

## **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:

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