

## **Winchester City Council Tenancy Strategy**

### **1. Introduction**

The Localism Act 2011 has introduced the requirement for all Local Authorities to publish a Tenancy Strategy by January 2013. The Winchester Tenancy Strategy 2013 – 2018 sets out the Council's local priorities relating to tenancies. Registered Providers operating in Winchester are expected to have due regard to this Tenancy Strategy when setting their own Tenancy Policies. The strategy seeks to support the strategic aims and objectives of the Winchester Housing Strategy, the Homelessness Strategy and the sub regional Allocations Framework.

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

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

The Government's housing policy goal is to 'ensure everyone has an opportunity of living in a decent home, which they can afford, in a community where they want to live' (Laying the Foundations – National Housing Strategy 2011). It identified several issues which it believes are standing in the way of achieving this goal and has put a programme of social housing reform in place to address them.

The measures include allowing for the use of a wider range of tenancies in social housing, including new fixed term 'flexible' tenancies. These tenancies will be for a minimum fixed term of two years and are renewable, subject to eligibility criteria; compared to a 'lifetime' tenancy, where the tenant may remain in the property for life.

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 tenancy 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 Registered Providers who have entered into development contracts with the HCA 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, particularly in 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 registered providers when setting their rent levels for affordable housing.

## 1.2 The Winchester Context

Winchester is a large and varied district which encompasses a prosperous and historic county town together with a number of busy market towns and villages. The population of the district is around 112, 000 people.

Housing affordability is a real issue for many people, with the average house price in Winchester of in excess of £375, 000. Overall an annual household income of £63, 000 is needed to purchase a home, substantially higher than the average household income of less than £50, 000 per annum and well in excess of lower quartile incomes of £23, 000.

The number of households on the Council's housing register is 3,390. With almost 80% of households on the register having incomes of less than £15, 000 a year, there is a pressing need for affordable housing to rent.

There is evidence of under-occupation which suggests better use could be made of some housing. Providing opportunities for residents to find more suitable accommodation that better meets their needs will have the added benefit of freeing up housing for larger families.

## 2. **Aims & Objectives**

The Tenancy Strategy is intended to provide guidance to Registered Providers operating in Winchester, informing their policies and practices for letting their homes to ensure they meet local need and to improve the functioning of the housing market in the district.

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

1. Enable the best use of affordable housing across the 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 Registered Providers regarding their use of flexible tenancies.

3. Indicate to current and prospective tenants, what they can expect from the tenancies offered by Registered 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 and accepting the need for affordable rent properties as a means of securing affordable rented homes.
6. Better meet local housing needs.

Through the policy context, evidence base and consultation with partners and residents, the following key local objectives for the Winchester Tenancy Strategy are:

- **Tenancies** to be offered that provide the tenant with an appropriate level of security.
- **Affordable rents** to deliver new housing whilst continuing to assist those on low incomes.
- A balance between creating flexibility in social housing and promoting **settled, mixed communities**.

### 3. **Tenancies**

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.

Registered Providers should take into account our recommendations 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 Registered Providers 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 Registered 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.

Registered 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 (the rights of existing social tenants are protected in law).

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

### 3.3 Tenancy Reviews

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

We expect that for the majority of tenants, their 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 met the review criteria, for example if there is a continuing need for a specific 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 3.3.1 for details on the review criteria.

If, as a result of the review process, it is decided that a tenancy will not be renewed, 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 registered 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 (see section 3.3.3 for further details).

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.

### 3.3.1 Review Criteria

Registered 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
- **Adaptations** - 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/assets/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 these must be being addressed throughout the tenancy and steps shown to have been taken prior to the review)

Registered Providers are encouraged to undertake an assessment of the following issues when reviewing a tenancy:

- Health and disability of any member of the household
- Employment or income
- Education and training
- Community and family connections
- Housing need
- Ability to access alternative housing
- Homelessness prevention
- Any other relevant circumstances

The assessment should consider the implications of the Registered Providers 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 own home where this appropriate. Ending tenancies on the basis on income alone could undermine self improvement and lead to more social polarisation of neighbourhoods. The Council encourages registered providers to consider other options in these cases such as re-letting at an affordable rent or offering shared ownership on the existing property.

### 3.3.2 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 registered 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. Other housing options must be reasonable, sustainable and settled housing solutions and there must be 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 will need to be followed.

### 3.3.3 Appeal Process

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

#### 3.4 Expectations of Registered Providers

Registered 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 this 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, whether 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 regard to the principle of sustainable, mixed communities and the overall effect of their policies on local neighbourhoods.
- Demonstrate openness, transparency and fairness.

#### 3.5 Tenant Incentive Schemes

The Council supports the use of incentive schemes particularly to encourage existing secure/assured lifetime tenants to downsize. As a local authority we already give additional priority to those seeking to transfer to more suitable accommodation for their housing need.

### **4. Affordable Rents**

The Council accepts that if it wishes to see much needed affordable housing in the district registered providers must be given the option of letting homes at affordable rents.

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

We expect registered providers to ensure that rents fall within Local Housing Allowance rates and that larger dwellings in high value areas remain affordable, taking into account disposable income levels and changes to the welfare benefit system.

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

Where registered providers are looking to convert existing social housing stock to affordable rents, we expect this process to be managed to ensure a mix of property tenures in an area to support the aim of settled mixed communities.

## **5. Monitoring & Review**

We are aware that many registered providers have already published their own tenancy policies. We ask that they review these in light of the Winchester Tenancy Strategy to ensure, so wherever possible, their policies do not contradict our strategy.

The Council in conjunction with various existing groups such as Hampshire Home Choice, will monitor the Tenancy Strategy and review and update it as required.

We ask that Registered Providers record and monitor the outcome of tenancy reviews and if requested, can provide equality profiling information for those tenancies which were not renewed.

## **6. Publication**

A copy of this strategy will available on the Council's website and made available on request at the Council Offices for inspection. A paper copy can be provided for a small charge.

If you would like more information on the Tenancy Strategy, please contact Housing Services.

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