

REPORT TITLE: TENANCY STRATEGY UPDATE

30 JANUARY 2019

REPORT OF PORTFOLIO HOLDER: LEADER WITH PORTFOLIO FOR HOUSING

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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