

BOSTON
borough council

...a great past, an exciting future



Tenancy Strategy 2013 – 2018



Contents

Section	Page
1 Introduction	3
2 Local Context	3
3 Aims	4
4 Tenancy Type and Duration	4
5 Rent Levels	7
6 Conversion of Existing Rents	7
7 Disposal of Existing Social Housing	7
8 Choice Based Lettings	8
9 The Private Rented Sector	8
10 Publication, Monitoring and Review	9
11 Version Control	10

1 Introduction

Section 126 of the Localism Act 2011 sets out the requirement for all local authorities to produce a Tenancy Strategy to which all Registered Providers in their area must have regard. This Strategy sits beneath the Council's Housing Strategy 2012 – 2017 and above the Boston Choice Based Lettings scheme.

The purpose of this Strategy is to set out the Council's broad objectives and the matters to be taken into consideration by Registered Providers in the area when formulating and reviewing their own policies on the grant and reissue of tenancies.

2 Local Context

The Borough of Boston covers an area of some 140 square miles and includes the market town of Boston and its 18 rural parishes. 2001 Census figures showed Boston having a population of 55,750, ten years later, the 2011 Census showed that our official population had risen to **64,600**.

The very significant increase in our population has been driven by large scale immigration from the EU and consequently the Borough has experienced major change over recent years. The impact of this population change within the housing market has been dramatic and we now have private sector rent levels that are amongst the very highest in the region. As a result, the demand for social housing continues to grow making it a very valuable and scarce resource that must be used to maximum effect to assist the greatest number of people.

Currently we have 28,462 homes within the Borough. Within the total stock 2410 are in the privately rented sector, 5233 are in the social rented sector and we have a growing number of Houses in Multiple Occupation.

The Council maintains and manages the Boston Housing Register on behalf of all Registered Providers with properties in the Borough and works in partnership with them to operate '*Boston Homechoice*', our choice based lettings system. As at 31 January 2013 there were 2488 households registered with Boston Homechoice.

The Council's Housing Strategy 2012–2017 highlights the need to:-

- Increase the number of houses available to buy and rent with a particular focus on increasing the supply of affordable homes
- Improve the flexibility of social housing in order to increase mobility and expand choice
- Protect those who are vulnerable and disadvantaged by tackling homelessness and supporting others in need
- Make sure that all homes are well maintained and well managed.

3 Aims

The key aims of this Tenancy Strategy are:

- To fulfil the Council's legal duty set out in the Localism Act 2011 in relation to Tenancy Strategies
- To set out clear expectations for Registered Providers and other social landlords in the Borough
- To ensure that the best use of the affordable housing stock within the Borough is made
- To enable flexible tenancies to be offered which best meet the needs of households
- To support tenants who are under-occupying social housing to downsize through having flexible tenancies
- To prevent homelessness and enable housing to be offered to those in the greatest need
- To assist and work with Registered Providers to maintain sustainable communities

By delivering these aims, the Council wants to help shape a community where social and affordable rent homes are highly valued by tenants and their households who, as a consequence of living in affordable, high quality, well managed and well maintained homes, can all make an active and positive contribution to the community in which they live and work.

The following sections describe the type of tenancies available to Registered Providers and provide guidance as to the circumstances in which the Council would wish to see them used.

4 Tenancy Type and Duration

Assured Tenancies - An assured tenancy is the most secure type of tenancy that can be offered by a Registered Provider. An assured tenancy is not limited in time and can only be brought to an end if surrendered by the tenant or when it is brought to an end by virtue of a court order.

The Council wishes to see assured tenancies being offered to existing assured social housing tenants living in the Borough who are **downsizing** to alternative social housing within the Borough (1) and to prospective tenants seeking sheltered or extra care housing as these schemes are unlikely to ever exceed the needs of tenants after being granted to them.

(1) *to ensure that the potential to acquire a less secure form of tenancy does not deter **existing** social housing tenants living in the Borough from **downsizing** to alternative social housing within the Borough, the Council would like Registered Providers to offer the same form of tenancy they currently hold.*

Starter Tenancies – A Starter Tenancy is a trial tenancy which lasts for 12 months through granting an Assured Shorthold Tenancy.

Given that social housing is such a valuable commodity, the Council would like to see all tenants **new** to general needs affordable homes within the Borough being offered a starter tenancy prior to being considered for a further tenancy .

Fixed Term Tenancies - In many respects a fixed term tenancy places the same requirements on both landlords and tenants as for a traditional assured tenancy, however, the tenancy will come to an end after its fixed period (which will normally be five years) and only a spouse or a partner will have the right to succeed to the tenancy.

Given that social housing in Boston is a scarce and valuable commodity, the Council would like to see Registered Providers use **five year fixed term tenancies** for **new** tenants of general needs affordable homes within the Borough and for **existing** tenants who are moving to larger affordable homes.

The Council feels that **five years** is an appropriate length of time towards the end of which (at least six months prior), the ongoing housing needs of a household should be reassessed to ensure that the property does not **significantly exceed the needs** of the tenant and their household in terms of **size and provision** which the Council would be able to reassess on behalf of the partnership through its role in administering the Boston Choice Based Lettings Scheme. For example, a four bedroom home could easily be offered to a household consisting of a couple and five children today, if however in five years time three of the children had left home to live independently, the home would over provide for the remaining couple and two children.

In such circumstance, the household **may not**, provided that demand for such a four bedroom home is significantly higher than that for the property type to which they would then qualify, have their tenancy renewed. **However**, if the household size had remained static (or increased), a new five year tenancy should be granted as a matter of course.

Where a home has been specially adapted for a tenant or a member of a tenant's household, special consideration will need to be given to the implications of not renewing a fixed term tenancy. The *specific needs* of tenants and their households should always be considered against the general context set out within this Strategy for renewing or terminating fixed term tenancies so where, for example, a Registered Provider property had been extensively adapted (with a ground floor bedroom and bathroom extension and full tracked hoist system for example); it may not be proportionate and reasonable to terminate the tenancy even if the household size had reduced significantly. Conversely, should the original person for whom the original adaption was carried out no longer be a member of the household at the end of a fixed term tenancy, bringing it to an end in order to offer the property to another household that required such adaptations may also be reasonable and proportionate.

In such cases, the Council would expect the Registered Provider to work with their tenant and consult with the Council in order to ensure that the most equitable, practicable and affordable position was reached.

Of critical importance when assessing whether to grant a further fixed term tenancy will be the needs of the household **at the time of reassessment** together with the level of current housing demand for the appropriate sized property required by the tenant and their household. Where, for example, the tenant still qualifies for an allocation of an affordable home and the demand for the property type required matches or exceeds the demand for the property type occupied at the end of the fixed period, a new fixed term tenancy of the existing home should be granted.

Where however, following reassessment of a households needs, it is appropriate to seek vacant possession by following the **due legal process**, the tenant must be provided with timely appropriate advice about their housing options. There should be **no** occasion when a household is made homeless **solely as a consequence** of a fixed term tenancy being brought to an end in the manner set out within this strategy. The Council will therefore ensure that its allocation framework remains fit for purpose and compliments the aims of this Tenancy Strategy.

New Fixed Term Assured Shorthold Tenancies - fixed-term assured shorthold tenancies are available to Registered Providers wishing to use this form of tenancy under the new investment framework. Fixed Term Assured Shorthold Tenancies differ in a number of important ways from the periodic tenancies with which organisations and tenants will be more familiar. For instance, neither the landlord nor the tenant can end the tenancy by notice to quit, some of the usual grounds for possession do not apply and the statutory mechanism for rent increases is not available.

Although the Council is not against the use of the new Fixed Term Assured Shorthold Tenancies, it does not see any particular merit in their use at the current time.

Assured Shorthold Tenancies - An assured shorthold tenancy provides less security than an assured tenancy.

The Council does not consider that an assured shorthold tenancy is an appropriate tenancy for general needs social housing outside of their use for Starter Tenancies so only wish to see assured shorthold tenancies being offered to households accepted as homeless and being accommodated under Section 193 of the Housing Act 1996 as amended or in respect of short life supported housing schemes (other than sheltered housing and extra care housing).

Licence to Occupy – a licence to occupy provides quite limited security of tenure and is the least secure form of tenure available to Registered Providers and Councils.

The Council only wishes to see licences used by Registered Providers in respect of specialist short life accommodation. The Council will continue use licences within its own homelessness hostels.

Rent Levels

The Government's reformation of the way in which the development of new affordable homes are funded introduced '**affordable rents**' as the preferred rent model for new social housing provision. Registered Providers developing new homes with Homes and Communities Agency grant (the national housing and regeneration agency for England and the regulator of social housing providers) have the flexibility to charge rents of up to **80%** of local market rents for new homes and also for an agreed proportion of re-lets from their general stock.

Whenever an affordable rented home is let either by granting a new tenancy or renewing an existing one, Registered Providers are required to recalculate the rent to ensure that it is set at no more than 80% of the relevant market level.

The affordable rent model is intended to enable Registered Providers to secure additional financial capacity for the provision of new homes.

Registered Providers who do not have an agreement with the Homes and Communities Agency are *normally* only able to let affordable homes at **social rents** which are calculated through a nationally agreed formula.

Whilst all initiatives intended to increase the supply of affordable housing are extremely valuable, the Council would, where possible, want Registered Providers to use Local Housing Allowance Levels as an **upper cap** for affordable rents (including any service and management charges).

Although capping rents at LHA levels is the Council's preferred situation; it would not want to see affordable housing delivery prejudiced by this ambition or affect any Providers delivery agreement with Homes and Communities Agency.

Conversion of Existing Social Housing to Affordable Rents

The affordable rent framework allows Registered Providers to convert a proportion of their existing homes to affordable rent when they become vacant. The Council recognises that flexibility is an important element in Registered Providers' business plans and provides valuable additional revenue that can support affordable housing development locally.

The Council therefore expects all Registered Providers to actively engage with it on the issue of conversions to ensure that as far as possible, any conversions do not have a negative impact in achieving the Council's local housing priorities. The Council would also expect Registered Providers who want to convert a proportion of their local housing stock to affordable rents to have an active development programme within the Borough.

Disposal of Existing Social Housing

Effective asset management is a key element of all Registered Providers roles. Whilst the Council would not want to obstruct strategic asset management; disposal of sub standard Registered Provider homes is of concern to the Council because of the risk of introducing a sub standard home into either the private rented sector or owner occupied sector.

Where a Registered Provider consults the Council about its intention to dispose of either an affordable rent home or social rent home, the Council will take demand, location, adaptation, replacement and condition factors into account when considering its response.

When disposal is requested on demand grounds, the Council will consider the latest information available to it, taking into account whether any letting criteria have contributed to driving low demand.

When disposal is requested on grounds of condition, the Council will seek to assess the property against the Housing Health and Safety Rating System to satisfy itself that the property cannot economically be brought up to minimum standards. Should any Category 1 or 2 hazards be identified from the inspection, the Council will take the most appropriate course of action available to it in order to ensure that its deficiencies are addressed prior to its re-occupation.

Whilst the Council will always act reasonably, it will not fetter its discretion as the Strategic Housing Authority by **automatically** supporting disposal in its consultation feedback.

Choice Based Lettings

The Council and its Registered Provider partners are committed to operating Boston Homechoice, the Boroughs choice based lettings scheme. The Council wants to see all Registered Provider homes advertised through Boston Homechoice which is open and accessible to all qualifying households. Further information can be accessed at www.boston.gov.uk.

The Private Rented Sector

The Localism Act 2011 made it possible for local authorities to discharge their duty to homeless households by identifying suitable accommodation in the private rented sector. The change was introduced because of the shortage of social housing and the high cost of accommodating households in the temporary accommodation.

Whilst the Council is committed to the prevention of homelessness, it anticipates that there will be a growing demand on homelessness services as funding is reduced and the pressures on household incomes as a result of welfare reform take effect.

Given the shortage of social housing in the Borough, the Council will consider on a case by case basis whether it can discharge its duty to homeless households by helping them secure accommodation in the private rented sector. In considering such an option, the Council will take into account the suitability, condition, affordability and location of the property in relation to the household's needs.

Where a private rented property is secured for a homeless household, if the household becomes homeless again within 2 years through no fault of their own, the main homelessness duty will automatically re-occur even if the households circumstances have changed and they would not otherwise not be owed a duty.

Publication, Monitoring and Review

This Tenancy Strategy presents the Council's direction for Registered Providers with housing stock within the Borough of Boston. The Strategy will be formally reviewed prior to its formal expiration with any minor and consequential changes being made by the relevant Head of Service with responsibility for Housing matters in conjunction with the relevant Portfolio Holder.

This Strategy will be made available on the Council's website and will be sent to all Registered Providers with housing stock in the Borough within one month of its formal adoption.

In accordance with the Localism Act 2011 and to allow the Council to signpost customers to an organisations own Tenancy Policy, the Council needs all Registered Providers with housing stock in the Borough to publish their own Tenancy Policy on their respective websites.

The Council would also like all Registered Providers with housing stock in the Borough to provide quarterly lettings returns in a format to be agreed with the Council.

VERSION SERIALISATION	DATE EFFECTIVE	AMENDED BY: POSITION AND DATE	APPROVED BY: POSITION AND DATE	DATE PUBLISHED
Version 1.0	29 April 2013		Cabinet; 17 April 2013	29 April 2013