



## TENANCY STRATEGY

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## **INTRODUCTION**

This strategy sets out Torridge District Council's view of:

- How and when its partner social landlords should apply their powers to offer their tenants 'flexible', fixed term tenancies rather than 'lifetime' assured tenancies.
- The approach social landlords should take when deciding whether to terminate or renew fixed term tenancies when they expire.

The Council expects that landlords and the Council will work in partnership to minimise the risk of homelessness whilst maximising the best use of limited social and affordable housing stock.

## **LEGISLATIVE AND POLICY CONTEXT**

Chapter 2 of Part 7 of the Localism Act 2011 places a duty on local housing authorities in England to prepare and publish a strategy setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to –

- a) the kinds of tenancies they grant,
- b) the circumstances in which they will grant a tenancy of a particular kind,
- c) where they grant tenancies for a term certain, the lengths of the terms, and,
- d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy

The Tenancy Strategy must take into account the provisions of the Council's statutory Allocation of Accommodation Scheme (under section 166A of the Housing Act 1996), and its Homelessness Strategy (under section 1 of the Homelessness Act 2002).

## **ALLOCATION OF ACCOMMODATION SCHEME**

The Council's Allocation of Accommodation Scheme is the Devon Home Choice Policy, which it shares with other local housing authorities and partner social landlords across Devon (including the unitary authorities of Plymouth and Torbay). Devon Home Choice is a choice based lettings system. The policy explains how applicants for social and affordable housing will be prioritised for allocations, and how they may apply ('bid') for vacant dwellings. This strategy takes into account the prioritisation regime within that policy and the provisions for excluding or refusing high priority to certain categories of people (for example those found guilty of unacceptable behaviour, or those assessed as having sufficient financial resources to enable them to source their own housing in the open market).

Further details of the Devon Home Choice policy can be found on the website at [www.devonhomechoice.co.uk](http://www.devonhomechoice.co.uk)

## **HOMELESSNESS STRATEGY**

Torridge District Council's Homelessness Strategy 2008-13 analyses the situation with regard to homelessness in the district and outlines a range of actions to be taken to tackle homelessness. Key actions are preventing homelessness, working in partnership with a range of statutory and voluntary agencies across Devon and the south west and, particularly, working in partnership with registered social landlords. The Tenancy Strategy is consistent with and supports these actions.

The Homelessness strategy can be found on the Council's website at [www.torridge.gov.uk](http://www.torridge.gov.uk)

## **DEVON TENANCY FRAMEWORK**

Torridge is a member of a partnership group of Devon local authorities that has produced a county-wide tenancy framework. The aim of this framework is - "To enable Local Housing Authorities to co-ordinate their policies and practices to produce lettings for customers that meet local housing needs and to improve local housing markets in Devon". The document therefore provides a level of consistency across the County and it is welcomed by many social landlords who provide housing in more than one District Council area. The framework document follows this one and the two documents combined comprise Torridge District Council's Tenancy Strategy, with this first document identifying the areas of policy where Torridge's approach is different to that laid out in the Framework document.

## **TORRIDGE DISTRICT COUNCIL'S TENANCY STRATEGY LOCAL VARIATIONS**

These local variations relate to paragraphs in Section 4.0 of the Devon Tenancy Framework – entitled 'Tenancy Policies':-

### **Affordability**

We will seek social rented homes on new developments where no HCA grant has been given, in line with identified needs, subject to the viability and the specific nature of the scheme.

We will not ordinarily support the conversion of social rented properties that are subject to Section 106 agreements to affordable rent

### **Length of Tenancy**

Whilst the Council agrees in principle with the proposal (in paragraph 4.3.1 of the framework) that all fixed term tenancies should be for a minimum of five years, it also recognises that in the case of some types of specialised housing, for example supported housing for young people, a lesser tenancy term would be appropriate. In such cases the Council will accept a fixed term at the statutory minimum of two years. The Council also considers that shorter fixed terms in general needs accommodation could be used in the case of some clients moving on from specialist supported accommodation, where this is part of a planned 'pathway' agreed by all the agencies involved in the client's case.

### **Types of Tenancies**

Torridge DC largely agrees with the exhortation (in paragraph 4.2.2 of the framework) to social landlords to use flexible tenancies as a way of encouraging best use of stock (e.g. by encouraging those who are significantly under-occupying to downsize). However, it is recognised that social landlords must balance 'best use of stock' with the need to keep void costs at an acceptable level (especially as those will have an impact on levels of

rent to be charged), so decisions on the use of flexible tenancies must be kept under regular review by both landlords and the Council.

### **Tenancy Reviews and Provision of Advice and Assistance at the end of a Tenancy**

Paragraph 4.5.4 – criteria for renewing a fixed term tenancy – under-occupation – whilst the Council agrees that those who are under-occupying should be encouraged to move to smaller accommodation, it also recognises that this may not be possible in certain housing markets. In particular, in rural settlements the Council will accept under-occupation by one bedroom, recognising that requiring someone to move in such circumstances would in most cases force them to leave their local community.

Paragraph 4.5.4 – income limits – the Devon Framework suggests that a tenancy should not be renewed if the household's income is above the limit set by the Devon Home Choice policy, or a limit set by the local authority. As stated above the Council considers this could create a disincentive for people to find work as the result could be their losing their social/affordable housing. The Council therefore proposes a test that involves assessing whether the household could afford to buy (rather than rent) open market housing in the area. This would involve an assessment of the household's income and ability to raise a mortgage, plus savings and capital assets. Where their combined savings, assets and mortgage potential gave them the purchasing power to buy open market housing of the appropriate size (no under-occupation would be allowed for in such a test) in the area, the Council would not support the awarding of a subsequent social/affordable housing tenancy. This test is also the test that the Council will apply to all allocations of affordable housing in rural exceptions developments as it is more consistent with the affordability assessment applied by the Devon Rural Housing Enablers in their parish housing needs surveys.

### **PROPOSED LOCAL BADGING POLICIES FOR SOME PROPERTIES WHEN ADVERTISED ON DEVON HOME CHOICE**

As agreed by the Council's Community and Resources Committee at its meeting of 1 October 2012, officers, in consultation with the Lead Member for Housing, will seek to negotiate specific badging policies for social/affordable housing with landlords. The types of badging to be considered are:-

- Priority to those with a local connection in all settlements outside of Bideford, Northam, Torrington and Holsworthy. If no applicant with a connection is found following the first advertisement of the property, the social landlord can immediately seek suitable applicants from the rest of the bidders, i.e., it will not have to re-advertise (this would significantly increase void times and rent loss to landlords). This does not apply to properties on rural exceptions sites with a Section 106 (planning agreement) local connection restriction, which are subject to separate procedures.
- Exclusion from an allocation of applicant households who are failing to repay a loan or bond received from the Council in relation to preventing homelessness or for storage of furniture and effects whilst homeless. This would also apply to those who are failing to repay arrears of temporary accommodation payments. If such applicants were at the 'top' of the list of bidders, the Council would request that the landlord bypasses them in favour of the next bidder. This will give a consistent message to those who receive such loans that non-payment will carry a penalty. The Council would have the ability not to apply this exclusion where

- officers considered the applicant had valid reasons for not maintaining payments (normally unexpected changes in circumstances leading to 'income shock', for example ill health or loss of employment through no fault of the applicant).
- The potential for additional priority to be given to the landlords own tenants seeking a transfer where the tenants had a good tenancy record and the landlord wished to recognise this. This is unlikely to be a blanket policy but might be used in conjunction with the letting of properties on new developments or where, for other reasons, 'sensitive' lettings were required.
  - Officers and landlords may also discuss whether, in certain circumstances, priority could be given to working households. Again, this would not be a blanket policy but might be appropriate in the circumstances outlined above.
  - Additionally, officers will seek to negotiate with all landlords a policy whereby it can request a short-term badging arrangement that gives priority to its 'full duty' homeless applicants, if/when pressure on homelessness temporary accommodation is great. As the Localism Act now gives local authorities the right to discharge homelessness full duties into the private rented sector (subject to certain restrictions) this policy should only be applied in exceptional circumstances, but the Council wishes to reserve the right to request that social landlords support its efforts to tackle homelessness when appropriate.