to develop rather than the Council developing itself?

On behalf of TACT, Mrs Gill stated that the TACT view was the Council should develop the site itself. Mr Fawcitt also queried the status of Footsteps as it was not a registered provider.

The Head of New Homes Delivery responded to questions raised during public participation, in addition to concerns raised by TACT and some of the other invited Members present, as summarised below:

- At 35 sq.m, the flat size was acknowledged to be small. However, officers had visited other similar schemes and had been impressed by the standard of design. Research undertaken amongst younger members of Council staff had indicated there was a demand for the option to buy such properties as an alternative to equivalent priced private renting of a room in a shared HMO property.
- Any resident whose situation "outgrew" their accommodation was able to sell and move on.
- Conditions of sale of properties would include a restriction on sub-letting.
- Footsteps had undertaken investigatory work into the site and specialised in offering this type of product. In the longer term, it might be appropriate for the Council to build on experience of this scheme to develop other similar schemes itself. However, for this project, it was considered preferable for Footsteps to be given the opportunity to develop, within a stated timeframe.
- Footsteps were considered to be too small an organisation to qualify as a registered provider but their work was consistent with such an organisation.

- The Head of New Homes Delivery emphasised that the potential surplus generated for the Housing Revenue Account by the sale of land was dependant upon further investigations not highlighting additional costs.
- On the wider issue of providing additional housing, the Leader confirmed that the possibility of establishing a Housing Company was still under investigation and the Corporate Head of Housing (Interim) advised it was intended to bring a further report on the matter in early 2019.

During further discussions it was suggested that additional details (including photographs) of similar schemes undertaken by specialist providers, in addition to the research into potential demand, be shared with Committee Members.

The Committee agreed to the following for the reasons outlined above and set out in the report.

RESOLVED:

1. That the disposal of the land at Mountbatten Place, Kings Worthy, as shown outlined in the plan attached as Appendix 1 to the report, to Footsteps Living Limited be approved in principle, subject to the Corporate Head of Asset Management negotiating terms and conditions with a further report to approve.

2. Subject to final approval, that the Corporate Head of Housing be authorised to take the appropriate action to terminate any tenancies of garages affected by the scheme.

3. That the Corporate Head of Asset Management be authorised to negotiate and agree terms for easements, wayleaves and related agreements with utility providers, Highway Authority and neighbours in order to facilitate the development.

4. **HOUSING REVENUE ACCOUNT (HRA) BUDGET OPTIONS 2019/20**  
(CAB3098(HSG))

The Chairman drew Members' attention to key elements of the report, namely: the 1% rent reduction; rectification works required for Victoria House; and funding for the Wickham Community Land Trust.

The Head of Housing Finance advised that the calculations within the report were prepared prior to the Government announcement about the removal of the HRA debt cap. The results of the recent consultation on "right to buy" sales was also awaited. Once both had been received it would be possible to undertake a full review of options. The Chairman stated this would include a plan for providing additional new homes.

Mrs Gill and Mr Fawcitt confirmed that they had met with the Head of Housing Finance prior to the meeting and TACT were happy with the contents of the report.

In response to Members' questions, the Corporate Head of Housing (Interim) advised that she could provide a profile of types of properties sold under "right to buy". It was highlighted that over the previous year, the Council had built more new homes than had been sold under "right to buy".

The Committee agreed to the following for the reasons outlined above and set out in the report.

**RECOMMENDED (TO COUNCIL):**

**THAT SUBJECT TO THE CORPORATE HEAD OF HOUSING BEING SATISFIED THAT SUITABLE DELIVERY ARRANGEMENTS ARE IN PLACE AND THE COMPLETION OF A FUNDING AGREEMENT BETWEEN WICKHAM COMMUNITY LAND TRUST (WCLT) AND THE COUNCIL, A SUPPLEMENTARY CAPITAL ESTIMATE OF £410K BE APPROVED AND A GRANT AWARD OF THIS SUM BE MADE TO WCLT FOR THE PROVISION OF AFFORDABLE HOUSING.**

RESOLVED:

1. The revised forecasts for the HRA for 2018/19, as detailed in Appendices 1 and 2 be approved.
  2. The amended capital programmes for Housing Services and New Build Projects together with the funding schedule for 2018/19 to 2027/28 as detailed in Appendices 3, 4 and 5 are approved.
  3. The rent reduction for Council dwellings of 1% in 2019/20, as highlighted in paragraph 11.7, in line with MHCLG rent setting policy is approved.
  4. The latest forecast for the rectification works, as outlined in paragraph 11.11, for Victoria House are noted.
5. **HOME LOSS AND DISCRETIONARY PAYMENT POLICY**  
(CAB3097(HSG))

The Chairman stated that this was a new Policy which set out a framework of possible payments available for tenants whose property was directly affected by the council's planned development proposals.

The Head of New Homes Delivery outlined the key elements of the proposed policy, highlighting that some payments were statutory and some discretionary. Discretionary payments would not exceed the statutory amount. The policy set out procedures for Officers to follow and emphasised that tenants should engage with the Council at an early date.

Mrs Gill confirmed that comments from TACT had been taken into account in the drafting of the Policy.



In response to Members' questions, the Head of New Homes Delivery advised that the policy stipulated that the level of compensation claimed would be reasonable. Early discussions between tenants and officers should highlight any situations where this might be an issue.

The Committee agreed to the following for the reasons outlined above and set out in the report.

RESOLVED:

1. That the Home Loss and Discretionary Payment Policy be approved.
2. That delegated authority is given to the Corporate Head of Housing to approve discretionary and statutory compensation.
3. That delegated authority is given to the Corporate Head of Housing to authorise and sign Demolition Notices.

The meeting commenced at 4.35 pm and concluded at 5.35 pm

Chairman

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REPORT TITLE: HOUSING REVENUE ACCOUNT (HRA) BUDGET 2019/20 AND BUSINESS PLAN

30 JANUARY 2019

REPORT OF PORTFOLIO HOLDER: LEADER WITH PORTFOLIO FOR HOUSING – CLLR CAROLINE HERRILL

Contact Officer: Richard Burden Tel No: 01962 848136 Email rburden@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report requests approval for the proposed HRA revenue budget for 2019/20, as detailed in Appendices 1 and 2.

The report also requests approval for the capital programme forecast for 2018/19, budget proposal for 2019/20 and 10 year plan to 2028/29. These figures are detailed in Appendices 3 and 4, taking account of the funding shown in Appendix 5.

The 2019/20 budget proposal and 10 year plan maintains a long term sustainable HRA Business Plan accommodating the future maintenance requirements from the latest stock condition survey. The survey maintains our policy of keeping existing stock at above decent homes standards and provides for substantial investment in new housing.

RECOMMENDATIONS:

That, subject to consideration and comments from TACT, it be recommended to Cabinet:

1. That delegated authority be given to the Corporate Head of Housing, in consultation with the Strategic Director (Resources), Leader and Portfolio Holder for Housing Services, to make adjustments to the overall Maintenance, Improvement and Renewal programme as set out in Appendix 3 to the report, including the flexibility to substitute projects and re-balance expenditure within and between the different elements/schemes in order to meet operational needs, changing priorities and commitment targets, with any changes being reported to Committee at the earliest opportunity.

That it be recommended **to Cabinet and to Council:**

2. That the 2019/20 Housing Revenue Account budget and final forecast for 2018/19 as detailed in Appendices 1 and 2 to this report be approved.
3. That the HRA Capital Programme for 2018/19 to 2028/29, as set out in Appendix 3 & 4 to this report, be approved.
4. That the proposed fire safety provision of £1m in 2019/20 identified in 11.5 be approved.
5. That in 2019/20, the HRA continues to include a provision of £100k to mitigate against the impact of the universal credit rollout throughout the district.
6. That authority be given to incur capital expenditure in 2019/20 of £9.046m for the Maintenance, Improvement and Renewal programme as detailed in Appendix 3 of the report, in accordance with Financial Procedure Rule 6.4 (noting that within this, for any schemes in excess of £100,000, a financial appraisal will be approved in accordance with the scheme of delegations), be approved.
7. That authority be given to incur capital expenditure in 2019/20 of £22.407m for the New Build programme as detailed in Appendix 4 of the report, in accordance with Financial Procedure Rule 6.4 (noting that within this, for any schemes in excess of £100,000, a financial appraisal will be approved in accordance with the scheme of delegations), be approved.
8. That the proposed funding for the HRA Capital Programme as detailed in Appendix 5, including the additional borrowing requirement, be approved.
9. That the HRA Business Plan operating account extract, including annual working balances as detailed in Appendix 6, is approved.

## IMPLICATIONS:

### 1 COUNCIL STRATEGY OUTCOME

- 1.1 Delivering quality housing options is a key part of the Council's strategy. In order to meet this objective, the Council needs to continually maintain current housing stock and provide a range of options for those residents who require assistance with their housing needs. Strong management of housing capital and revenue budgets is a primary factor in supporting this objective.

### 2 FINANCIAL IMPLICATIONS

- 2.1 These are detailed in section 10 of this report, but in summary:

- The proposed HRA budget for 2019/20 shows a deficit of £4.6m after taking into consideration a contribution to the capital programme of £8.6m.
- Employee costs take into consideration the proposed pay award of 2% from April 2019.
- Revenue repairs budgets take into consideration inflationary increases for 2019/20, as shown in Appendix 1.
- Dwelling rents take account of the final year of the Ministry of Housing Communities and Local Government (MHCLG) rent reduction policy of 1% for 2019/20. This rent reduction is offset by 2019/20 being a 53 week year, resulting in an extra week of rent being recognised. A 53 week year occurs on average every 5 years dependent on how the calendar falls from April to March each year.
- The major repairs programme has been reset to match requirements from the HRA stock condition survey.
- The new build programme includes scheme completions that are currently on site and due for completion in 2019/20.
- With the removal of the HRA debt cap in October 2018 the new build programme includes all of the schemes that were identified in the recent MHCLG additional borrowing bid apart from strategic land.
- The revised budget and capital programmes and funding requirements have been tested through the Council's HRA Business Plan software and this has confirmed the continuing affordability of the programme for the next 30 years.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council is required to maintain a separate Housing Revenue Account with a positive working balance, set at a minimum of £1.1m, increased by RPI

each year. On 30 October 2018 the HRA debt cap was lifted, allowing the Council to set the level of borrowing in line with affordability, risk and prudential borrowing rules. The outcome of the MHCLG consultation on the use of right to buy receipts is expected before the end of March 2019. This might provide more flexibility on the use of 1 for 1 receipts including allocating receipts against shared ownership properties. The current business plan is based on the existing rules for the use of right to buy receipts. Effective management of the HRA is necessary to ensure that statutory requirements are met.

- 3.2 As referred to in Recommendation 7, any HRA projects with costs in excess of £100,000 will be subject to a financial appraisal in line with Financial Procedure Rules. Similarly, new build projects that are to progress to planning application and to tender will be reported to the Committee for approval.

#### 4 WORKFORCE IMPLICATIONS

- 4.1 The budget options report presented to this Committee in November 2018 (CAB3098(HSG) refers) included additional resources for supporting the roll out of Universal Credit during 2018/19 and continuing into 2019/20.

- 4.2 The 2019/20 budget and future years in the business plan include the impact of the closure of the car leasing scheme in September 2019.

- 4.3 Employee costs for 2019/20 include known additional costs arising from the proposed salary assimilation process.

#### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The capital programme for the next 10 years ensures that major works identified in the stock condition survey continue to be dealt with to ensure that existing Council stock remains above decent homes standards.

- 5.2 The new build programme is based on existing on site schemes and new schemes that were included within the MHCLG additional borrowing bid. With the lifting of the HRA debt cap in October 2018 the 30 year business plan assumes additional borrowing of £39m to support the expanded new build programme.

#### 6 CONSULTATION AND COMMUNICATION

- 6.1 A briefing paper on the key points of this report will be presented to TACT on 16 January. Representatives from the Panel will be in attendance at the Committee meeting to make oral representation on the report.

#### 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The investment in property and estates set out in this report has a direct impact on improving the environment, including upgrading heating systems, estate improvement works, etc.

8 EQUALITY IMPACT ASSESSMENT

8.1 None.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required.

10 RISK MANAGEMENT

10.1 The key risks impacting on the HRA budget are shown below.

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<p><i>Property</i>  <i>That the Council fails to adequately maintain housing stock and their condition falls below decent home standards.</i></p>	<p>An effective and well funded programme of capital works linked to a comprehensive stock condition survey and sound future planning ensures decent home standards are met and maintained.</p>	<p>The Government are currently looking at a potential revision to decent home standards following the Grenfell Tower disaster in 2017.</p>
<p><i>Community Support</i>  <i>Consultation is required with tenants regarding HRA budgets and with the wider community over new build developments.</i></p>	<p>Regular communication is maintained with tenants and leaseholders on a variety of housing issues. The Council consults with local residents and stakeholders on proposed new build schemes.</p>	<p>Pro-active consultation can bring forward options that otherwise may not have been considered.</p>
<p><i>Timescales</i>  <i>Delays to new build contracts results in lost revenue and potentially increased costs.</i>   <i>An achievable new build programme is necessary to avoid the Council having to repay Right to Buy 1-4-1 receipts with interest or penalties.</i></p>	<p>New build contracts contain clauses to allow the Council to recover damages if the project is delayed due to contractor actions. Close control is maintained on Right to Buy receipts and these are monitored against future spending plans to ensure action can be taken if necessary.</p>	<p>The MHCLG have recently consulted on the use of Right to Buy receipts, including extending the retention of existing receipts from 3 to 5 years. There is also the potential for the use of receipts on shared ownership properties. An announcement following the consultation is expected later in 2018/19.</p>
<p><i>Project capacity</i>  <i>The HRA debt cap and</i></p>	<p>Regular monitoring of</p>	<p>The MHCLG have</p>

<p><i>rules around the use of Right to Buy receipts may limit the ability of the Council to implement proposed new build schemes at the required pace.</i></p> <p><i>Staffing resources (sometimes outside of Housing) reduce the time available to push forward new build schemes at the required pace.</i></p>	<p>budgets and business plans, together with the use of suitable financial assessment tools enables the Council to manage resources effectively.</p> <p>Staff resources within Housing are regularly reviewed and regular project meetings are held with colleagues in other Departments to enable an ambitious new build programme to be delivered.</p>	<p>announced the lifting of the HRA debt cap from 30 October 2018. This will allow the Council to control the level of debt taking into consideration prudential funding rules and the ability to service debt within the HRA balance. This will allow the Council to fund more housing development activity in the future.</p>
<p><i>Financial / VfM</i></p> <p><i>The current rent reduction rules are directly impacting on the Council's ability to maintain services at existing levels but new announcements should allow an element in business planning until 2025.</i></p> <p><i>The roll out of Universal Credit (UC) in Winchester is due to complete by December 2018. This will have an impact on the level of arrears and the potential for rent write offs in future years.</i></p>	<p>Regular budget monitoring and opportunities to save costs assist with maintaining services at required levels.</p> <p>Winchester is working closely with the DWP and tenants who are affected by UC. Additional resource has been included in the 2018/19 budget to support tenants and minimise the impact on rent arrears.</p>	
<p><i>Legal</i></p> <p><i>Changing Government priorities and a greater emphasis on "social housing" (as compared to affordable housing) may impact on the Council's new build programme.</i></p>	<p>Government policy changes are being followed closely to identify any new risks or opportunities that they bring.</p>	
<p><i>Innovation</i></p> <p><i>The introduction of a Housing Company to support the new build</i></p>	<p>Legal and business planning advice is being sought on an appropriate</p>	



<i>programme is brought in without reference to existing rules and consents.</i>	solution.	
<i>Reputation Failure to complete major housing projects due to resources would be likely to affect both customer satisfaction levels and the Council's reputation.</i>	Business planning tools with regular updates are utilised to make sure resources are available to complete projects.	
<i>Other None.</i>		

## 11 SUPPORTING INFORMATION:

### 11.1 Housing Revenue Account Budget 2019/20

11.2 Details of the proposed budgets are shown in Appendices 1 and 2 and the larger item adjustments highlighted in the subjective summary in Appendix 2 are as below:

- Employees – The 2019/20 budget position is broadly similar the revised 2018/19 forecast with an increase of £50k. The 2019/20 budget includes a proposed cost of living award of 2% and some savings arising from the salary assimilation process.
- Premises – the reduction of £160k compared to the 2018/19 forecast takes into consideration the rebasing of response repairs to the business plan level and some reductions in estate maintenance costs.
- Transport – the reduction of £54k compared to the 2018/19 forecast takes into consideration the closure of the car leasing scheme from September 2019.
- Supplies & Services – the increase of £106k in 2019/20 includes a provision of £100k for potential expenditure on universal credit tenant support and administration following the role out in the council area in 2018/19. There is also a £250k New Build feasibility provision to support the expansion of the New Build programme following the removal of the HRA debt cap.
- Depreciation – this takes account of charges based on the component accounting method adopted in 2017/18 and changes in property numbers arising from new build and disposals.
- External Income – the increase of £324k compared to the 2018/19 forecast is due in part to the full annual effect of new build properties

that were completed during 2018/19. The 2019/20 budget also includes the last year of the 1% rent reduction MHCLG rent policy but this is offset by 2019/20 being a 53 week year resulting in an extra week of rent being recognised.

- The first 25% tranche of garage transfers from the HRA to the General Fund will take place in March 2019. As previously agreed, the majority of garages, except those held for potential future development, will be transferred over a 4 year period from 2018/19. The proposed 2019/20 budget includes a reduction in garage rental income and associated costs, including maintenance & management. By the end of 2021/22, being the final year of garage transfers, no further garage rental income and associated costs will be recognised in the HRA.

#### 11.3 Housing Services Capital Programme 2019/20 to 2028/29

11.4 The programme shown in Appendix 3 is broadly in line with the figures disclosed in the budget options report CAB3098(HSG) in November 2018. However, there have been some amendments to the 2018/19 forecasts and 2019/20 budgets in the new build programme to reflect more up to date information on expected completion times for current sites.

11.5 Since the Grenfell Tower tragedy in 2017 fire safety, in particular sprinkler systems, has become the key focus of housing providers and local authorities. In addition to the stock condition survey requirements, the Council is proposing to allocate a £1m fire safety provision in 2019/20. This will ensure any fire safety improvements identified as a priority by the property maintenance team have sufficient funding.

#### 11.6 New Build Capital Programme 2019/20 to 2028/29

11.7 The programme shown in Appendix 4 is broadly in line with the figures disclosed in the budget options report CAB3098(HSG) in November 2018. However, there have been some tweaks to the 2018/19 forecasts and 2019/20 budgets in the new build programme to reflect more up to date information on expected completion times for current sites.

11.8 The proposed budget for 2019/20 and 10 year plan to 2028/29 includes all schemes identified in the MHCLG additional funding bid from September 2018 with the exception of strategic land.

11.9 By 2020 there will be 600 housing units either complete or actively in progress. The current business plan demonstrates that for the period covering 2018/19 - 2028/29 1,000 units could be delivered with additional borrowing of £39m. The plan assumes that some schemes will be funded from HRA revenue, grants and other sale income, including Right to Buy and Shared Ownership properties. The Business plan as detailed in the appendices has sufficient resource to support a programme to develop 1,000 units over the next 10 years.

- 11.10 The additional borrowing requirement of £39m is £13m lower than the MHCLG additional funding bid of £52m. The bid included £5m for strategic land, but as there is no associated rental stream, this does not feature in the latest business plan. The bid also included an internal funding projection from RTB proceeds and HRA revenue funding of £13m however this has increased to £22m for the 3 years up to 2021/22. The business plan assumes maximum use of the HRA working balance over the first 3 years of the plan but then increases for the remainder of the plan (see Appendix 6).
- 11.11 A review is required to prioritise the future new build programme beyond the schemes identified in Appendix 4. The review will take into consideration the New Build strategy, including mix of unit types and tenure. Other issues including availability of land and grant subsidy from Homes England will also need to be considered. A working group will be created to include members and officers with the intention of producing a longer term programme centred around housing need.
- 11.12 The 2018/19 forecast is £9.35m, some £550k higher than the figure identified in the budget options paper CAB3098(HSG) November 2018. The increase is mainly due to the contract costs at Chesil Lodge being slightly higher than previously forecast. A final settlement was agreed with the main contractor Galliford Try in December 2018 following negotiation since the scheme completed in May 2018. The forecast for the scheme has been increased by £850k in 2018/19, although the extra cost has been covered by additional funding from Hampshire County Council for the day centre element and by increased sale receipts on the shared ownership and outright sale properties than was originally forecast. The Dolphin House scheme is not now due to start on site until early 2019/20 resulting in a reduced forecast of £200k in 2018/19. Upfront costs at Hookpit, Kings Worthy are now forecast to be £100k lower in 2018/19 than previously identified due to the start on site now scheduled for early 2019/20.
- 11.13 Capital Programme Funding 2018/19 to 2028/29
- 11.14 The funding for the capital programme shown in Appendix 5 takes into consideration additional loan funding following the removal of the HRA debt cap on 30 October 2018. Right to Buy 1-4-1 receipts are utilised to their fullest extent and capital contributions from the HRA are controlled to leave an annual minimum balance in the HRA (£1.1m in 2019/20 rising by CPI each year).
- 11.15 HRA Business Plan and Emerging Issues
- 11.16 Extracts from the HRA Business Plan in the form of the operating account and capital financing account are shown in Appendices 6 and 7. These confirm that the Council will maintain a sufficient surplus in the HRA and will not face a shortfall on the capital programme over the 30 year plan.
- 11.17 MHCLG recently announced the rent policy from April 2020 recommending rent increases at CPI plus 1% for 5 years. The business plan includes this

policy change with the assumption that rent increases by CPI only for the remainder of the plan from year 7.

- 11.18 The full impact of Universal Credit is not yet known, given that it only went live during 2018. The bad debt allowance increases to 4% in 2022/23 and then reduces to 3% annually for the remainder of the 30 year plan. This reflects the potential increase in arrears although individual cases will be monitored closely to limit the impact.
- 11.19 Equally, there has been no indication of whether local housing allowance (LHA) rates will be adjusted after April 2020 (at present they are held at 2015/16 levels) and this has an impact on affordable rents in new build schemes where the Council currently restricts rents to the higher of 70% of market rents or LHA.
- 11.20 The key business plan priorities for 2019 and beyond will be set out in the Housing Portfolio Plan which will be considered by this Committee in March 2019.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 The Plan has taken account of the national rent reduction requirements and the Council had no option in relation to this matter. All proposals relate to and take full account of the existing Portfolio plan, newly updated Housing Strategy and the refreshed Council Strategy.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

CAB3016(HSG) – HRA Budget 2018/19 & Business Plan 2018/48 – 31 Jan 2018.  
CAB3098(CAB) – HRA Budget Options 2019/20 & Rent Setting – 21 Nov 2018.

#### Other Background Documents:-

HRA Business Plan 2019/20 to 2048/49, held within the Housing Department.

### APPENDICES:

Appendix 1: HRA 2019/20 Budget – Service Summary

Appendix 2: HRA 2019/20 Budget – Subjective Summary

Appendix 3: Housing Services Capital Programme 2018/19 to 2028/29

Appendix 4: New Build Housing Capital Programme 2018/19 to 2028/29

Appendix 5: HRA Capital Programme Funding 2018/19 to 2028/29

Appendix 6: HRA Business Plan 2019/20 to 2048/49 Extract – Operating Account

Housing Revenue Account 2019/20 - Service Summary							CAB3111 (HSG)
							Appendix 1
	18/19	18/19	18/19	18/19	18/19	19/20	19/20
	Original Budget	Forecast Budget per CAB3098 (HSG)	Further Adjustments	Revised Forecast Budget	One-off Budgets	Adjustments	Original Budget
	£	£	£	£	£	£	£
<b>Housing Management General</b>							
Estate Management	1,260,431	1,260,431	(30,162)	1,230,269	0	133,078	1,363,347
HRA General	2,147,271	2,247,271	122,563	2,369,834	(100,000)	(141,887)	2,127,947
Removal Incentive Scheme	50,000	60,000	0	60,000	(10,000)	10,000	60,000
Rent Accounting	260,211	260,211	(8,689)	251,522	0	12,116	263,638
Tenants Information	116,249	136,249	(12,825)	123,424	(20,000)	9,502	112,926
Vacant Dwellings	9,200	9,200	100,350	109,550	0	(85,000)	24,550
New Build Programme Support	668,468	718,468	(66,370)	652,098	(50,000)	292,802	894,900
	4,511,830	4,691,830	104,867	4,796,697	(180,000)	230,611	4,847,308
<b>Housing Management Special</b>							
Communal Services	(90,500)	(90,500)	12,484	(78,016)	0	(4,840)	(82,856)
Disabled Adaptations	115,245	135,245	451	135,696	0	(18,358)	117,338
Estate Maintenance	511,717	531,717	4,200	535,917	(20,000)	(34,200)	481,717
Homelessness	(66,600)	(66,600)	4,860	(61,740)	0	9,390	(52,350)
Sewage Works	185,179	185,179	0	185,179	0	0	185,179
Sheltered Housing	760,988	830,988	4,130	835,118	(70,000)	(17,240)	747,878
	1,416,029	1,526,029	26,125	1,552,154	(90,000)	(65,248)	1,396,906
<b>Repairs</b>							
Responsive Maintenance	2,351,407	2,400,000	0	2,400,000	0	(135,103)	2,264,897
Voids	585,000	850,000	0	850,000	0	131,910	981,910
Cyclic	850,000	800,000	0	800,000	0	(24,808)	775,192
Sub - total Repairs Works	3,786,407	4,050,000	0	4,050,000	0	(28,001)	4,021,999
Repairs Administration	1,244,978	1,253,978	(65,198)	1,188,780	(9,000)	53,663	1,233,443
	5,031,385	5,303,978	(65,198)	5,238,780	(9,000)	25,662	5,255,442
<b>Debt Management Expenses</b>							
Debt Management Expenses	18,297	18,297	0	18,297	0	0	18,297
Interest Payable	5,182,000	5,168,000	0	5,168,000	0	20,000	5,188,000
Depreciation of Fixed Assets	6,044,100	6,660,100	0	6,660,100	0	243,900	6,904,000
	11,244,397	11,846,397	0	11,846,397	0	263,900	12,110,297
<b>Rents and Other Income</b>							
Dwelling Rents	(26,097,400)	(25,897,400)	0	(25,897,400)	0	(547,404)	(26,444,804)
Garage Rents	(650,240)	(650,240)	0	(650,240)	0	263,129	(387,111)
Other Income	(264,800)	(264,800)	(21,421)	(286,221)	0	0	(286,221)
Sheltered Charges	(517,400)	(517,400)	0	(517,400)	0	(31,247)	(548,647)
Interest Receivable	(21,000)	(21,000)	0	(21,000)	0	0	(21,000)
	(27,550,840)	(27,350,840)	(21,421)	(27,372,261)	0	(315,522)	(27,687,783)
<b>Surplus for year on HRA Services</b>	<b>(5,347,199)</b>	<b>(3,982,606)</b>	<b>44,373</b>	<b>(3,938,233)</b>	<b>(279,000)</b>	<b>139,403</b>	<b>(4,077,830)</b>

Housing Revenue Account 2019/20 - Service Summary							CAB3111 (HSG)
							Appendix 1 (cont)
	18/19	18/19	18/19	18/19	18/19	19/20	19/20
	Original Budget	Forecast Budget per CAB3098 (HSG)	Further Adjustments	Revised Forecast Budget	One-off Budgets	Adjustments	Original Budget
	£	£	£	£	£	£	£
Capital Expenditure funded by HRA	5,550,000	2,343,000	0	2,343,000	0	6,279,000	8,622,000
Right to Buy Admin Fees	(20,800)	(20,800)	0	(20,800)	0	0	(20,800)
<b>Net (increase)/decrease in HRA Balance before transfers to or from reserves</b>	<b>182,001</b>	<b>(1,660,406)</b>	<b>44,373</b>	<b>(1,616,033)</b>	<b>(279,000)</b>	<b>6,418,403</b>	<b>4,523,370</b>
Transfer re Insurance Reserve	66,300	66,300	0	66,300	0	0	66,300
<b>(Increase)/ decrease in HRA Balance</b>	<b>248,301</b>	<b>(1,594,106)</b>	<b>44,373</b>	<b>(1,549,733)</b>	<b>(279,000)</b>	<b>6,418,403</b>	<b>4,589,670</b>
<b>HRA Working Balance</b>							
Opening Balance	(9,116,004)	(9,116,004)	0	(9,116,004)	0	0	(10,665,737)
Add Projected Deficit/(Surplus)	248,301	(1,594,106)	44,373	(1,549,733)	(279,000)	6,418,403	4,589,670
<b>Projected Balance at Year End</b>	<b>(8,867,703)</b>	<b>(10,710,110)</b>	<b>44,373</b>	<b>(10,665,737)</b>	<b>(279,000)</b>	<b>6,418,403</b>	<b>(6,076,067)</b>

Housing Revenue Account 2019/20 - Subjective Summary							CAB3111 (HSG)
							Appendix 2
	18/19	18/19	18/19	18/19	18/19	19/20	19/20
	Original Budget	Forecast Budget per CAB3098 (HSG)	Further Adjustments	Revised Forecast Budget	One-off Budgets	Adjustments	Original Budget
	£	£	£	£	£	£	£
Employees	3,967,922	3,967,922	(3,695)	3,964,227	0	50,368	4,014,595
Premises	5,074,653	5,378,246	124,534	5,502,780	(20,000)	(159,591)	5,323,189
Transport	305,526	305,526	7,979	313,505	0	(54,237)	259,268
Supplies & services	868,054	1,117,054	(43,214)	1,073,840	(249,000)	356,310	1,181,150
Third party payments	106,500	116,500	(10,500)	106,000	(10,000)	10,000	106,000
Support Services	2,027,212	2,027,212	4,450	2,031,662	0	(3,026)	2,028,636
Net Interest	5,185,090	5,171,090	0	5,171,090	0	20,000	5,191,090
Depreciation on Fixed Assets	6,044,100	6,660,100	0	6,660,100	0	243,900	6,904,000
External income	(28,926,256)	(28,726,256)	(35,181)	(28,761,437)	0	(324,321)	(29,085,758)
<b>Surplus for year on HRA Services</b>	<b>(5,347,199)</b>	<b>(3,982,606)</b>	<b>44,373</b>	<b>(3,938,233)</b>	<b>(279,000)</b>	<b>139,403</b>	<b>(4,077,830)</b>
Capital Expenditure funded by HRA	5,550,000	2,343,000	0	2,343,000	0	6,279,000	8,622,000
Right to Buy Admin Fees	(20,800)	(20,800)	0	(20,800)	0	0	(20,800)
<b>Net (increase)/decrease in HRA Balance before transfers to or from reserves</b>	<b>182,001</b>	<b>(1,660,406)</b>	<b>44,373</b>	<b>(1,616,033)</b>	<b>(279,000)</b>	<b>6,418,403</b>	<b>4,523,370</b>
Transfer re Insurance Reserve	66,300	66,300	0	66,300	0	0	66,300
<b>(Increase)/ decrease in HRA Balance</b>	<b>248,301</b>	<b>(1,594,106)</b>	<b>44,373</b>	<b>(1,549,733)</b>	<b>(279,000)</b>	<b>6,418,403</b>	<b>4,589,670</b>
<b>HRA Working Balance</b>							
Opening Balance	(9,116,004)	(9,116,004)	0	(9,116,004)	0	0	(10,665,737)
Add Projected Deficit/(Surplus)	248,301	(1,594,106)	44,373	(1,549,733)	(279,000)	6,418,403	4,589,670
<b>Projected Balance at Year End</b>	<b>(8,867,703)</b>	<b>(10,710,110)</b>	<b>44,373</b>	<b>(10,665,737)</b>	<b>(279,000)</b>	<b>6,418,403</b>	<b>(6,076,067)</b>

Housing Services Capital Programme 2018/19 to 2028/29												CAB3111 (HSG) Appendix 3
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	Forecast	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Major Repairs</b>												
External Envelope Works	2,300	3,460	2,885	2,945	3,011	3,076	3,405	3,554	3,670	3,894	4,045	36,245
External Ground Works	550	508	523	539	555	572	503	519	534	550	567	5,919
External Window/Door/Screens	150	614	358	368	379	391	229	236	243	250	258	3,475
Internal Structure & Finishes	400	49	51	52	54	56	67	69	71	73	76	1,019
Kitchen & Bathroom Renewals	1,100	993	1,023	1,053	1,085	1,118	1,224	1,261	1,298	1,337	1,377	12,869
Mechanical & Electrical Services	1,762	1,229	1,266	1,304	1,343	1,383	4,011	4,131	4,255	4,383	4,514	29,580
	<b>6,262</b>	<b>6,853</b>	<b>6,104</b>	<b>6,261</b>	<b>6,427</b>	<b>6,594</b>	<b>9,439</b>	<b>9,769</b>	<b>10,072</b>	<b>10,487</b>	<b>10,837</b>	<b>89,107</b>
<b>Improvements &amp; Conversions</b>												
Estate Improvements	285	250	250	250	250	250	250	250	250	250	0	2,535
Loft Conversions/Extensions	60	0	0	0	0	0	0	0	0	0	0	60
Sheltered Housing Conversions	0	0	0	0	0	0	0	0	0	0	0	0
Sheltered Housing Upgrades	100	70	100	100	50	50	50	50	50	50	0	670
	<b>445</b>	<b>320</b>	<b>350</b>	<b>350</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>0</b>	<b>3,265</b>
Disabled Adaptations	775	770	770	770	770	770	770	770	770	770	770	8,475
Sheltered Wi-Fi Scheme	143											143
Fire Safety Provision		1,000										1,000
<b>Other Capital Spending</b>												
Sewage Treatment Works	100	103	106	109	111	114	117	121	124	127	130	1,262
<b>Total HS Capital Programme</b>	<b>7,725</b>	<b>9,046</b>	<b>7,330</b>	<b>7,490</b>	<b>7,608</b>	<b>7,778</b>	<b>10,626</b>	<b>10,960</b>	<b>11,266</b>	<b>11,684</b>	<b>11,737</b>	<b>103,252</b>



New Build Capital Programme 2018/19 to 2028/29												CAB3111 (HSG) Appendix 4
	2018/19 Forecast	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	Total Budget
Scheme Name/Description	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Victoria House	440											440
Hillier Way	10											10
Chesil Street - Extra Care	2,830											2,830
Mitford Road	425											425
The Valley, Stanmore	850	7,687	7,433									15,970
Mayles Lane, Knowle	1,540	674										2,214
Bailey Close	525											525
Rowlings Road, Weeke	250	1,151	30									1,431
Wykeham Place, Stanmore	50	27	1,340	483								1,900
Abbots Barton (Charles/Dyson)	100	518	2,882									3,500
Dolphin Hill, Twyford	60	372										432
Woodman Close, Sparsholt	50	436	564									1,050
Hookpit, Kings Worthy	1,950	6,282	181									8,413
Winnall Flats	70	2,850	16,199	380								19,499
Wickham CLT		410										410
Barton Farm - Extra Care				8,540	8,540							17,080
Moyes Land					3,395	3,395						6,790
Sheltered Conversions	200											200
Unallocated Programme		2,000	5,000	5,000	10,000	5,150	5,305	5,465	5,627	5,796	5,970	55,313
Sites funded by RTB 1-4-1 receipts						2,400	2,472	2,546	2,623	2,701	2,782	15,524
<b>Other Capital Total</b>		<b>410</b>										<b>410</b>
<b>Total New Build Programme</b>	<b>9,350</b>	<b>21,997</b>	<b>33,629</b>	<b>14,403</b>	<b>21,935</b>	<b>10,945</b>	<b>7,777</b>	<b>8,011</b>	<b>8,250</b>	<b>8,497</b>	<b>8,752</b>	<b>153,546</b>

Capital Programme Funding 2018/19 to 2028/29												CAB3111 (HSG) Appendix 5
HRA Capital Programme Funding	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	Forecast	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Right to Buy 1-4-1 Receipts	1,584	3,387	4,057	1,227	1,320	1,416	1,515	1,617	1,722	1,831	1,942	21,618
Right to Buy Other Retained receipts	610	386	404	421	440	459	478	498	519	541	563	5,319
New Build Sales	3,800	155	6,695	1,781	3,576	881	901	922	939	961	982	21,593
Other capital receipts	967	440										1,407
S.106 Contributions	360	200	200	250	250	1,600	3,500	2,600	1,400	4,400	3,000	17,760
Garage Transfers to General Fund	1,858	1,858	1,858	1,510								7,084
HCA Grants		1,502	1,502									3,004
HCC Extra Care Grant	866											866
HRA Revenue Contributions to Capital	2,839	8,621	3,625	172	9,043	6,074	3,402	4,438	5,741	2,947	4,181	51,083
Additional/Refinanced Borrowing		8,000	15,490	9,000	7,000							39,490
Major Repairs Reserve	4,191	6,904	7,128	7,532	7,914	8,293	8,607	8,896	9,195	9,502	9,821	87,983
<b>Total Funding</b>	<b>17,075</b>	<b>31,453</b>	<b>40,959</b>	<b>21,893</b>	<b>29,543</b>	<b>18,723</b>	<b>18,403</b>	<b>18,971</b>	<b>19,516</b>	<b>20,182</b>	<b>20,489</b>	<b>257,207</b>
<b>Housing Services</b>	<b>7,725</b>	<b>9,046</b>	<b>7,330</b>	<b>7,490</b>	<b>7,608</b>	<b>7,778</b>	<b>10,626</b>	<b>10,960</b>	<b>11,266</b>	<b>11,684</b>	<b>11,737</b>	<b>103,252</b>
<b>Other</b>												<b>0</b>
<b>New Build</b>	<b>9,350</b>	<b>22,407</b>	<b>33,629</b>	<b>14,403</b>	<b>21,935</b>	<b>10,945</b>	<b>7,777</b>	<b>8,011</b>	<b>8,250</b>	<b>8,497</b>	<b>8,752</b>	<b>153,956</b>
<b>Capital Programme Total</b>	<b>17,075</b>	<b>31,453</b>	<b>40,959</b>	<b>21,893</b>	<b>29,543</b>	<b>18,723</b>	<b>18,403</b>	<b>18,971</b>	<b>19,516</b>	<b>20,182</b>	<b>20,489</b>	<b>257,208</b>

Winchester City Council - HRA Business Plan Operating Account															CAB3111 (HSG) Appendix 6				
Year	Income				Expenditure						Net Operating Surplus	Repaymt of loans	Transfer to reserves	RCCO	Surplus (Deficit) for the Year	Surplus (Deficit) b/fwd	Interest	Surplus (Deficit) c/fwd	
	Net rent Income	Other income	Misc Income	Total Income	Management	Depreciat'n	Responsive & Cyclical	Other Revenue spend	Misc expenses	Total expenses									Capital Charges
2019.20	26,762	1,272	1,072	29,106	(8,643)	(6,904)	(4,022)	0	(248)	(19,817)	(5,188)	4,101	0	(66)	(8,622)	(4,587)	10,627	36	6,076
2020.21	27,553	1,308	894	29,755	(8,787)	(7,128)	(4,147)	(12)	(256)	(20,331)	(6,112)	3,313	0		(3,625)	(312)	6,076	23	5,787
2021.22	29,191	1,344	703	31,238	(8,990)	(7,532)	(4,317)	(13)	(264)	(21,115)	(6,753)	3,370	0		(172)	3,198	5,787	23	9,009
2022.23	30,175	1,370	713	32,257	(9,197)	(7,914)	(4,474)	(13)	(271)	(21,869)	(7,024)	3,364	0		(9,043)	(5,679)	9,009	20	3,350
2023.24	31,975	1,397	722	34,094	(9,409)	(8,294)	(4,656)	(42)	(280)	(22,680)	(7,246)	4,168	0		(6,074)	(1,905)	3,350	11	1,456
2024.25	33,867	1,424	732	36,024	(9,627)	(8,607)	(4,796)	(43)	(288)	(23,360)	(7,251)	5,413	0		(3,402)	2,011	1,456	11	3,478
2025.26	34,149	1,452	742	36,344	(9,849)	(8,896)	(4,939)	(44)	(297)	(24,025)	(7,250)	5,069	0		(4,438)	630	3,478	15	4,123
2026.27	35,073	1,481	753	37,307	(10,077)	(9,194)	(5,087)	(46)	(306)	(24,710)	(7,249)	5,348	0		(5,741)	(393)	4,123	15	3,745
2027.28	36,027	1,510	764	38,301	(10,310)	(9,503)	(5,239)	(47)	(315)	(25,414)	(7,248)	5,639	0		(2,947)	2,692	3,745	18	6,455
2028.29	37,013	1,540	775	39,328	(10,549)	(9,821)	(5,396)	(114)	(324)	(26,205)	(7,239)	5,884	0		(4,181)	1,702	6,455	23	8,180
2029.30	38,030	1,570	787	40,387	(10,794)	(10,150)	(5,558)	(117)	(334)	(26,953)	(7,239)	6,194	0		(5,568)	627	8,180	26	8,833
2030.31	39,832	1,601	799	42,232	(11,045)	(10,490)	(5,724)	(121)	(344)	(27,724)	(7,240)	7,268	0		(5,818)	1,650	8,833	29	10,513
2031.32	40,165	1,633	811	42,609	(11,302)	(10,841)	(5,896)	(124)	(354)	(28,517)	(7,214)	6,878	0		(5,668)	1,210	10,513	33	11,755
2032.33	41,286	1,665	823	43,774	(11,565)	(11,204)	(6,072)	(128)	(365)	(29,334)	(7,168)	7,272	0		(5,741)	1,531	11,755	36	13,322
2033.34	42,443	1,698	836	44,977	(11,834)	(11,579)	(6,254)	(132)	(376)	(30,174)	(7,168)	7,634	0		(5,816)	1,819	13,322	41	15,182
2034.35	43,638	1,731	850	46,219	(12,110)	(11,966)	(6,441)	(136)	(387)	(31,040)	(7,169)	8,010	0		(4,073)	3,937	15,182	48	19,166
2035.36	45,736	1,765	864	48,365	(12,392)	(12,366)	(6,634)	(140)	(399)	(31,931)	(7,108)	9,326	0		(4,103)	5,222	19,166	59	24,448
2036.37	46,149	1,800	878	48,827	(12,682)	(12,779)	(6,833)	(144)	(411)	(32,849)	(7,109)	8,869	0		(4,133)	4,736	24,448	72	29,256
2037.38	47,467	1,836	892	50,195	(12,978)	(13,206)	(7,038)	(148)	(423)	(33,794)	(7,065)	9,336	(6,252)		(4,164)	(1,080)	29,256	77	28,254
2038.39	48,829	1,872	908	51,609	(13,282)	(13,647)	(7,249)	(153)	(436)	(34,766)	(6,862)	9,981	0		(4,195)	5,785	28,254	83	34,122
2039.40	50,236	1,910	923	53,069	(13,593)	(14,103)	(7,466)	(157)	(449)	(35,768)	(6,863)	10,438	0		(552)	9,886	34,122	103	44,111
2040.41	51,690	1,947	939	54,577	(13,912)	(14,574)	(7,690)	(162)	(462)	(36,799)	(6,879)	10,899	(4,490)		(487)	5,922	44,111	123	50,155
2041.42	54,216	1,986	956	57,158	(14,238)	(15,060)	(7,920)	(167)	(476)	(37,861)	(6,749)	12,548	(10,000)		(420)	2,128	50,155	133	52,416
2042.43	54,747	2,026	973	57,745	(14,573)	(15,562)	(8,158)	(172)	(490)	(38,954)	(6,401)	12,389	0		(351)	12,038	52,416	151	64,605
2043.44	56,352	2,066	990	59,408	(14,915)	(16,081)	(8,402)	(177)	(505)	(40,080)	(6,401)	12,927	0		(300)	12,627	64,605	182	77,415
2044.45	58,012	2,107	1,008	61,127	(15,266)	(16,617)	(8,654)	(182)	(520)	(41,240)	(6,401)	13,487	0		(992)	12,495	77,415	214	90,124
2045.46	59,728	2,149	1,027	62,903	(15,626)	(17,171)	(8,914)	(188)	(536)	(42,433)	(6,401)	14,069	0		(998)	13,071	90,124	247	103,442
2046.47	61,501	2,192	1,046	64,739	(15,994)	(17,743)	(9,181)	(193)	(552)	(43,663)	(6,397)	14,680	(10,000)		(1,004)	3,876	103,442	269	107,387
2047.48	64,553	2,235	1,065	67,854	(16,371)	(18,333)	(9,456)	(199)	(568)	(44,929)	(6,046)	16,880	(5,000)		(1,010)	10,870	107,387	289	118,546
2048.49	65,231	2,260	1,086	68,597	(16,758)	(18,944)	(9,740)	(205)	(585)	(46,232)	(5,905)	16,459	(5,000)		(1,016)	10,443	118,546	317	129,306

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CAB3113(HSG)  
CABINET (HOUSING) COMMITTEE

REPORT TITLE: TENANCY STRATEGY UPDATE

30 JANUARY 2019

REPORT OF PORTFOLIO HOLDER: LEADER WITH PORTFOLIO FOR HOUSING

Contact Officer: Kenna-Sian Young Tel No: 01962 848 234 Email  
[ksyoung@winchester.gov.uk](mailto:ksyoung@winchester.gov.uk)

WARD(S): ALL

## PURPOSE

This report seeks approval of the refreshed Tenancy Strategy.

The Localism Act 2011 introduced a requirement for all local housing authorities to publish a Tenancy Strategy. Reinforcing the government's view that local authorities should have a greater influence in setting local housing priorities.

The main purpose of a tenancy strategy is to set out high level strategic objectives to determine how tenancies are used and managed across the local district. Stock holding authorities and other social housing landlords operating within the district should give 'due regard' to these broad objectives when formulating their own tenancy policies.

## RECOMMENDATIONS:

1. That Cabinet (Housing) Committee approves the draft Tenancy Strategy.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 Providing good quality housing and new affordable homes is a strategic priority for the Council.
- 1.2 The Council's Strategy (2017-2020) recognises "that a mix of people, housing types, sizes and tenures are ingredients of a cohesive community". The Tenancy Strategy sets out the Council's expectations of its partner social housing providers. The procedures they should adhere to when considering the type of tenancies and rents offered to meet local housing need to improve the functioning of the housing market within the district.

2 FINANCIAL IMPLICATIONS

- 2.1 The HRA Budget and Business Plan continue to prioritise the provision of good quality housing and new affordable homes for the Council as a stock holding authority, supporting the aims of the Tenancy Strategy. Future opportunities to increase housing supply have been secured as a result of increased borrowing capacity through the lifting of the HRA debt cap.
- 2.2 The Tenancy Strategy sets out the Council's expectations for partner social housing providers to ensure best use of their housing stock asset is made through flexible tenancy procedures and allocation policies.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Localism Act 2011 introduced a requirement for all Local housing authorities to publish a tenancy strategy, to keep it under review and modify or replace from time to time. The Act also requires that any modifications to the strategy must be published and a copy made available at the Council offices. If there are major changes to the policy consultation requirements are set out in the legislation..

4 WORKFORCE IMPLICATIONS

- 4.1 No additional implications beyond current existing staffing resources.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The intention of the Tenancy Strategy is to set out the Council's expectations of how local social housing providers make best use of district wide social housing stock and assets to provide sustainable and cohesive communities.
- 5.2 To provide the right range of tenancy options to include home ownership opportunities in order to continue to maintain sustainable and cohesive communities.

## 6 CONSULTATION AND COMMUNICATION

- 6.1 The initial Tenancy Strategy was subject to a full consultation process with local Registered Providers, voluntary sector agencies, Hampshire Senior Housing Officer Group, Hampshire Home Choice Board and associated Local Members, Portfolio Holder for Housing and Housing DMT. As there has not been any radical changes introduced by our affordable housing partners since the introduction of the Localism Act and publication of the original Tenancy Strategy it is felt that at this stage no further consultation process is required.
- 6.2 The Portfolio Holder for Housing, Strategic Director, Corporate Head of Housing, Head of Tenancy Services and Housing DMT has been consulted in respect of minor changes made as part of the refresh and update of the current tenancy strategy.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None

## 8 EQUALITY IMPACT ASSESSEMENT

- 8.1 Not required.

## 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required.

## 10 RISK MANAGEMENT

<b>Risk</b> (Detail in this column specific risks, under each of these headings)	<b>Mitigation</b>	<b>Opportunities</b>
<i>Property</i>  <i>Minimal risk of partner organisations not engaging with the Tenancy Strategy objectives</i>	Published Tenancy Strategy regularly monitored and reviewed.	To promote joint working opportunities with local social housing providers to make best use of district wide social housing stock and assets.
<i>Community Support</i>  <i>Cautious risk of failing to deliver new tenure opportunities.</i>	Published Housing Strategy. New Homes programme & HRA provision and budget supporting the delivery of the strategy.	Providing the right range of tenancy options to include home ownership opportunities to maintain sustainable and cohesive communities.
<i>Timescales</i>  <i>No Risk</i>	Strategy reviews will be carried out on an ad hoc basis in response to national policy changes.	Ensure best use is made of district wide social housing stock and assets. Supporting the council's

		New Homes programme to increase the supply of much needed new cross tenure social housing homes.
<i>Project capacity</i> <i>No risk</i>	Strategy monitoring and reviews to be carried out within current existing staffing resources.	Delivery and promotion of the Tenancy Strategy.
<i>Financial / VfM</i> <i>No Risk</i>	The HRA Budget and Business Plan continue to prioritise the provision of good quality housing and new affordable homes.	Future opportunities to increase housing supply and tenure options as a result of increased borrowing capacity through the lifting (this year) of the HRA debt cap.
<i>Legal</i> <i>That the Council fails to comply with the requirements of the Localism Act 2011 in amending this policy.</i>	The proposed amendments do not amount to a major change of policy. Legal requirements are met through a published Tenancy Strategy.	Promotion of the Tenancy Strategy setting out the expectations of how local social housing providers should make best use of district wide social housing stock and assets.
<i>Innovation</i>		Design and increased supply of council social housing and homeownership properties.
<i>Reputation</i> <i>Minimal risk of non engagement from social housing landlords, subsequent poor performance.</i>	Published Tenancy Strategy with 'buy in' secured from local social housing landlords.	Opportunity to positively enhance the council's reputation within local neighbourhoods to maintain sustainable and cohesive communities. Preventing homelessness opportunities.
<i>Other</i>		

## 11 SUPPORTING INFORMATION:

### 11.1 **Background**

The Tenancy Strategy introduced in 2013, provided a response to a raft of reforms included in the Localism Act. These included:



- The introduction of Affordable Rent tenancies (80% of local market rents) as part of changes to the way new social housing development would be funded.
  - The introduction of fixed-term (flexible tenancies) leading to more social mobility.
  - Changes to the statutory guidance on allocations introducing the opportunity to increase flexibility in the ways housing waiting list are utilised.
  - The self-financing of the Housing Revenue Account allowing stock retaining Councils to take full control of decisions on income and expenditure.
  - Reforms to homelessness legislation.
  - The introduction of the national HomeSwapper scheme.
- 11.2 All stock holding local housing authorities and Registered Providers should have an overarching tenancy policy framework in place to provide detail on specific tenancy procedures. To be effective it should also be consistent with the objectives detailed within the Council's Housing Strategy, take account of the Preventing Homelessness Strategy and allocation policies.
- 11.3 The Tenancy Strategy sits under the Central and North Hampshire Tenancy Strategy Statement which seeks to harmonise policies and practices across the Hampshire district.
- 11.4 The Tenancy Strategy sets out the Council's strategic housing position and the expectations of its local social housing landlords to ensure there is a consistent approach to social housing lettings across the Winchester district.
- 11.5 **Localism Reforms - Tenancy Strategy response and progress.**
- 11.6 The introduction of Affordable rents (80% of market rents) continue to be set within Winchester \*Local Housing Allowance levels. (see table below)

Category A 1/b room shared	Category B 1/b room self contained	Category C 2/b rooms	Category D 3/b rooms	Category E 4/b rooms
Calendar monthly £335.62	Calendar monthly £642.63	Calendar monthly £790.63	Calendar monthly £918.10	Calendar monthly £1355.42

\*LHA rates frozen since 2016.

- 11.7 Hampshire Home Choice allocation statistics for the financial year 2017/18, indicate that overall refusal rates for affordable rents is low at 25%, with 22% refusal rates for fixed term tenancies and overall refusal lettings rates at 28%.
- 11.8 It should be noted that the additional finance raised (available for reinvestment) through affordable rental income streams has positively supported and contributed to an increase in supply and development of new affordable social housing and home ownership properties across the

Winchester district. However, there is a Tenancy Strategy expectation (where viable) for new build developments to include a proportion of social rent properties, as for some this is the only truly affordable option. The Council recognise that DWP welfare reform initiatives through bedroom restrictions and benefit cap sanctions have significantly reduced affordable housing opportunities for larger family households, younger people and those on lower incomes.

- 11.9 There has been no strong evidence of fixed term tenancies having been widely used by Registered Providers since the introduction of the Tenancy Strategy in 2013. With lifetime tenancies remaining the normal form of tenure within the Winchester district.
- 11.10 The number of live applications on the housing register has declined since the development of the Tenancy Strategy from 3635 applications in April 2013 to the current figure of 1708 as of November 2018. The reduction in application numbers is largely due to changes introduced through the Localism Act 2012, in respect of local connection and housing need qualifying criteria.

Total number of applicants on the Housing Register as at November 2018

Band	Bedroom size required:				Total
	1	2	3	4	
Band 1	3				3
Band 2	117	52	16	15	200
Band 3	799	358	126	28	1311
Band 4	176	12	4	2	194
Total	1095	422	146	45	1708

- 11.11 The HRA Budget and Business Plan continue to support the provision of new affordable homes to include homeownership options. The increased borrowing capacity through the lifting of the HRA debt cap ensures that the Council can further invest in building new Council homes by borrowing against our assets and future rental income streams. Reducing the pressure on many low income families who currently have no option but to rent in the private rented sector.
- 11.12 Reforms in homelessness legislation introduced as part of the Localism Act 2012, allowed local authorities to discharge their main housing duty to homelessness households through a private rented sector offer. Providing tenants with a 12 month Assured Shorthold Tenancy. To support the change in legislation the Council introduced its own 'City Lets' private sector offer and to date 41 landlords have joined the scheme providing an alternative housing option and tenure offer.
- 11.13 The HomeSwapper scheme introduced as part of the Localism Act supports social housing tenants to mutually exchange their home maintaining security of tenure. Many tenants have successfully moved to more suitable housing

through the scheme and within shortened waiting times than a transfer through a housing register allocation.

- 11.14 Other factors considered to inform the refresh of the Tenancy Strategy include DWP welfare reform measures, the government's August 2018 published Green Paper – 'A fair deal for social housing' and Right to Buy consultations.
- 11.15 The development of a Housing Company as a vehicle to support future cross tenure options on council new build projects to include housing options for the more vulnerable households. A progress paper will be brought to Cabinet (Housing) Committee in March 2019.

## 12 Conclusion

- 12.1 The Tenancy Strategy, appreciating that housing across the district can be expensive and that demand for social housing remains high will ensure that all social housing properties advertised through the Council's choice based lettings scheme supports the creation of balanced, settled and cohesive communities.
- 12.2 Whilst the Council generally welcome the reforms and flexibilities made available to social housing landlords through the Localism Act 2012, incorporated within the first Tenancy Strategy. It does not consider that any radical tenancy changes have taken place over the past 5 years to warrant any sufficient changes to be made to the refreshed draft Tenancy Strategy. Ongoing reviews will be carried out in response to national policy changes.
- 12.3 The refreshed draft Tenancy Strategy will continue to promote access to good quality housing options through a variety of tenure types, affordability options, and homeownership opportunities. At the same time, setting out the Council's expectations of its partner social housing providers to ensure that best use is made of district wide social housing stock and assets. With the ultimate aim to support the Council's New Homes programme to create and increase a supply of new cross tenure social housing homes for future generations.

## OTHER OPTIONS CONSIDERED AND REJECTED

None as a current and relevant Tenancy Strategy is a legal requirement for local authorities.

## BACKGROUND DOCUMENTS:-

### Previous Committee Reports:-

None

### Other Background Documents:-

Central and North Hampshire Tenancy Strategy Statement:

<http://sharepoint/sites/Housing/Procedures/Strategies/Central-and-North-Hampshire-Tenancy-Strategy-Statement.pdf>

Winchester City Council Strategy 2018-2020:

<http://www.winchester.gov.uk/about/strategies>

Ministry of Housing, Communities and Local Government:

<https://www.gov.uk/government/consultations/a-new-deal-for-social-housing>

APPENDICES:

Appendix 1 – Tenancy Strategy 2018

## **Winchester City Council's Tenancy Strategy**

### **1. Introduction**

The Localism Act 2011 introduced the requirement for all Local Authorities to publish and keep under review a Tenancy Strategy. The strategy sets out the council's local priorities, requirements and expectations of social housing providers to ensure that housing offered meets local need. Social housing providers operating in Winchester are expected to have due regard to this Tenancy Strategy when setting their own Tenancy Policies. It seeks to support the aims and objectives of the Housing Strategy, Preventing Homelessness & Rough Sleeping Strategy and the sub regional Allocations Framework.

The Tenancy Strategy was initially produced in 2013 in conjunction with the Central and North Hampshire Tenancy Strategy Statement, a joint overarching strategy between six other local authorities in Hampshire; Basingstoke & Dean, East Hampshire, Hart, Havant, Rushmoor & Test Valley. This partnership approach aims to provide a degree of consistency for social housing providers who operate across many of the local authority areas.

The government introduced the option to use fixed term flexible tenancies, which in most cases will be for a minimum of 5 years. This is to reflect that tenancies offered can be done so to meet an immediate need, such as overcrowding or homelessness, which may change over time resulting in under occupation, or being occupied by tenants who could afford to buy a home or rent privately.

A review of the Tenancy Strategy has been undertaken in 2019, to ensure it is still relevant and fit for purpose. This strategy will be reviewed in 2020, to allow for the implementation of the Council's new Preventing Homelessness & Rough Sleeping Strategy ensuring the aims and objectives within the two strategies align.

#### **1.1 National Policy Context**

The governments Social Housing Green paper - 'A new deal for social housing' published for consultation in August 2018, sets out the government's vision that everyone in the country deserves a safe, secure and affordable place to call home. It emphasises that social housing has a key role to play in making sure this happens. It also highlights the government's commitment to build and supply more of the right homes, built in the right places at prices local people can afford.

In 2016-17 there were almost 4 million households living in socially rented accommodation accounting for one fifth of all households.

Central Government are supporting both Local Authorities and social housing providers by providing £2 billion for the Affordable Homes Programme and removing (stock holding) councils HRA debt cap. They have built new strategic partnerships with larger housing associations and offered social housing providers longer term funding certainty to help deliver more homes.

The government's Green Paper (subject to further confirmation) implies that there are no definite plans at this stage to make the introduction of fixed term tenancies mandatory for local housing authorities. 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 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 Social housing providers who have entered into development contracts with Homes England 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 rent levels particularly for 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 social housing providers when setting their rent levels for affordable housing.

### 1.2 The Winchester Context

Winchester is a large and varied district with encompasses a prosperous and historic county town together with a number of busy market towns and villages. The population of the district is around 122,000 with just over 51,000 households.

Housing affordability is an apparent issue for many people, with the average housing price in Winchester in excess of £402,000. An annual household income of £64,000 would be needed to purchase a home when the current average income for a single person is £30,000 in the district.

The number of households on the Council's housing register is 1,469. With 79% of households on the register having an income of less than £15,000 a year there is a continued need for affordable housing to rent in the district.

There is continued evidence of under-occupation which suggests better use could be made of social housing stock. Providing opportunities for residents to find more suitable accommodation that better meets their needs freeing up under occupied housing for larger families on the council's waiting list. At present 5% of applicants registered on Hampshire Home Choice are current social housing tenants wishing to downsize.

## **2. Aims & Objectives**

The Tenancy Strategy is intended to provide guidance to social housing providers operating within the Winchester district. It should inform tenancy policies and set out best practice letting examples to ensure local housing need is met and to improve and support the local district wide housing market.

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

1. Enable the best use of affordable housing across 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 Social housing providers regarding their use of flexible tenancies.
3. Indicate to current and prospective tenants, what they can expect from the tenancies offered by Social housing 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 as a means of securing affordable rented homes.
6. Better meet local needs.

## **3. Tenancies**

Some social housing providers are offering fixed term tenancies to ensure effective use of housing stock to match supply and demand. Several providers have indicated that they are reviewing their current practices for the following reasons:

- The administration of these tenancy types is higher,
- One provider has yet to find grounds to terminate a tenancy based on affordability or a tenant's ability to secure accommodation in the private rented sector.
- Children's ages will be considered when determining the length of a tenancy.

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. Social housing providers should take into account our recommendations set out below 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 social housing providers continue to 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 Social housing 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.

Social housing 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.

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 properties whose circumstances are unlikely to change in such a way that they become ineligible for such housing.

### 3.3 Rent in advance

It is apparent that some welfare reform implementation such as Universal Credit has led to concern among social housing providers that rent arrears figures may be impacted. Having reviewed the current positions of Registered Providers and the council's Housing Management team it is felt that rent in advance of up to 1 month could be requested from a new tenant. However, an applicants financial circumstances and their ability to access funds to pay should be considered before a decision is made on amount.

Some social housing providers have indicated that they will make arrangements for tenants to pay an additional amount on top of their on going rent if they are unable to pay in advance. This is because the Regulator Committee of Homes England has advised that a social housing provider cannot refuse a potential tenant due to lack of rent in advance.

If a new tenant is in receipt of full Housing Benefit then the request for rent in advance should be waived as long as it is apparent that the payment of benefit will continue in their new accommodation.

### 3.4 Tenancy reviews

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

It is expected that the majority of tenant's 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 meet the review criteria, for example if there



is a continuing need for a specific disabled 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 3.4.1 for details on the review criteria.

Should a tenancy not be renewed as a result of the review process, a 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 social housing 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.

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.

#### 3.4.1 Review Criteria

Social housing 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
- **Adaptions**- 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/asset/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 there must be addressed throughout the tenancy and steps shown to have been taken prior to the review)

Social housing providers are encouraged to undertake an assessment of the following issues when reviewing the tenancy:

- Health and disability of any member of the household
- Employment or income
- Education and training
- Community and family concerns
- Housing need
- Ability to access alternative housing
- Homelessness prevention
- Any other relevant circumstances
- Wider welfare reform changes envisaged for the future (where relevant)

The assessment should consider the implication of the social housing provider's 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 home where this is appropriate. Ending tenancies on the basis of income alone could undermine self improvement and lead to more social polarisation of

neighbourhoods. The council encourages social housing providers to consider other options in these cases such as re-letting at an affordable rent or offering shared ownership on the existing property.

The council's housing options service will be able to support households with a wide range of advice and support to help tenants resolve issues arising from the potential termination of a fixed term tenancy. This will include working closely with both internal and external partner agencies to help with the wider social and financial issues that may have contributed a failed tenancy and work to try and resolve these issues so they can remain in the property.

#### 3.4.2 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 social housing 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. Housing options must be reasonable, sustainable and result in a settled housing offer/solution and include 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 would need to be followed.

#### 3.4.3 Appeal Process

Should a tenant disagree with the decision reached by their landlord, they may place an appeal. Each social housing provider must have their own appeals process. When setting their appeals policies, social housing 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.

### 3.5 Expectations of Social Housing Providers

Social housing 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 the 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, where 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 regards to the principle of sustainable, mixed communities and the overall effect of their policies on local neighbourhoods.
- Demonstrate openness, transparency and fairness.
- Refer any households where the decision has been made to terminate a tenancy to the Council's housing options service.

### 3.6 Tenant Incentive Schemes

The Council supports the use of incentive schemes particularly to encourage existing secure/assured life time tenants to downsize. The Council's scheme of allocation provides additional priority to downsizing tenants moving to more suitable accommodation which meets their housing need.

## **4. Affordable Rents**

The council are conscious that affordability of housing in the district remains a challenge for some households who would not have traditionally sought affordable housing. We are committed to ensuring that we meet a range of affordability levels that reflect the requirements of the local communities. By achieving this, quality of health and happiness for residents will increase. Social housing providers must be given the option of letting homes at affordable rents and the council accepts that if it wishes to see much needed affordable housing in the district

Government policy for affordable housing is that the capital cost of affordable housing should largely be met from 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.

As a landlord we have recognised that even setting rents at 80% of local housing allowance rate this could be unaffordable for many of those registered as having a housing need. The council undertook a study in 2015 'Affordability of Affordable Rented Housing and Starter homes'. It concluded

that affordable rents at 80% of market rents were unaffordable for many households who would be seeking affordable housing.

For new homes let by the Local Authority we are considering the following rent levels:

- 70% for 1 bedroom properties
- 75% for 2 & 3 bedroom properties
- 60% for 4 bedroom properties.

It is determined that this will strike the balance between affordability for tenants and the ability to raise finances to fund schemes.

We recognise that DWP welfare reform initiatives through bedroom entitlement restrictions and benefit cap sanctions have significantly reduced affordable housing opportunities for larger households, younger people and those on lower incomes.

We ask social housing providers to consider the above when rent setting, especially for larger dwellings in high value areas to ensure they remain affordable, taking into account disposable income levels and changes to the welfare benefit system.

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

Where social housing providers are looking to convert existing social housing stock to affordable rents, we expect this process to take a pragmatic approach to what is a an affordable rent based on the average households income for the district.

#### 4.1 Low Cost Homeownership

The council envisage that the majority of those interested in low cost homeownership will be considering shared ownership. At present there are approximately 1000 households registered with Help to Buy South and the highest demand is for 2 bedroom properties.

The expectation for providers, should they be considering an application for low cost homeownership is that affordability tests as set out in this policy will be robustly completed.

#### 4.2 Housing Company

The council are currently considering the viability of developing a Housing Company as a vehicle to support future cross tenure options on council new build projects to include housing options for the more vulnerable household.

### 5. Mobility within social housing

It is recognised that there is a need for mobility of those already in social housing to move and this can be for a number of reasons; under-occupation, overcrowding, health and welfare grounds or to move closer to employment or family/support. The council will continue to support mobility within our own stock using the Hampshire Home Choice framework to prioritise applicants and have increased the incentive scheme to encourage those under occupying to consider a move.

The HomeSwapper scheme which was introduced as part of the Localism Act supports social housing tenants to mutually exchange their home and maintain security of tenure. Many tenants have been successful in moving to more suitable housing through the scheme within a shortened waiting time than a transfer through housing register allocation.

We expect providers to support mobility within their own stock and to consider incentive schemes. Where possible when tenants are moving they should have the same security of tenure and rent model.

## **6. Homelessness Prevention**

The council are responsible for homelessness prevention functions and aim to become aware of any engage in prevention work at the earliest opportunity. In order to do this we must work with our partner agencies and stakeholders to ensure good communication at the earliest opportunity.

### **6.1 Housing Options duties**

Local Authorities have statutory duties to provide advice and assistance to households who are homeless or threatened with homelessness. The Localism Act 2011 provided Local Authorities with the opportunity to discharge their homelessness duty towards a household to accommodation in the private rented sector (without their acceptance of the offer).

The council intend to develop the City Lets scheme ensuring that a reasonable supply of accommodation is available in the private rented sector. The PRS can offer households a greater choice in terms of location and property type. To ensure this is a good deal for homeless households and that accommodation remains suitable and available we make sure that:

- The minimum length of a private rented tenancy is at least 12 months
- If the household becomes homeless again within two years through no fault of their own, the main homelessness duty is triggered.

The number of households requiring support from the housing options service has increased and with future funding cuts and welfare reform having available accommodation for these families to move into is vital. Ensuring that potential tenants are tenancy ready or being provided with support early on in their tenancy is important.

The housing options team support tenancy ready training for households residing in our temporary accommodation stock. It is asked that social housing providers consider this commitment when assessing a potential household for a new tenancy.

### **6.2 Homelessness Prevention**

The council's housing options service have fostered good partnerships with social housing providers to ensure that they are made aware at an early stage of any potential social housing evictions. Since 1<sup>st</sup> October 2018 as part of the Homelessness Reduction Act 2018 public bodies have had an obligation to refer anyone to a local authority if they are homeless or threatened with homelessness. The National Housing Federation and the MHCLG have worked together to develop a housing association offer called the 'Commitment to Refer'. We encourage any social housing providers with accommodation in Winchester to consider referring any tenants at risk of homelessness. It demonstrates a commitment to reducing evictions and supporting homeless households.

## **7. Victims of Domestic Abuse**

The Government produced statutory guidance on social housing allocations to improve access to social housing for victims of domestic abuse in 2018. The purpose of the guidance is to ensure that those experiencing abuse are given as much support and assistance as possible to re-build their lives. In line with this guidance the Hampshire Home Choice framework was reviewed to ensure that it supported the aims of this statutory guidance to:

- Ensure victims of domestic abuse seeking social housing are appropriately prioritised under the allocation scheme and,
- Those who have fled their accommodation to another area are not disadvantaged by any residency or local connection requirements.

Local Authority housing options services and social housing providers are encouraged to support tenants who are considering remaining in their homes to ensure they can make an informed choice which is appropriately risk assessed. Housing providers should consider safety precautions that could be offered and work with partner agencies to arrange for this work to be completed.

## **8. Monitoring & Review**

Many social housing providers have already published their own tenancy policies. We will actively request that existing policies should be reviewed in light of the refreshed Winchester Tenancy Strategy to ensure, wherever possible, that policies with the over arching Tenancy Strategy..

The council through various forums such as the Hampshire Home Choice Board, will monitor and review the Tenancy Strategy as required, and at a minimum on an annual basis

Social housing providers are expected to record and monitor the outcome of tenancy reviews and if requested, provide equality profiling information for those tenancies which were not reviewed.

## **9. Publication**

A copy of this strategy will be published on the Council's website. A paper copy can be provided upon request for a small charge.

Should you wish to receive further information in respect of the Tenancy Strategy, please contact Housing Services:

Housing Services,  
Winchester City Council,  
Colebrook Street,  
Winchester,  
Hampshire,  
SO23 9LJ  
Tel: 01962 848 400  
Email: [housing@winchester.gov.uk](mailto:housing@winchester.gov.uk)  
Website: [www.winchester.gov.uk](http://www.winchester.gov.uk)

REPORT TITLE: TENANCY POLICY

30 JANUARY 2018

REPORT OF PORTFOLIO HOLDER: LEADER WITH PORTFOLIO FOR HOUSING

Contact Officer: Amber Russell Tel No: 01962 848 229 Email  
arussell@winchester.gov.uk

WARD(S): ALL

## PURPOSE

This report provides an overview and seeks approval of the Council's Tenancy Policy 2018-2023. The Tenancy Policy forms part of the Council's overarching Tenancy Strategy 2018-2023 as set out in CAB3113(HSG). It sets out the Council's approach to tenancy management and the types of tenancy we offer.

This report also seeks to provide an update on the legislative position of Fixed Term Tenancies (FTT) following the publication of the government's social housing green paper – a new deal for social housing on 14<sup>th</sup> August 2018.

## RECOMMENDATIONS:

1. That the Tenancy Policy 2018-2023 is approved (Appendix 1).

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 The Council's Strategy 2018-2020 recognises delivering high quality housing options for our residents is vital and that it is important to have the right mix of housing within the District. It further acknowledges that people's health is key to enjoying a high quality of life and strives to improve the community's health and happiness. The Council's Tenancy Policy has due regard to these strategic outcomes.

2 FINANCIAL IMPLICATIONS

- 2.1 None.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council has a duty to publish its Tenancy Policy which sets out how it will operate and deliver the requirements of the Council's overarching Tenancy Strategy 2018-2023.

4 WORKFORCE IMPLICATIONS

- 4.1 No additional implications.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 There will be no change to how the Council's housing stock is currently managed.

6 CONSULTATION AND COMMUNICATION

- 6.1 Members have previously been briefed on the Housing and Planning Act 2016 and more recently on the social housing green paper – a new deal for social housing. Council tenants were briefed on the principals of Fixed Term Tenancies through a workshop at the Tenants Conference in February 2018. The Housing Service has also consulted with other local registered providers regarding potential changes to their Tenancy Policies following the August 2018 publication of the social housing green paper.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 Not required, as no change to current policies and practices are being proposed.



9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required.

10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<p><i>Property</i></p> <p><i>Minimal risk of future under occupation by offering secure tenancies and not introducing FFTT or the potential income generating 'Pay to Stay' tenancy option.</i></p>	<p>Published Tenancy Policy monitored and reviewed as part of normal service delivery to ensure best use of housing stock. Low numbers of tenants within the 'pay to stay' income bracket to significantly reduce available allocations to benefit reliant/lower income tenants for social rental properties.</p>	<p>Opportunity to positively enhance the council's landlord reputation and best practice approach. Maintaining sustainable and cohesive communities for the future.</p> <p>Meeting the aims of the governments Green Paper – 'a new deal for social housing'</p>
<p><i>Community Support</i></p> <p><i>Minimal risk of future under occupation by offering secure tenancies and not introducing FFTT or the 'Pay to Stay' tenancy option.</i></p>	<p>Published Tenancy Policy to support tenancy sustainment. Continuing to offer life time tenancies with an incentive scheme to reduce under occupation. Low numbers of tenants likely to be within the 'pay to stay' income bracket to significantly reduce rental income by not introducing this tenancy option.</p>	<p>Providing the right range of tenancy options to maintain sustainable and cohesive communities though best practice.</p> <p>Meeting the aims of the governments Green Paper – 'a new deal for social housing'.</p>
<p><i>Timescales</i></p> <p><i>No risk</i></p>	<p>Tenancy policy will be delivered as part of normal business and within current existing staffing resources.</p>	
<p><i>Project capacity</i></p> <p><i>No risk</i></p>	<p>Tenancy policy will be delivered as part of normal business and within current existing staffing resources.</p>	
<p><i>Financial / VfM</i></p> <p><i>Minimal risk of not introducing the potential generating income of the 'Pay to Stay' tenancy</i></p>	<p>HRA Budget will continue to support the role of the Tenancy Policy through service budget line and rental income streams. Low numbers of tenants</p>	<p>Opportunity to positively enhance the council's landlord reputation and best practice approach. Maintaining sustainable and cohesive communities</p>

<i>option.</i>	likely to be within the 'pay to stay' higher income bracket to significantly reduce rental income by not introducing this potential tenancy option.	for the future.
<i>Legal</i> <i>No risk.</i>	Published Tenancy Policy legally required to set out and support how as a social housing landlord we will operate and deliver the requirements of the Council's overarching Tenancy Strategy.	Opportunity to positively enhance the council's landlord reputation by offering secure life time tenancies. Maintaining and providing sustainable and cohesive communities.
<i>Innovation</i>		
<i>Reputation</i>		Opportunity to positively enhance the council's landlord reputation and best practice approach. Providing sustainable and cohesive communities for the future
<i>Other</i>		

## 11 SUPPORTING INFORMATION:

### **Background**

- 11.1 The Localism Act 2011 brought about a raft of changes to the regulatory framework for social housing. This included giving local authorities and other registered providers of social housing increased flexibility in the types of tenancies they grant and the rents they can charge.
- 11.2 In January 2013 the Council published its Tenancy Strategy, which it was required to do under the Localism Act, setting out its expectations for all social housing providers in the district in relation to rent and tenure reform. This strategy has now been refreshed in light of the numerous changes to Government policy and new legislation since the documents inception as outlined in CAB3113.
- 11.3 The Localism Act also brought about the revised Tenancy Standard which states that all social housing providers shall let their homes in a fair, transparent and efficient way. They shall take into account the housing needs and aspirations of tenants and potential tenants and demonstrate how their lettings:

- a) Make best use of available housing
- b) Are compatible with the purpose of the housing
- c) Contribute to the local authorities' strategic housing function and sustainable communities.

11.4 The Housing Service has a vast number of policies and internal procedures which govern what tenancies are offered and how they are managed. The Tenancy Policy aims to bring the key documentation together, providing both Council tenants and those on the Housing Register who would like to become tenants with a clear overview of our approach to letting our homes and managing tenancies.

#### **Localism reforms - types of tenancies available**

11.5 The Tenancy Policy sets out the types of tenancy that the Council can offer and the criteria determining what will be granted dependant on the tenant/applicants circumstances.

11.6 Currently introductory and secure tenancies are granted for all new build and re-lets. In addition to these more traditional and secure types of tenancy it has been possible to offer flexible fixed term tenancies (FFTT) since April 2012. Consideration was previously given to the potential benefits and drawbacks of offering this new tenure following its introduction. At that time the Housing Service, in keeping with the majority of social housing landlords, did not implement FFTT.

11.7 More recently, following the Housing and Planning Act 2016 which introduced further new regulations including provisions for phasing out lifetime tenancies and preventing local authorities from offering secure tenancies for life in most circumstances, the Council has been waiting for the promised statutory guidance setting out the categories and factors to be taken into account when granting a tenancy and reviewing it at the end of the fixed term before implementing FFTT. This legislation has still yet to be enacted and guidance has not been issued to date.

11.8 On the 14<sup>th</sup> August 2018, the Government published a social housing green paper – a new deal for social housing, in which it set out a proposed strategy for reforming social housing. Under the core theme of 'expanding supply and supporting home ownership' the Government proposes not to implement the plans to require councils to offer all new tenancies on a fixed term at this time. The green paper cites a 'growing recognition of the importance of housing stability for those who rent' and that 'many residents spoke about the benefits of security in their tenancies, saying they created strong, supportive communities, and particularly enabled people with vulnerabilities to thrive'. Instead Local Authorities will be able to use FFTT at their discretion.

11.9 In light of this announcement, the Tenancy Policy confirms that the Council will not be implementing FFTT at this time, providing Council tenants with

greater stability in terms of their housing, something which is particularly valued by those who are vulnerable as the security given by their home can be instrumental in providing them with the basis of rebuilding their lives. Other determining factors for the preference in continuing to offer secure tenancies for life rather than FFTT include:

- *The sustainability of the community* - there is a risk that the use of FFTT could undermine the stability of communities by increasing the transience and social exclusion of neighbourhoods leading to the need for increased housing management resources.
- *The lack of alternative housing options* - there is a significant lack of alternative affordable and appropriately sized accommodation in Winchester to meet housing needs. The introduction of FFTT does not address the underlying structural problem of the shortage of housing options offered at a price that households can afford.
- *The cost of resourcing* - operating FFTT can be a highly resource intensive process due to the need to conduct regular tenancy reviews, often to confirm that there is no change in a household's circumstances. The DCLG estimated that this is at between £35 million and £74 million over 30 years.
- *Stigmatise the social housing sector* - introducing an income-based means test as a basis for ending a tenancy will lead to social housing becoming more residualised and further stigmatise those living in the sector.
- *The condition of the accommodation* - tenants maybe less inclined to look after their homes due to the lack of security and the loss of the right to make improvements and be compensated for them.
- *The purpose of the accommodation* - it is possible that making tenure dependent on proof of the continuing need for social housing could disincentivise tenants from improving their circumstances, e.g. from seeking or taking up work.

11.10 Following the August 2018 Government announcement, the Council has also consulted other local housing providers, many of whom have implemented FFTT. They have confirmed they are now rethinking their position with a view to reverting back to offering lifetime tenancies and are consulting their boards on the merits of offering FFTT. This follows L&Q, a substantial housing provider in the south east, formally announcing in September 2018 that they would be transferring all of their 8,500 fixed-term tenants to lifetime tenancies as they felt they were a 'crude tool' and cause 'unnecessary worry' for residents.

11.11 The Tenancy Policy also highlights that although the Council has not adopted FFTT it still achieves a number of the core strategic objectives cited as the benefits of this tenure type through other means. These include:

- *Make best use of housing stock* - the Council has operated an incentive scheme for tenants wishing to move to smaller accommodation for many years. There has been consistent take up of the scheme over recent years with 46 downsizing in 2017/18, 48 in 2016/17, 48 in 2015/16 and 50 in 2014/15. More recently in July 2018 the incentive was increased to £2,500 for those households moving to a property meeting their assessed bedroom need and to date 24 have moved to smaller accommodation this year. The downsizing scheme will be reviewed later this year and a further paper will be brought to Cabinet Housing with potential options for the scheme.
- *Encourage tenants to explore other housing options* - already each year a proportion of Council tenants willingly give up their tenancies to move to the private rented sector or another form of tenure such as low-cost home ownership. In 2017/18, 37 tenants ended their secure tenancy with the Council for this reason, 50 in 2016/17 and 27 in 2015/16. Housing teams offer advice on accessing accommodation in the private rented sector and the Help to Buy South is promoted on the Council's web site.
- *Support tenants in their wider aspirations* - Housing and Benefit and Welfare teams provide assistance to tenants who wish to improve their circumstances, for example in gaining employment. In October 2018 the Council organised a Jobs Fair in conjunction with other housing providers and partner agencies to help improve employment opportunities for tenants.
- *Support tenancy sustainment* - a number of tenancy sustainment services are provided including in-house services such money and benefits and general tenancy support and also joint working with external partners to provide other specialist support services, for example for those tenants with more complex needs.

These benefits are in addition to those which are achieved through the Council's Scheme of Allocations which restricts the housing register to those applicants who have a single or joint gross household income of less than £60,000 per annum and assets and/or savings of less than £16,000 and also gives a high housing priority, Band 2, to those wanting to downsize to smaller accommodation.

#### **Localism reforms – types of rent available**

11.12 The Tenancy Policy also sets out the rents that the Council will use and in which circumstances it will apply these. It confirms that all new build

properties will be let at an affordable rent which can be up to 80% of local market rents and that all other Council properties will be charged a social rent.

11.13 Since 2012 the Council has had discretion to charge higher rents to tenants with an income of £60,000 or more a year. It has been argued that high income families should not be paying social rents (typically half the market rent) when they could afford to pay more. The scheme is known as 'Pay to Stay' and in November 2016 the Government decided to abandon its proposal of a mandatory scheme.

11.14 It is unclear how many social landlords have implemented this approach although there are examples where this is happening, particularly in the London Boroughs and surrounding regions.

11.15 The main reasons for not implementing pay to stay schemes are:

- *Administration* - the difficulty for landlords to gather information and monitor tenants' incomes, including responding to changes in employment/income
- *Increased arrears* - if tenants fail to pay their higher charges this would result in increased arrears levels
- *Affordability* - affected tenants could face substantial rent increases
- *Potential work disincentive effect* - tenants could be put off improving their circumstances due to concerns over increased rents making it not financial viable
- *Residualisation of social housing* - as higher earning tenants are incentivised to move out

11.16 Due to the restrictions on earnings and capital limits for accessing social housing in Winchester it is likely that the number of high earners is small or likely to be small, see Appendix 2 for details on the earnings of those on the Housing Register. Although we do not have income details for all of our tenants, we do know that for those living in our general needs properties 47% are in receipt of Housing Benefit and therefore will not meet the income threshold.

11.17 In July 2014, the Government estimated that the number of social housing tenants who could qualify as high income earners to be as follows:

Income threshold	LOW estimate of number of households	HIGH estimate of number of households
£100,000	1,000	5,000
£80,000	3,000	8,000
£60,000	11,000	21,000

Admittedly these figures are several years old, however they are for the whole country which suggests that for our district, the opportunity for charging higher rents to our own tenants will be extremely low.

- 11.18 It is therefore arguable that the financial benefits of operating FFTD to capture high income earners is negligible when balanced against the resources that would be required to implement and manage such a scheme.

### **Tenancy management approach**

- 11.19 Most of the Tenancy Policy is concerned with how tenancies are managed by the Housing service through the lifetime of the tenancy, from how we conduct our sign ups to how a tenancy can be ended. The Tenancy Policy provides an overview of key management functions and should be read in conjunction with the Tenant's Handbook and other key documents such as the Hampshire Home Choice Allocations Framework and the Winchester Scheme of Allocation. It is hoped that the Tenancy Policy will provide current and future Council tenants with a clear overview of our approach to tenancy management and their rights and responsibilities as tenants of the Council.

### **Conclusion**

- 11.20 The Tenancy Policy reflects the objectives of the Council's Tenancy Strategy; to provide access to good quality housing options through a variety of tenure types, affordability options and homeownership whilst at the same time ensuring best use is made of housing stock and assets. It clearly sets out the Council's approach to letting its homes in a fair, transparent and efficient way.
- 11.21 The Council continues to offer the most secure form of accommodation for its tenants whilst still achieving many of the underlying principals of FFTT. It is felt that this approach is likely to better meet the needs and aspirations of our tenants and avoid many of the negative consequences of FFTT. By continuing to invest in softer approaches to achieve better use of stock, the Council will achieve its strategic objectives of having the right mix of housing in the district whilst continuing to strive to improve the health and happiness of its community.

## **12 OTHER OPTIONS CONSIDERED AND REJECTED**

- 12.1 None as a current and relevant Tenancy Policy is a requirement for social housing providers.

### **BACKGROUND DOCUMENTS:-**

#### **Previous Committee Reports:-**

CAB2424(HSG) Tenancy Strategy for the Winchester District 10<sup>th</sup> December 2012

Other Background Documents:-

Winchester City Council Strategy 2018-2020:

<http://www.winchester.gov.uk/about/strategies>

House of Commons Library, Briefing Paper Number 7173, 2 September 2018

<http://researchbriefings.files.parliament.uk/documents/CBP-7173/CBP-7173.pdf>

Ministry of Housing, Communities and Local Government

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/733605/A\\_new\\_deal\\_for\\_social\\_housing\\_web\\_accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733605/A_new_deal_for_social_housing_web_accessible.pdf)

APPENDICES:

Appendix 1 Tenancy Policy

Appendix 2 Hampshire Home Choice - Winchester City Council Income Analysis



Tenancy Policy	December 2018
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**Winchester City Council – Housing Services  
Policy and Procedure Template**

<b>Title</b>	<b>Tenancy Policy 2018-2023</b>
<b>Housing Team</b>	Housing Management
<b>Author Name &amp; title</b>	Amber Russell
<b>Version Number &amp; Date Finalised</b>	V1. December 2018

Review Date	March 2023
Title of officer with responsibility for maintaining and updating	Rachel Moreau, Tenancy Services Manager

<b>Ratification Details</b>	<b>Cabinet (Housing) CAB3114 30 January 2019</b>
<b>Other Related Policy and Procedures</b>	WCC Tenancy Strategy WCC Scheme of Allocations Allocations Policy Tenant Handbook
<b>Details of Performance Indicators</b>	Local Authority Housing statistical returns (LAHs)
<b>Quality Checks</b>	

## Headline Summary of Tenancy Policy, December 2018

### Introduction

The Localism Act 2011 introduced Tenancy Policies as part of a wider package of social housing reforms. Under the Act, Local Authorities with a strategic housing role are required to have a Tenancy Strategy setting out the issues which registered providers operating in their area must have regard to when deciding what types of tenancies to offer, details of any fixed-term tenancy, and the circumstances in which they will grant a new tenancy when a fixed term tenancy comes to an end.

This Tenancy Policy takes account of our Tenancy Strategy which can be found at <http://www.winchester.gov.uk/housing/housing-strategies-policies/tenancy-strategy>

The policy summarises the Council's approach to tenancy management and the types of tenancies we offer.

### Purpose/aim

The aim of this Tenancy Policy is to provide current Winchester City Council tenants and those on the Housing Register who would like to become tenants with an overview of the tenancies the Council offers together with a summary of some of our key tenancy management policies and procedures.

### Scope

The Tenancy Policy confirms the types of tenancies the Council offers, the rents we use, how we try to help tenants to sustain their tenancies and also a summary of some of the key tenancy management policies and procedures.

## 1. Introduction

This Tenancy Policy sets out our approach to tenancy management and the types of tenancy we offer. The policy is relevant to current tenants of the Council and also applicants on the Council's housing register who would like to become Winchester City Council tenants.

The policy takes account of Winchester City Council's Tenancy Strategy which can be found at

<http://www.winchester.gov.uk/housing/housing-strategies-policies/tenancy-strategy>

## 2. Types of tenancy

The Council offers the following types of tenancy for both new build and re-lets:

### 2.1. Introductory tenancies

Those tenants who do not already hold a secure or assured tenancy with Winchester City Council or other social housing provider will initially be offered an introductory tenancy. These are probationary tenancies that normally last for 12 months but can be extended for a further 6 months. The introductory tenancy will automatically become a secure tenancy after 12 months if the tenancy has been conducted successfully or at the end of any extension period.

The introductory tenancy is an opportunity for the tenant to demonstrate that they are able to maintain a tenancy and comply with the Tenancy Conditions. The introductory tenancy will be reviewed during the 12 month term to confirm whether the tenant can become a secure tenant with a life time tenancy, extending their rights within the tenancy agreement.

Introductory tenants have fewer rights than secure tenants and can be evicted much easier if the terms of the tenancy agreement have been breached.

Full details of the statutory rights of introductory tenants and secure tenants are clearly marked in the Tenancy Agreement and the Tenants Handbook.

### 2.2. Secure tenancies

We will give secure tenancies to tenants who are existing secure tenants with Winchester City Council or are secure/assured tenants with another social housing provider. An introductory tenancy will automatically become

a secure tenancy after 12 months if the tenancy has been conducted successfully or at the end of any extension period.

Secure tenants have full security of tenure and tenancy rights as set out in the Tenancy Agreement and the Tenant Handbook.

### 2.3. **Fixed term tenancies**

Following the Government publication of the social housing green paper – a new deal for social housing, where it was announced that the plans to require councils to offer all new tenancies on a fixed term would not be implemented at this time, we will continue to offer lifetime tenancies and will make best use of existing housing stock through other measures such as the downsizing incentive scheme ‘Wise Move’ and the Scheme of Allocation. These measures assist Council Tenants who are under-occupying their current home and wish to downsize by offering a cash incentive or services to the value of the cash incentive together with a higher priority to move on the Council’s housing register.

### 2.4. **Minors and tenancies**

A person under the age of 18 can not hold a legal tenancy. In these circumstances we will seek to grant a tenancy to an adult such as a member of the minor’s family or if this is not possible, to another adult, for example a social worker who will hold the legal tenancy on trust for the minor’s benefit until they reach 18.

## 3. **Rents**

We will set rents for all our Council new build properties at an affordable rent which can be up to 80% of local market rents, with the additional revenue raised to be re-invested in providing new affordable housing. As part of its commitment to ensure that rents remain as affordable as possible to local people we will ensure affordable rents are provided at rent levels set at or below Local Housing Allowance rates.

Other Council properties will be charged a social rent. Since 2001, rents for properties let at a social rent have been based on a formula set by the government. This creates a formula rent for each property, which is calculated based on the relative value of the property, relative local income levels, and the size of the property. An aim of this formula-based approach is to ensure that similar rents are charged for similar social rent properties.

We will write to all tenants every year to tell them what their rent will be for the next year.

#### 4. **Tenancy agreements, responsibilities and sign up**

We will ensure that all tenants are fully informed about their tenancy rights and obligations at the pre-tenancy sign up stage and beyond.

The sign-up process will generally be a 2 stage process; firstly a pre-tenancy appointment with Housing Officers from both the Income and Tenancy teams where a financial assessment and other tenancy checks will be made, and secondly the sign-up appointment involving the formal paperwork signing and other associated processes involved in granting the tenancy.

We will ensure that tenants fully understand their rights and responsibilities and the conditions of the tenancy agreement. We will also discuss what the tenant can expect from the Council, what support the Council can provide and also opportunities for involvement in shaping the Housing service.

Any tenant who is refused a tenancy will be provided with the reasons why and will be given appropriate advice on what they can do to improve their chance of being housed by the Council in the future.

The Council requires rent in advance from the tenant at the sign up. We will request up to a months rent in advance based on the tenants financial situation.

#### 5. **Tenancy reviews and visits**

The Council visits all tenants within the first month of their tenancy. This is to check how the tenant is settling in, and is a chance for both the tenant and the Council to raise any issues of concern.

All introductory tenancies will be reviewed at their ninth month to assess whether the tenancy can convert to a secure one on the first anniversary of the tenancy commencement. Where issues are identified, further reviews will be completed to ensure all appropriate action has been taken. Where an introductory tenancy is extended to 18 months, further reviews will take place during the extension period to ensure that it is appropriate for the tenancy to become secure or take action to end the tenancy. More information about possession action for introductory tenancies and appeal

rights is available in the Tenants Handbook and the Introductory Tenancy Procedure.

After that, the Council will visit tenants as and when required.

Tenancy visits allow the Council to:

- Make sure the tenant is living in the property
- Update records if there have been any changes in the household
- Make sure the property, including any garden areas, are being maintained and looked after
- Identify any repairs
- Identify any other needs that the tenant may have which the Council can help with

Tenancy visits allow the tenant to:

- Report repairs
- Raise any issues of concern
- Update the Council's records
- Ask any questions they may have about their home or their tenancy

## 6. **Managing tenancies**

We will ensure that tenants are aware of their rights and obligations when they sign up for their tenancy. These terms are set out in the tenancy agreement. Housing Services have a number of tenancy management policies and procedures documenting its approach to tenancy issues and the management of the housing stock. Some of the key documents are outlined below and further details can be found in the Tenancy Agreement and Tenants Handbook.

### 6.1. **Succession**

The rights of succession are set out in Housing Act 1985 and the provisions introduced by the Localism Act 2011. This section provides a summary of the relevant parts of the law.

If a tenant dies, their tenancy may be passed on to a member of their household. By law there can only be one succession. If the deceased tenant had succeeded to the tenancy following the death of the previous tenant or through assignment there can be no further succession.

If there is a joint tenancy and one of the tenants die, the surviving tenant will automatically succeed to the tenancy by survivorship.

If there is a sole tenancy, this can then be passed on to a spouse or civil partner providing that they lived in the property as their only or principal home when the tenant passed away. If the tenant has no spouse or civil partner and their tenancy began before 1<sup>st</sup> April 2012 certain close members of the family may be able to succeed to the tenancy if they had been living at the property as their only or principal home throughout the period of twelve months preceding the tenant's death. If the tenancy began on or after 1<sup>st</sup> April 2012 only a spouse or civil partner will be able to succeed to the tenancy.

We will ask a successor who is not a spouse or civil partner to move to another property if the home they have succeeded to is larger than they would be eligible for. If the successor does not move we will seek possession under Ground 16, Part 3 of Schedule 2 of the Housing Act 1985.

Where there is no-one eligible to be a successor, the Council may grant a new tenancy to a person who lived with the tenant but there is no automatic right to remain in the property. The Council will make a decision on whether to grant a new tenancy (at the current property or at a property which meets the persons housing need) in accordance with its **Left in Occupation**

**Policy** which considers the following criteria:

- fulfil the definition of persons qualified to succeed the tenant under Part IV Section 87 of the Housing Act 1985 (should this right have not already have been used)
- have support needs or be vulnerable as a result of old age, mental illness, physical disability or other special reason (or a person who resides with them is)
- meet the homeless criteria as having a priority need for accommodation under Part VII Section 189 of the Housing Act 1996.

Other factors that may be taken into consideration include the:

- relationship to the tenant if they would not qualify as a successor
- length of residency
- reason for residency

Where the Council decides not to offer a new tenancy, the person will be advised in writing of the reasons why not and given information about the

housing options available to them. If they do not leave the property, the Council will take legal action to recover possession of the property.

## 6.2. Assignment

Assignment is the process whereby a tenancy can be passed on to another person whilst the tenant is still alive. The Housing Act 1985 sets out the law in relation to assignment and this section provides a summary of the relevant parts.

A sole tenant can pass their tenancy on a person who would be entitled to succeed if they have not previously succeeded to or been assigned the tenancy themselves. It can only be achieved through a legal document called a Deed of Assignment, unless the assignment is by way of a court order.

The tenant will require the Council's permission to assign the tenancy.

The Council recommends tenants seek independent legal advice before assigning their tenancy to another person.

## 6.3. Mutual exchanges

Secure tenants have the right to exchange their home by assigning the tenancy to another secure tenant of a local authority or with assured tenants of registered social landlords. The Council may refuse permission to exchange in certain circumstances, as set out in Schedule 3 of the Housing Act 1985.

The written permission of the Council and any other landlord must be obtained prior to any exchange of homes. The Council has 42 days in which to consider and respond to the exchange request. The Council will explain its reasons if the exchange is refused. The Council also participates in the HomeSwapper scheme which is free for tenants to use.

If an exchange takes place without the Council's consent, this is an unlawful act and all parties will be required to move back to their original homes or the Council will take legal action to obtain possession.

## 6.4. Tenancy changes

### Sole to joint

There is no right to 'add' a tenant to an existing tenancy. The sole tenancy would have to be terminated and a new joint tenancy granted. This is not



something the Council will normally facilitate. Where the tenant wishes to add their spouse or civil partner, this person should already be afforded rights to the tenancy under the law of succession and assignment as set out in the Housing Act 1985 together with other statutes such as the Family Law Act 1996 and the Civil Partnership Act 2004 and this will be explained to the tenant.

#### Joint to sole

Where a joint tenant wishes to remove themselves or the other joint tenant from the tenancy there are circumstances when we can facilitate this by ending the joint tenancy and creating a new sole tenancy. In the first instance, the tenant/s will be required to explore other legal remedies available to them, such as a Property Transfer Order or an Occupation Order. Where these legal remedies are not available or an option, the Council will confirm whether it can grant a new sole tenancy at the property taking into account all relevant circumstances. If the Council decides to decline the request to create a new sole tenancy at the property, the tenant/s will be advised of the reasons in writing and how and where to obtain advice regarding the other options available.

### **6.5 Ending a tenancy**

Tenants must give four weeks' written notice to end their tenancy, unless they are transferring to another property owned by the Council in which case two weeks' written notice is required. A joint tenancy will end if one or both tenants give notice. When a tenant dies we expect their next of kin or executor to give four weeks' notice to end the tenancy.

#### Tenancies with no security

The Council may bring a tenancy to an end if the tenant has lost their security of tenure, for example they no longer occupy the property as their only or principle home, by serving a Notice to Quit. The Council will then take proceedings through the courts to end the tenancy where needed.

#### Court order

All tenancies issued by the Council can be ended by a court order. This requires the Council to serve the correct notice advising the tenant that possession proceedings are to be taken. The discretion of the court to grant possession differs depending on the type of tenancy.

## **7. Tenancy sustainment**

The Council will assist those tenants who require further support or who are vulnerable and need support to sustain their tenancy. We will offer advice, support and signposting to those who need it through our own support services and through working in partnership with other agencies.

Support needs will be discussed with tenants at their tenancy sign up and throughout their tenancy as and when appropriate.

#### **8. Tenancy fraud**

Tenancy fraud covers any situation where the person or people living in a council property is not the person who is entitled to be there. This includes:

- Giving false information on an application for housing
- Subletting the property to another person
- Not using the property as their only or principle home
- Claiming succession when there is no entitlement

The Council will take measures to prevent and identify causes of tenancy fraud and will investigate all allegations of fraud or potential fraud thoroughly. The Council will take appropriate action against any tenant found to be committing tenancy fraud including criminal action.



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**Hampshire Home Choice - Winchester City Council Income Analysis**

**6 December 2018**

There are currently **1,455** households registered on Winchester City Council's Housing Register. The following details the numbers of those in employment compared to those not in employment and employment income levels. Households may receive additional income through benefits or retirement pension etc.

The data has been broken down by those aged **16 to 59 years** and those aged **60+ years**.

**Aged 16 to 59 years**

Of the 1,082 households registered;

- 314 (29%) households are not in employment. Households may receive other income through benefits etc.
- 768 (71%) households are where either the main and/or joint applicant is in employment.

<b>Total Annual Income Group</b>	<b>Total</b>
<£10,000	540
£10,001 - £14,999	92
£15000 - £19,999	171
£20,000 - £24,999	94
£25,000 - £29,999	48
£30,000 - £34,999	52
£35000 - £39,999	46
£40,000 - £44,999	17
£45,000 - £49,999	16
£50,000+	6
<b>Total</b>	<b>1082</b>

**Aged 60+ years**

Of the 373 households registered;

- 298 (80%) households are not in employment. Households may receive other income through benefits, pension etc.
- 75 (20%) households are where either the main and/or joint applicant is in employment.

<b>Total Annual Income Group</b>	<b>Total</b>
<£10,000	299
£10,001 - £14,999	24
£15,000 - £19,999	25
£20,000 - £24,999	13
£25,000 - £29,999	2
£30,000 - £34,999	5
£35,000 - £39,999	3
£40,000 - £44,999	0
£45,000 - £49,999	0
£50,000+	2
<b>Total</b>	<b>373</b>

REPORT TITLE: RENTAL EXCHANGE INITIATIVE

30 JANUARY 2018

REPORT OF PORTFOLIO HOLDER: LEADER WITH PORTFOLIO FOR HOUSING  
– Cllr Caroline Horrill

Contact Officer: Christopher Pope Tel No: 01962 848 205 Email  
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WARD(S): ALL

PURPOSE

This report seeks to explain the benefits to both Winchester City Council and its tenants in joining the Rental Exchange, a scheme which uses rental payment information to help social housing tenants improve their credit profile and qualify for more affordable credit and other services.

RECOMMENDATIONS:

1. That Winchester City Council Housing Services participate in the Rental Exchange.
2. That Winchester City Council set up a regular data feed with Experian as managers of the Rental Exchange thereby improving the housing circumstances of vulnerable and excluded households and supporting our residents with the impact of welfare reform.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 Joining the Rental Exchange links to Priority 2 of the Housing Strategy, improving the housing circumstances of vulnerable and excluded households and supporting our residents with the impact of welfare reform. It also links to the Council Strategy to improve the health and happiness of our community.

2 FINANCIAL IMPLICATIONS

- 2.1 There is no cost to the Council to join the Rental Exchange. There is an initial cost of sending information including Privacy Notices to tenants, explaining the scheme to them and how their personal data will be used but this is minimal and could be included with other annual bulk mailing to tenants, for example annual increase letters.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council's Data Protection Officer has been consulted on any potential data protection implications associated with joining the Rental Exchange. A Data Protection Impact Assessment is being carried out to ensure that full consideration has been given to data protection and privacy implications arising from the use of tenants' personal data for this purpose.

4 WORKFORCE IMPLICATIONS

- 4.1 Resources will be required for the initial set up but this will be from current staffing.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

6 CONSULTATION AND COMMUNICATION

- 6.1 Consultation has already taken place with the Housing Management Service Delivery Group of involved tenants. The tenant group endorsed the Council's initiative to join the Rental Exchange. Further consultation with tenants is proposed in the form of a digital consultation exercise and also wider promotion the Rental Exchange through the use of a variety of established tenant communication channels such as Tenant Voice.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None. All tenants are able to opt out of the Rental Exchange at any time and have the right for their information to be deleted.



## 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 The Rental Exchange is a joint project by Big Issue Invest and Experian. Experian have said that they have worked closely with the Information Commissioner's Office (ICO) on this project. They say that the ICO considers the Rental Exchange as an example of best practice for the sharing of information and has been very supportive. It recognises that tackling social, financial and digital exclusion issues through enabling tenants to use their information in a way that helps them is not something that should be prevented by United Kingdom Data Protection Law, subject to tenants being provided with a very clear explanation of how this will benefit them via a Privacy Notice.
- 9.2 Experian state that the ICO has confirmed to them that the Rental Exchange has been assessed to meet the General Data Protection Regulation (GDPR).
- 9.3 Rental payment information will be kept secure and will not be shared with any third parties for marketing purposes and the data will be accessed when a tenant applies for goods or services where a credit or identity check is made through an organisation using Experian's database.

## 10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Property</i> <i>No risk</i>		Sustaining tenancies and preventing homelessness.
<i>Community Support</i> <i>No Risk</i>		Promotion of digital platforms to reduce social, financial and digital exclusion.
<i>Timescales</i> <i>No risk</i>	Work to be carried out within existing staffing resources.	
<i>Project capacity</i> <i>No risk</i>	Work to be carried out within existing staffing resources.	Delivery and promotion of the Rental Exchange project to reduce tenant debt. Providing tenants with safe and reputable borrowing opportunities.
<i>Financial / VfM</i> <i>No risk</i>	There is no cost to the Council to join the Rental Exchange. Associated costs to administer the	

	product would be minimal and met within the HRA service budget.	
<i>Legal</i> <i>No risk</i>	A Data Protection Impact Assessment is being completed. IT system in place to securely hold and share personal financial information.	
<i>Innovation</i>		
<i>Reputation</i> <i>No risk</i>		Opportunity to positively enhance the Council's reputation by reducing tenant debt and enhancing the work of the 'Stop Loan Sharks' campaign and partnership Charter.
<i>Other</i>		

## 11 SUPPORTING INFORMATION:

### **Introduction**

- 11.1 In 2010 Big Issue Invest introduced the concept of using rental payment information to help social housing tenants improve their credit profile and qualify for more affordable credit and other services.
- 11.2 Many organisations rely upon credit scoring to decide whether to give customers' access to financial products such as a mobile phone contracts, insurance, a bank account or a loan at an affordable interest rate.
- 11.3 Research indicates that many social housing tenants are excluded from affordable credit and services due to the lack of a credit history and this means they are more likely to be refused or pay more, putting extra pressure upon already challenging finances.
- 11.4 In the same way that mortgage information counts towards a credit profile, rental payment history can be used as proof of a tenant's financial standing and reliability. By sharing rental payment history it will help tenants to create an online proof of identity and a good credit history will make it easier for tenants to open a bank account, receive better gas and electricity rates, cheaper insurance or obtain cheaper credit.
- 11.5 Across the United Kingdom the Rental Exchange has 130 Housing Associations and Local Authority members sharing data of over 1.2 million social housing tenants.

### **Benefits of the Rental Exchange to tenants**

- 11.6 The majority of our tenants pay their rent on time and so sharing their rent account information with Experian through the Rental Exchange will enhance their credit score. The Rental Exchange provides an opportunity for tenants to improve their credit rating without having to take on further debt. It also enables tenants to build an online proof of identity which is important when applying for a utility supplier, a mobile telephone provider or when shopping online.
- 11.7 If a tenant is unable to pay their rent, it is unlikely that they are suitable for a loan or other payment agreement, therefore the Rental Exchange supports responsible borrowing and lending and helps people avoid becoming over indebted.
- 11.8 Private sector tenants also have the opportunity to share their rent payments with Experian and other credit scoring companies, however they would pay from around £7.99 per month to participate in similar schemes. There is no fee for Council tenants.
- 11.9 People with mortgages are required by their mortgage provider to share their mortgage payments with a credit scoring company. Council tenants will have the choice to opt out of the Rental Exchange.

### **Benefits of the Rental Exchange to the Council**

- 11.10 Tenants would be rewarded for paying their rent on time and the scheme will help them to access cheaper and more affordable credit and services.
- 11.11 Through continued good rent payments tenants will be able to access cheaper and more affordable credit and services. It will also promote better borrowing habits for tenants avoiding reliance on unscrupulous loan sharks often operating within local communities specifically targeting vulnerable households.

### **12 OTHER OPTIONS CONSIDERED AND REJECTED**

- 12.1 None. There are no other services available for social housing tenants to share their rental information with credit scoring companies.

#### **BACKGROUND DOCUMENTS:-**

##### **Previous Committee Reports:-**

None.

##### **Other Background Documents:**

#### **Information on the background of the Big Issue and Experian project:**

<https://www.experian.co.uk/rental-exchange/social-housing-providers.html>

**Information from Experian regarding Data Protection and the GDPR:**

<https://www.experian.co.uk/assets/rental-exchange/rental-exchange-gdpr-faqs.pdf>

**The Rental Exchange Brochure by Experian:**

<https://www.experian.co.uk/assets/rental-exchange/rental-exchange-social-housing-brochure.pdf>

**APPENDICES:**

None.

REPORT TITLE: TENANT INVOLVEMENT – APPRECIATION AND INCENTIVE SCHEME

30 JANUARY 2019

REPORT OF PORTFOLIO HOLDER: Housing - Cllr Caroline Horrill

Contact Officer: Janette Palmer Tel No: 01962 848 120 Email  
jpalmer@winchester.gov.uk

WARD(S): ALL

PURPOSE

Set out an incentive scheme to encourage under-represented households to give their time and tell the Council their views.

Formalise the existing arrangements used by the Council to encourage involvement and in appreciation of time and commitment given by involved tenants who work with the Council for the benefit of all tenants.

Recognise that measures which encourage meaningful involvement enables the Council to make informed decisions about service delivery and improvement based on an understanding of tenants' views and priorities.

RECOMMENDATIONS:

1. That the Incentive Scheme be approved.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

## 1.1 Strategic Outcome Two - Delivering quality housing options

Be proactive in our tenant engagement, achieving effective representation and insight across all tenant and customer groups.

## 1.2 As part of the Winchester City Council's digital transformation programme – offering online opportunities to engage with the Council.

2 FINANCIAL IMPLICATIONS

## 2.1 The cost of additional incentives will be met through rental income. Total cost will be minimal and cost effective in comparison to other engagement activities.

## 2.2 Annual cost of additional incentive elements are estimated approx. £1,500 per annum. See breakdown below:

<b>Involvement Activity/Incentives</b>	<b>Cost</b>
Digital Surveys <ul style="list-style-type: none"> <li>£50 shopping vouchers x approx. 6 surveys per annum</li> <li>One annual prize to the value of £200</li> </ul>	£300 £200
Tenant Satisfaction Survey (STAR) – Prize draw ( <i>once every two years</i> ) <ul style="list-style-type: none"> <li>IPad mini (£400)</li> <li>£50 shopping vouchers x 3 (£150)</li> </ul>	£200 £75
Focus Groups <ul style="list-style-type: none"> <li>Love2Shop vouchers</li> <li>Refreshments/ Catering</li> </ul>	Approx. £150 £200
Future incentives Allowance for future view gathering initiatives. e.g. entry into a prize draw for return of repair customer care cards, Tenancy Sustainment Satisfaction (Money and Advice) survey	Max. £300

<b>Total</b>	<b>£1,425</b>
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- 2.3 Through the consultation process tenants and officers highlighted that while this scheme proposes incentives linked to digital surveys specifically that it should be recognised that rewards and reimbursement already takes place. These costs, outlined below, are additional to those set out in 2.2.
- Reimbursement – it's a commitment from Winchester City Council that no tenant should be out of pocket as a consequence of taking time to actively work with the Council. The outcome of Tenant Finance Scrutiny exercise in 2015 was to set out procedures and policies to reimburse expenses incurred such as travel, parking and child care costs etc.
  - Appreciation – for the time and energy a small group of tenants commit to working with the Council to improve services to the benefit of all tenants; Winchester City Council funds catering, social events and gifts for involved tenant groups i.e. TACT, Service Delivery Groups, Scrutiny exercises, Readers Panel, Tenant Conference, Mystery Shoppers.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 A general set of terms and conditions are being drafted informing tenants how the scheme will operate.
- 3.2 The opportunity to look at the terms and conditions will be communicated to tenants at the point at which tenants are told that entry into a prize draw is available. Access to the terms and conditions will either be through links included in emails or by going on the Winchester City Council webpages. The location will be set out in covering letters or newsletters.
- 3.3 A free draw (where there is no payment to enter) is exempt from statutory control under the Gambling Act 2005. Furthermore, the Gambling Commission's Guidance indicates that an arrangement whereby organisations reward those who compete a survey does not involve a payment (i.e. it is a "free" draw).

### 4 WORKFORCE IMPLICATIONS

- 4.1 It will be the role of the Tenant Involvement Team to administer the scheme. Time investment has been necessary to research and design the scheme. The scheme proposed is not complex and if approved should be straight forward to operate within existing resources; especially as it can be seen as an extension to other incentives, rewards and reimbursements already in existence.

## 5 PROPERTY AND ASSET IMPLICATIONS

5.1 None

## 6 CONSULTATION AND COMMUNICATION

6.1 Officers from the Tenant Involvement Team met with the TACT Support Group and the Joint Service Delivery Groups leads in June 2018 to discuss a possible incentive scheme and collect the views of involved tenants.

6.2 A digital survey was emailed to all tenants for whom the Council held an email address. This survey was also made available online to all tenants to complete through the Council's consultation page Citizen's Space. The objective of this survey was to collect the views of as many tenants as possible in addition to the feedback received from the meetings with involved tenants. Involved tenants were also able to complete the digital survey. The questions included on the survey were informed by the discussions held with involved tenants and were checked with the Readers Panel.

6.3 The survey was open from 2 August to 7 September 2018.

- 453 responses were received.
- 17% response rate (those who returned the survey as a percentage of tenants for whom the Council has an email address)
- 7% of all tenants responded.
- The respondents represented a good cross section of tenants in terms of age, location and sheltered/general needs split.

6.4 The results of those who answered the question are presented in the table below.

- Question - 'Would you be more likely to return a survey if you received a reward?'

Age group	yes	no	Want to know more first
overall	43%	38%	19%
16 – 34 years	78%	9%	13%
35 – 44 years	58%	26%	17%
45 – 54 years	53%	25%	21%
55 – 64 years	40%	29%	30%



65 – 74 years	26%	61%	13%
75 years plus	17%	71%	10%

The overall response to the breakdown by age was interesting. While overall the views were fairly evenly split; when the results were viewed by the age groups the initiative is aiming to target i.e. under 55s, an incentive scheme was clearly identified as worth investigation as an initiative to increase the likelihood of a tenant aged 55 years or younger returning the survey.

Given a significant number of 'wanting to know more' responses running a scheme as a pilot may be worthwhile.

The results were also considered by area. Tenants of Stanmore responded that they would be more likely to return a survey if they received a reward. The views of Stanmore tenants are of particular interest as the biennial Tenant Satisfaction Survey results indicate that tenants from this area have lower levels of satisfaction compared to other Winchester City Council districts so an approach which engages with Stanmore tenants is of value.

- 6.5 Tenants who responded were asked whether they would be interested in taking part in Focus groups to discuss proposals further and these groups were held in September. This also give those 'wanting to know more' the opportunity to discuss what a scheme that would work for them would look like.
- 6.6 Through the consultation outlined above the Council asked for incentive ideas. Interestingly incentives that provided opportunities for tenants to share with others came out strongly; such as -
- Something to share with other residents / tenants
  - A social event in sheltered common room
  - Something for a shared space / common room
  - Family experiences
  - Dining out experiences
- Other suggestions included
- Shopping vouchers
  - Handyperson time / internal decorations
- 6.7 The results of the survey and feedback from the focus groups were discussed with tenants at TACT – 12 September 2018. Feedback from all the sources

was used to prepare a scheme proposal which was discussed with TACT again on 16 January 2019.

## 7 ENVIRONMENTAL CONSIDERATIONS

7.1 None.

## 8 EQUALITY IMPACT ASSESSEMENT

8.1 The consultation process helped inform the scheme design to make it as accessible as possible. An impact assessment looked at the feedback received and made further amendments to improve accessibility. These measures centred on providing the opportunity to complete a digital survey and therefore access the incentive scheme.

8.2 Measures include:

- To address households for whom the Council does not hold an email address/ or who have no access to home internet - surveys can be accessed online from the tenant involvement page as well as being emailed direct. Tenants can get online at Winchester City Council reception and local libraries.
- To address issues around level of IT skills – facility for survey to be completed by an advocate – Wi-Fi champion, family member, neighbour or friend can complete the survey on behalf of a tenant. The system has been set up to confirm that someone completing the survey on behalf of a tenant is doing so with the tenant's permission and asked to give their email address.

It is possible that the surveys and incentives may encourage tenants to improve their IT skills and look to the support being offered by the Housing service to help with this. The consultation process has already made useful links with people who may be interested in becoming digital champions to help others get online.

- To ensure the survey meets plain English standards - the questions are either designed through a focus group of currently uninvolved tenants or in conversation with involved tenants through the traditional meeting structure and where necessary checked by Readers Panel.

In recognition that this will be an increasing need not just due to the surveys but the importance of accessing information online it's proposed that a Digital Readers Panel be set up in addition to the existing Readers Panel. This new group will review online information only.

- There will be some unable to access the surveys but it must be remembered that are other options for tenants to share their views which don't require internet access or IT skills such as meetings and

the postal biennial tenant satisfaction survey which also has incentives attached.

- Designing the scheme to allow the flexibility to consider additional incentives should ensure that all groups have equal opportunity to find an incentive they value.
- The opportunity to complete the survey will be promoted through email, tenants' newsletter, corporate twitter and Facebook pages as well as the Tenant Involvement page. The scheme will be added to the Council's tenant involvement web page.
- The scope of the annual prize to be restricted to only those surveys open to all tenants to give all tenants an equal chance in the prize draw.

## 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 While a full Data Protection Impact Assessment under data protection legislation is not necessary the proposed scheme does flag up potential data protection issues.
- 9.2 The Council is a local housing authority under the Housing Act 1985 and undertakes surveys as part of its statutory function. This provides a lawful basis for processing personal information in the course of conducting a survey for housing purposes.
- 9.3 However entering a tenant into a prize draw requires their consent before entering them into the draw and their consent for using their personal data for this purpose. The best way of doing this is to include an "opt in" box in the survey for those who complete the survey.
- 9.4 Incentive winners are chosen by a random number generator. The number range of respondents is entered onto the generator. These numbers are not attached to any personal or special category data. The number chosen by the generator is matched to a tenant listed on a spreadsheet held only by Winchester City Council.
- 9.5 Other incentives are covered through existing systems, privacy statements and retention schedule timescales. The privacy statement for Tenant Satisfaction Survey 2019 will be updated following legal advice. The privacy statement for new incentives will be based on legal advice.
- 9.6 The digital surveys are conducted through the corporate Citizens Space programme.

10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Property none</i>		
<i>Community Support none</i>		
<i>Timescales None - as this paper formalises a scheme which has been set up and tested in advance.</i>		
<i>Project capacity  None – TIO Lead engaged to lead on initiative, this paper is the conclusion of the project.</i>		
<i>Financial / VfM  No risk - financial implications are outlined in the report.</i>		Offering incentives should ensure that the value of resources invested in collecting views should be maximised.
<i>Legal  Ensure the terms under which prizes are offered are clear and represent what is available and protects the Council from committing to more than is being offered.</i>	WCC legal team are preparing terms and conditions. The policy and procedure will set out how tenants will be made of aware of accessing the terms and conditions.  Attendance at sector workshops to adopt good practice recommendations.	
<i>Innovation</i>		New way of encouraging wider spectrum of households to share views; in addition to existing involvement activities.
<i>Reputation</i>	Good practice researched and attendance on training event around Citizen Space and operating prize draws. Links to research references are available in	

	background documents.	
<i>Other Scheme fails to engage target group</i>	Pilot scheme to be reviewed against scheme objectives.  Research to ensure good practice reflected.	
<i>Data received of no value as responses not honest.</i>	Surveys supplemented by focus group work to validate data gathering exercises.	

## 11 SUPPORTING INFORMATION:

### 11.1 Background

Committee paper CAB2987 (HSG) presented the Tenant Engagement Strategy, which aimed to ensure the views of all tenants informed service priorities and business decisions. The strategy recognised that while Winchester City Council has a strong legacy of active tenant involvement; the profile of involved tenants failed to match that of all tenants, especially younger households. The paper outlined initiatives which would be investigated to address the imbalance. One of those initiatives was to introduce an Incentive Scheme.

### 11.2 Research & Consultation

11.2.1 It is understood from sector research that one of the barriers preventing younger households from giving their views is lack of time. Organisations need to consider how to address that barrier if they want service decisions to be based on the views of all tenants.

11.2.2 Tenant involvement activities are generally centred around a meeting structure which may represent a barrier to involvement for several groups; not just younger households – but also those for whom attending meetings is not attractive due to location, home/work commitments, disabilities. Digital surveys have been introduced as an additional option for tenants' to give the Council their views. This option is seen as being specifically attractive to younger households as long as the survey design is kept quick and easy to complete and the time commitment minimal. A further measure to address the time commitment barrier and to maximise the number of responses is to offer incentives.

11.2.3 The higher the response rate; the greater the value of the data collected. Therefore an initiative that helps increase the number of returns adds value

not only to the data but also to the time and resources invested in collecting those views making the process more cost effective.

- 11.2.4 It should be noted that the view of some tenants is that incentives should not be offered. In discussion with involved tenants the reasons given for this were that tenants should give their time freely and there were concerns over the value of the views submitted as a result of incentives offered.
- 11.2.5 Some housing officers have been actively seeking out surveys from other organisations to learn what will encourage people to give their time to complete them. Officers found that incentives worked for them where it was felt there was a greater chance of winning the prize and officers would still complete honestly. Other elements were also key such as short surveys, being told at the beginning how many questions there were and how long it was likely to take to complete.
- 11.2.6 The Housing service have run 2 digital surveys so far with the offer of incentives and the response rate has been good with the profile being representative of all tenants.
- 11.2.7 To reflect the feedback from some tenants that their reasons for being involved is so all tenants benefit and they are not happy to profit from their involvement; the scheme includes a community element. Research into the approach of other organisations found that schemes included the option for those tenants to be able opt to have prizes donated to schemes that benefited the community. To fit with Winchester City Council's corporate priorities the incentive scheme includes the option of donating prizes to 'Spare change for real change'.

#### 11.2.8 Details of the proposal - The Incentive Scheme

The scheme itself has been structured as follows:

- Open to WCC current tenants only – no need to opt in or out (unless the incentive is promoted as a prize in which case consent will be required).
- Prize draws - One entry per tenant (not per tenancy – to respect that joint tenants may have different views) for each survey return. Duplicate returns will be identified and only one permitted.
- Digital Survey - Topic Specific Draw – one entry per tenant who responds into a draw for one prize of a £50 shopping voucher. All respondents who complete each WCC Tenant Involvement Service digital survey which is either open to all tenants or specific tenant groups will be entered into a draw relating to that specific survey with one prize winner only.
- Annual prize draw – an entry into an annual draw each time a tenant completes a WCC Tenant Involvement Service digital survey open to

all tenants. (I.e. if a survey is closed to only specific households groups – returns to this type of survey will not be included). There will be only one annual prize draw winner who will receive one prize.

- Annual prize to the value of a maximum of £200 to choose one (or mix and match from (i) – (v)) from the following:

(i) Family ticket Paultons Park

(ii) Netflix subscription

(iii) Dinner vouchers for local restaurant

(iv) Love2Shop Shopping vouchers

Or

(v) Donation to Spare change for real change

Or

(vi) 2 x 2 hour slots with the Handyperson

Or

(vii) Residents of a sheltered scheme a bespoke social event for them and their fellow residents – tea party, film afternoon, arts and crafts session, cake decorating. Please note - this will be dependant on the scope of the event and the capacity of the team to facilitate.

- Other prize options

The scheme will be flexible in that further suggestions will be considered as prize options.

- Other tenant involvement activities

Incentives will be considered as a way of maximising responses for other activities where tenant views are collected. Especially when it is recognised that significant barriers exist to encourage people to take the time to tell us what they think. An example of this is the Tenancy Sustainment (Money & Benefit Advice) Satisfaction Survey.

## 11.3 Conclusion

11.3.1 Comprehensive research and consultation has informed the proposed incentive scheme. Recent digital surveys which have offered prize draw incentives have delivered good response rates and collected meaningful data. In addition they have been successful in engaging households previously underrepresented through traditional involvement activities.

- 11.3.2 It's important that flexibility exists within the scheme to allow for new suggestions for prizes and incentives attached to other involvement activities to be considered.
- 11.3.3 Feedback from one tenant was to suggest that it would be worthwhile talking to the children of younger households about what would be an attractive prize to them so that they motivate their parents to complete the surveys.
- 11.3.4 Pilot – the scheme will be reviewed after 12 months.
- 11.3.5 Work continues to address the other barriers to involvement which includes the belief of some tenants' that their views won't be listened to.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 On the basis that feedback from some existing involved tenants was that it wouldn't lead to honest answers to digital surveys and would mean that tenants are giving their views for the wrong reasons i.e. for reward rather than for the benefit of all tenants; one option was not going forward with a proposal to offer an incentive scheme. However the scheme has been introduced on a pilot basis to test the view that the information collected wouldn't be of value. The digital surveys conducted so far have been supplemented by focus group discussion which works to provide a qualitative response and validate the statistical data. The face to face work has shown to support the digital data collected. It is recognised that there may well be element of returns that aren't completed honestly but the number and profile of responses indicate that a scheme is worthwhile investigating.
- 12.2 In response to it 'shouldn't be necessary' tenants should give their views to benefit all tenants or the area and not for individual gain – while it is accepted that this is a legitimate view of some of our involved tenants and appreciate the time and energy tenants give to the Council's current involvement activities which are primarily meeting based; it is also recognised that there are short comings in that approach and the Council has a responsibility to try innovative ways to reach those households who it doesn't hear from and overcome the barriers that prevent them from sharing their views such as time commitments, meetings not being an attractive forum for everyone.
- 12.3 A more complex scheme of points for different types and levels of involvement was considered – it was decided not to proceed with this option on the basis that
- The best schemes are simple and straight forward,
  - There was a potential administrative burden that may be required for such a scheme of this nature. The preference that better use of officer time would be to offer other involvement activities such as focus groups.



- Tenants involved in other activities are still able to complete the surveys and have equal chance to win the prizes.
- Appreciation measures offered for attending meetings – such as refreshments and catering should be highlighted.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB2987 (HSG) – Tenant Engagement Strategy – 22.11.17

Other Background Documents:-

None

APPENDICES:

None

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