



## Cabinet 28 March 2012

### Tenancy Strategy (Apr12/08)

<p><b>1. Summary and Reasons for Recommendations</b></p> <p>1.1 The Localism Act 2011 requires, as part of the social housing tenure reforms, that all local authorities prepare and publish a Tenancy Strategy setting out the matters which the Registered Providers of social housing for its district are to 'have regard to' in formulating their own tenancy policies.</p> <p>1.2 The officers, working with key Registered Provider partners, have prepared a draft Tenancy Strategy. A consultation document was produced and the principal issues have been consulted upon with registered providers and other stakeholders. The draft Strategy has been formulated taking the consultation comments into account.</p> <p>1.3 On 29 February 2012, the Overview and Scrutiny Committee considered the draft as part of the consultation process and its comments have been incorporated into the draft Strategy.</p>
<p><b>2. Recommendations</b></p> <p>2.1 It is <b><u>RECOMMENDED</u></b> that, subject to the approval of full Council:-</p> <p>(1) the Tenancy Strategy, as contained in Appendix A to Report C413, be adopted; and</p> <p>(2) the Head of Environmental Health and Housing, in consultation with the Portfolio Holder for Housing, Licensing and Environmental Health, be authorised to make any minor typographic, factual, spelling and grammatical changes to the document provided they do not materially affect the substance or meaning of the Strategy.</p>
<p><b>3. Corporate Objectives</b></p> <p>3.1 The recommendations meet the following Corporate objectives:-</p> <p>(a) Corporate Plan: <i>'Improving the Safety and Well-Being of the Community'</i>.</p> <p>(b) Cabinet Commitment for 2011/2012: <i>'Work with our communities to shape the future development of the borough and its relationship with the wider area'</i>.</p>

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#### **4. Background**

4.1 The Localism Act 2011 requires as part of the tenure reforms, that all local authorities prepare and publish a Tenancy Strategy setting out the matters to which the Registered Providers of social housing for its district are to 'have regard to' in formulating policies relating to:-

- (a) the types 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 fixed term, the lengths of the terms; and
- (d) the circumstances in which they will grant a further tenancy on the ending of a fixed term tenancy.

4.2 The officers have been working with Registered Providers, the housing sub region and the Homes and Communities Agency (HCA) to prepare the Tenancy Strategy, and as part of this work, a Members' Working Group was set up. A consultation document was produced and the key issues have been consulted upon with Registered Providers and other significant partners.

4.3 The draft Tenancy Strategy is attached as Appendix A to the Report. Section 7 of the draft Strategy specifically provides guidance on tenancy matters, setting out the Council's position.

4.4 The draft Strategy, if adopted, will commit the Council to the following:-

- (a) to work with the Cambridge housing sub region to monitor the tenancy changes and in addition establish a group of key partners to assist the Council in reviewing the impact of the tenancy changes, as detailed in Section 3 of the document, *Governance*;
- (b) work with key partners to establish a shared protocol by January 2013 for tackling under-occupation and to make the best use of available homes, as detailed in Section 7.4, *Under-occupation and 'downsizing'*;
- (c) the Council's Housing Options Team to offer to take a central co-ordinating role in supporting individuals' housing pathways and co-ordinating the review process at the end of the fixed term tenancy, as detailed in Section 7.7, *Advice and Assistance at the end of a Tenancy*;
- (d) details on how the Council intends to use the new power to discharge its homelessness duty in the private rented sector, to be set out in a new St Edmundsbury Private Sector Housing Policy and a revised Allocation Policy, as detailed in Section 7.12, *New Power to Discharge Homelessness Duty in the Private Rented Sector*. These policies are expected to be completed by January 2013; and
- (e) to consider how the Council may give additional preference to working households by January 2013, as detailed in Section 7.13, *Additional preference for working applicants*.

4.5 The National Housing Strategy 'Laying the Foundations: a Housing Strategy for England' has also recently been published by the Government which introduces a new approach to housing. This includes issues such as:-

- (a) increasing supply;
- (b) unblocking the market;

- (c) a new mortgage indemnity scheme;
- (d) funding to unlock 'stalled sites';
- (e) incentives to bring empty homes back into use;
- (f) adapting older people's homes; and
- (g) others.

The Government is also introducing changes to the Right to Buy. The Council's current Housing Strategy will be reviewed in 2012/2013 and it is proposed that the Borough Council's response to these new initiatives will be addressed in the revised Housing Strategy.

**5. Community impact** *(including Section 17 of the Crime and Disorder Act 1998 and diversity issues)*

5.1 An Equality Impact Assessment (EqIA) was carried out on the tenancy changes as part of the consultation process. The EqIA highlighted some areas where additional support may be required, for example, older people moving home; those at risk of becoming homeless as there will no longer be a 'tenancy for life' for new tenants. It does, however, offer an opportunity to make best use of the existing social housing and will facilitate easier movement within social housing.

**6. Consultation**

6.1 The Strategy has been worked up with Registered Providers, the Cambridge housing sub-region and the HCA and with Housing Benefits staff.

6.2 A Members' Working Group was also pivotal in the formation of the draft Strategy. The Working Group consisted of the following Councillors:-

- (a) Councillor Robert Everitt;
- (b) Councillor Mrs Anne Gower, Portfolio Holder with the responsibility for Housing;
- (c) Councillor Mrs Helen Levack;
- (d) Councillor Mrs Sara Mildmay-White;
- (e) Councillor David Nettleton; and
- (f) Councillor Alaric Pugh.

6.3 A consultation draft Strategy was placed on the Council's website in September 2011 and all Registered Providers who own and manage social housing in the Borough and other key stakeholders were invited to comment. Responses were received from five Registered Providers and two other organisations.

6.4 Tenants and other community based organisations were not specifically targeted during the consultation as the purpose of the Strategy is to provide guidance to Registered Providers, who will have regard to it during the preparation of their own Tenancy Policies. Registered Providers will consult widely with their tenants and other organisations as part of the development of their policies.

6.5 The Overview and Scrutiny Committee was consulted on 29 February 2012, and its comments were incorporated into the draft.

**7. Resource implications** *(including asset management implications)*

7.1 Officer time has been the major resource in developing the Strategy, and in the future monitoring of its impact.

7.2 There may be a future requirement for additional resources if Registered Providers require the Council to carry out reviews of tenancies on their behalf but any costs will be reimbursed through charges to partners for this service.

**8. Risk Assessment** *(potential hazards or opportunities affecting corporate, service or project objectives)*

<b>Risk area</b>	<b>Inherent level of Risk</b> (before controls)	<b>Controls</b>	<b>Residual Risk</b> (after controls)
Insufficient affordable housing to meet need	High	Prioritise development of affordable housing and work closely with Registered providers and the HCA to maximise development in the borough	medium
Introduction of affordable rents (80% of market rent) on affordability	Medium	Working with the Cambridge housing sub region to monitor impact	low

**9. Legal or policy implications**

9.1 The Localism Act 2011 requires that local authorities develop and publish a Tenancy Strategy within twelve months of its enactment, which will be January 2013.

<b>Wards affected</b>	All	<b>Portfolio Holder</b>	Housing, Licensing and Environmental Health
<b>Background Papers</b>		<b>Subject Area</b>	Housing

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**St Edmundsbury Borough Council**

**Tenancy Strategy**

**Draft v5 (14/3/2012)**

DRAFT V5

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**If any local authority adopts or adapts this Tenancy Strategy for its purposes, please acknowledge St Edmundsbury Borough Council's work in this area**

## **1. INTRODUCTION**

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The Localism Act includes a number of measures relating to housing reforms. The Act provides for greater flexibilities locally so that councils can adapt and meet local needs and Registered Providers have greater discretion over how they manage their housing in the best interests of the local community. The Localism Act reforms mean more decisions about housing are taken locally, and intend to make the system for allocating affordable housing fairer and more effective.

The Localism Act requires local authorities to produce a Tenancy Strategy. St Edmundsbury do not own or manage housing therefore its Tenancy Strategy is intended to provide guidance for Registered Providers<sup>1</sup> working within the borough when framing their own tenancy policies.

Building on our established and strong working relationships, this strategy has been developed collaboratively between the council in our strategic role and our Registered Providers, the Cambridge housing sub-region and other key stakeholders. In developing this strategy together the Borough Council has had regard to our allocation scheme, Housing Strategy and Homelessness Strategy.

St Edmundsbury is part of the Cambridge housing sub-region which is an area of strong economic growth, supported by an active housing market.

### **1.1 Aim of the Strategy**

The Tenancy Strategy is intended to provide guidance to Registered Providers operating in the borough, informing their policies and practices to produce lettings for customers that meet local housing need and improve market functioning in the borough.

## **2. BACKGROUND AND SCOPE OF STRATEGY**

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### **2.1 Government Policy**

The Government's key housing policy goal is to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live. To achieve this, the Government is seeking to:

- Achieve a wide choice of high quality homes, both affordable and market housing, to address the requirements of the community
- Widen opportunities for home ownership and ensure high quality housing for those who cannot afford market housing, in particular those who are vulnerable or in need
- Improve affordability across the housing market, including by increasing the supply of housing, and
- Create sustainable, inclusive, mixed communities in all areas, both urban and rural.

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<sup>1</sup> Registered Providers are Housing Associations



## 2.2 Localism Act

The Localism Act requires as part of current tenure reforms that all local authorities prepare and publish a **Tenancy Strategy** setting out the matters to which the Registered Providers of social housing for its district are to have regard to 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 fixed term, the lengths of the terms, and
- (d) the circumstances in which they will grant a further tenancy on the ending of a fixed term tenancy.

## 2.3 Delivery of New Homes

Alongside the requirements of the Localism Act, the Homes and Community Agency (HCA) implemented changes to the way new affordable housing would be funded introducing a new, more flexible form of social housing, '**Affordable Rent**', which will be the main type of new housing supply. The majority of new homes built with HCA subsidy are expected to be offered at Affordable Rents, which means rents on these properties will be set at up to 80% of gross market rents. In addition Registered Providers have agreed to '**convert**' rents on a proportion of their existing homes to Affordable Rent when they become empty and are relet to new tenants. The additional financial capacity generated from these 'conversions' must be used (to support delivery of a new supply of affordable homes.

Registered Providers are also encouraged to take a more proactive approach to managing their stock, including disposal of stock where this will bring funds to invest in new homes.

## 2.4 Affordability

In the Localism Act there is no reference to affordability of housing for occupants; definitions of affordability are provided in planning policy<sup>2</sup> and the Tenant Services Authority (TSA) provides rent setting guidance. However, St Edmundsbury has decided to incorporate local context and guidance regarding affordability in this Strategy, in section 7 of this Strategy.

## 2.5 Tenure Options

Registered Providers who have entered into a contract with the HCA to deliver new homes are able to offer fixed term tenancies with a minimum period of 2 years as well as life time tenancies at affordable rents on new properties and 'conversion' of some of their existing stock. The Government stated that only in exceptional cases the term will be less than 5 years.<sup>3</sup>

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<sup>2</sup> Planning Policy Statement 3

<sup>3</sup> Revised draft direction on tenure 28<sup>th</sup> July 2011

St Edmundsbury expects Registered Provider partners to consult their tenants in relation to their policies on fixed term tenancies.

Registered Providers who are not developing new homes, or who are developing without HCA resources can continue to offer assured lifetime tenancies.

Registered Providers will continue to be able to offer introductory tenancies.

The intention is that nomination arrangements will be unaffected and lettings will continue through the existing arrangements; mainly HomeLink, our sub-regional choice based lettings system.

Existing tenants who remain in their existing homes will not be affected by Affordable Rents. Existing tenants are only affected if they transfer to another property. In this case, their security of tenure remains the same but the rent charged may change<sup>4</sup>. Further guidance on this issue is provided in section 7.7 of this Strategy.

## **2.6 Mobility in social housing (moving house)**

The Localism Act promotes mobility in social housing, which essentially means making it easier for tenants to move home should their circumstances change i.e. they need to move to be closer to work. The Act includes extending existing powers of the Secretary of State and the social housing regulator to give directions to include methods of assisting tenants to exchange tenancies. Further guidance on this is provided in section 7.3 of this Strategy.

## **3 GOVERNANCE**

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Individual Registered Providers are responsible for their individual tenancy policies *(link to be added to annex where Registered Providers policies located)*

### **3.1 Monitoring and Reviewing the Tenancy Strategy**

St Edmundsbury will work with the Cambridge housing sub-region to monitor and review the impact of the housing reforms on the housing market. In addition a group consisting of representatives of Registered Providers and other key stakeholders as listed in see appendix 2, will be set up to support St Edmundsbury Borough Council to monitor the impact of its Tenancy Strategy.

Monitoring will need to include trends in:

- Housing needs.
- Homelessness.
- Reviewing effectiveness of allocation policy.
- Rent levels across all tenures.
- Registered Providers activity.

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<sup>4</sup> The Tenants Services Authority draft revised Tenancy Standard states that tenants with an existing social tenancy on the day the main tenure reform provisions in the Localism Act come into force (expected to be April 2012) must be given 'a tenancy with no less security where they choose to move to another social rented home'.

- Number of new homes built including affordable, and which tenure(s).
- Effect on site viability.
- Changing trends in housing benefit paid.
- Lettings of affordable rents including number of bids and acceptances.
- Turnover in housing stock, particularly in 'affordable rents'.
- S106 outcomes.

Regular meetings with individual Registered Providers will also form a key part of the monitoring process.

#### **4. THE BOROUGH OF ST EDMUNDSBURY IN CONTEXT**

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St Edmundsbury is located in West Suffolk. The Borough has borders with Norfolk and Breckland district to the North, Mid Suffolk and Babergh districts to the South and East, Essex and Braintree district to the South and Cambridgeshire and South and East Cambridgeshire districts and Forest Heath district to the West.

Administratively St Edmundsbury's links are with Suffolk County Council; however, the borough also plays a strong role in the Cambridge housing sub-region due to common housing, economic and social needs.

The Borough of St Edmundsbury is a predominantly rural area covering nearly 660 square kilometres and comprising over 70 towns and villages ranging in size from a few residents to the historic market town of Bury St Edmunds. The population of St Edmundsbury has grown steadily over the past 25 years, rising from 88,400 in 1982 to 102,900 in mid 2007.

St Edmundsbury Local Investment plan (LIP) which was agreed in July 2010 provides strategic information regarding the Council's principles and priorities. The document can be found at:

<http://www.stedmundsbury.gov.uk/sebc/live/documents/reports/B143%20Approval%20of%20Local%20Investment%20Plan.pdf>

## 5. ST EDMUNDSBURY'S VISION

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St Edmundsbury will remain a vibrant part of Suffolk and a region where the distinctive local character, unique local heritage and environmental and cultural assets are retained and enhanced for the enjoyment of all. The Borough will be a safe place to live, with strong communities. Employment growth and development will produce a prosperous sustainable economy including sustainable tourism.

Housing is pivotal to all of us, we all need to be appropriately housed if we are to build meaningful lives and develop strong communities, contributing to ensuring St Edmundsbury remains vibrant and prosperous.

The Council, in its role as strategic housing authority, has the responsibility of influencing private and social housing activity within the Borough. A key aspiration is to ensure that every resident in the borough has a home that is affordable and suitable to their needs. This is expressed in the Cabinet commitments for 2011/12 as maximising the delivery of affordable housing throughout the borough.

### 5.1 Cambridge Housing sub-region's priorities

The priorities agreed by the Cambridge housing sub-region in 2011 reflect the current housing climate. In summary, the sub-region acts in partnership to share learning and experiences across the housing market area, to:

- Deliver new homes which support economic success.
- Create mixed, balanced, sustainable communities.
- Improve standards in existing homes.
- Meet housing needs and tackle homelessness.
- Enable better health through housing and support.

A stakeholder workshop held in June 2010 asked for suggested issues resulting from the social housing reforms and how these impacted on the priorities. The outcomes of this workshop played an important part in shaping St Edmundsbury's position in relation to the guidance provided in section 7 of this Strategy.

## 6. HOUSING MARKET

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A summary of key data relating to the housing market is provided to give context to our guidance in section 7 of this strategy. It is important to note that this data represents a snapshot in time. Further data on the Housing Market can be found at [link to be added](#), which will be updated periodically to maintain its relevance and to reflect changes in the housing market.

### 6.1 Stock and tenure profile

The 2001 Census shows St Edmundsbury with over 41,000 dwellings. Of these, some 17% were social rented; 70% owner occupied and 11% privately rented 2% other.

The Borough's 2008 House Condition Survey showed a total of 45,100 dwellings in St Edmundsbury of which, 37,200 (82%) were private sector homes and 7,900 (18%) were social housing.

General needs social rented homes (excluding sheltered and special needs housing) tends to turnover at a rate of about 5% per year. This averages at 400 vacancies per year over the past 7 years (based on Dataspring records).

National data shows a median stay of 7 years in a social tenancy, compared to 11 years for an owner-occupier and 1 year for a private renter (from EHS 2008/9).

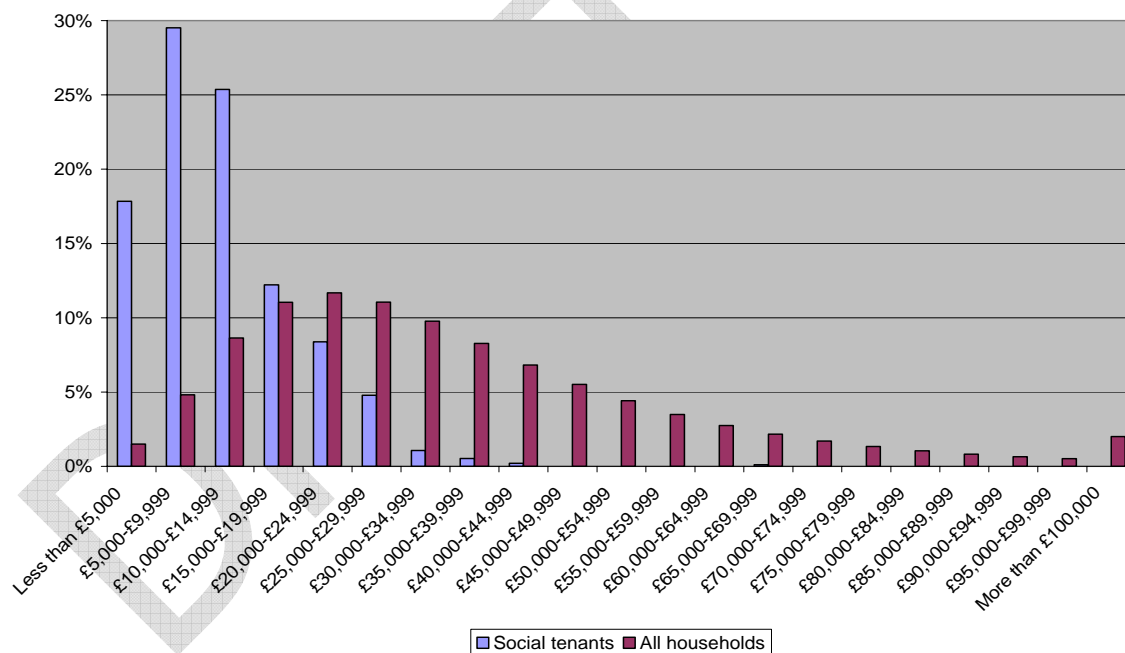
## 6.2 Tenant data

CORE data<sup>5</sup> for 2007/2008 shows:

- Just over a quarter of general needs social tenants in the borough are in full-time work.
- The majority of new general needs tenants which we have data for<sup>6</sup>, earn between £5,000 and £14,999 per year.

This is important data to consider when working out affordability of social housing in the future.

The graph below shows a very different income pattern for social tenants, than from all households, with the majority of social tenants on considerably lower incomes.



Source: Social tenants – CORE General Needs 2007-2010, all households, CACI 2010 via Hometrack

Again this is important data when looking at the balance required of ‘affordable rent’ properties and ‘social rent’ properties for the future.

<sup>5</sup> **CORE (C**ontinuous **R**ecording) is a national information source funded jointly by the Tenant Services Authority (formerly the Housing Corporation) and the CLG that records information on the characteristics of both housing association and local authority new social housing tenants and the homes they rent and buy.

<sup>6</sup> Of the 1,304 tenants in the CORE system, 942 have provided income data.

### 6.3 Housing needs register by size of home needed

In February 2012 some 2043 households were registered on the HomeLink<sup>7</sup> choice based lettings register. Of these, 463 (23%) were seeking a transfer from one social property to another, while 1580 (77%) were new applicants, seeking social housing for the first time.

In terms of ages of applicants (new or transferring):

29 and under	30-39	40-49	50-59	60+
637 (31%)	504 (25%)	398 (19%)	217 (11%)	287 (14%)

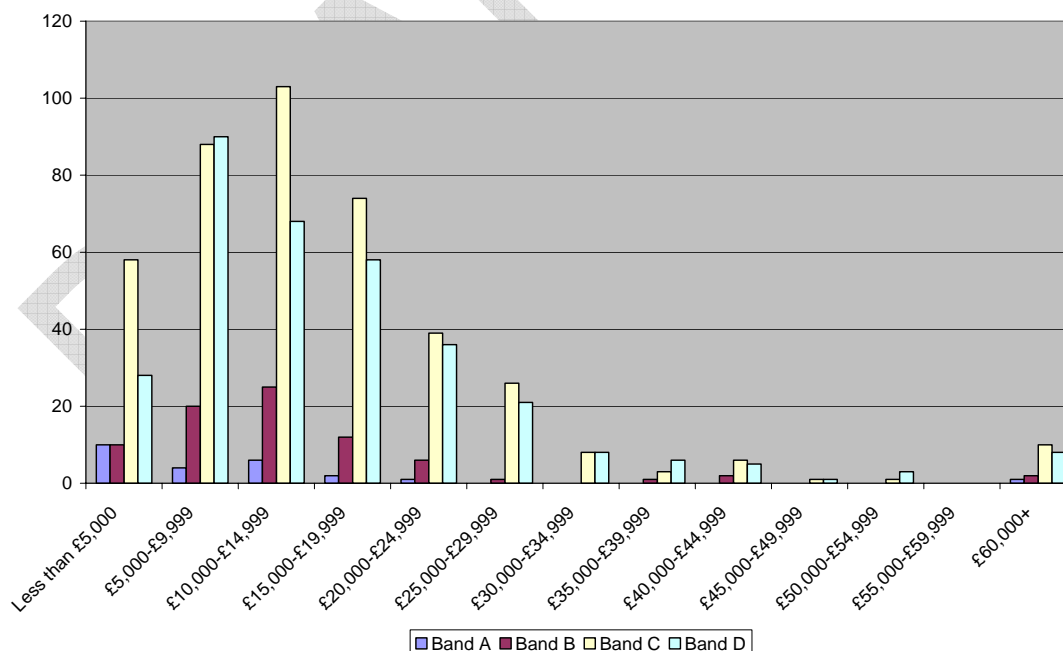
In Bands A, B and C there were also:

- 59 applicants under-occupying by 1 bedroom
- 23 applicants under-occupying by 2 bedrooms
- 237 applicants lacking 1 bedroom
- 18 applicants lacking 2 bedrooms.

### 6.4 Income of social housing movers and applicants

Information is not available for all applicants to the HomeLink system. 42% of applicants in the borough provided income data.

The graph below shows the income pattern of the applicants who provided income information.



<sup>7</sup> More information on HomeLink can be found at: <http://www.stedmundsbury.gov.uk/sebc/live/pdf/housing/St%20Edmundsbury%20CBL%20lettings%20policy.pdf>

In summary, this graph shows that:

- Housing applicants (at the time of applying to the Home-Link system) earn a range of incomes.
- Very few indeed earn more than £60,000 which is the upper income limit for intermediate tenure applications via our HomeBuy agent.
- Applicants in Band A (most urgent priority) tend to earn the least, as shown by the blue bars above.
- Band B applicants (the maroon bars) tend to earn slightly more, with more than 20 applicants in Band B earning between £10,000 and £14,999.
- There is a significantly larger number of Band C and Band D applicants, both showing a similar pattern if incomes with the majority earning between £5,000 and £14,999. However a large proportion of these applicants earn more than £15,000 and some earn more than £25,000 a year.
- In general therefore, there are applicants who can afford the new 'affordable rents' and there are those who cannot, can still be supported by housing benefit.

### 6.5 Current market rents and affordability

Monthly Market rents are significantly higher than current Registered Providers (RP) rents, particularly when comparing larger homes.

	Median Market Rent	80% of median market rent <sup>8</sup>	Current RP rents	Current RP rent as % of median market rent
1 bed	£524	£419	£253	48%
2 bed	£598	£478	£300	50%
3 bed	£761	£609	£331	44%
4 bed	£1,200	£960	£362	30%

Using the income data and rent information above the proportion of households considered able to afford different sizes of property at 80% "affordable rent" levels is:

	Existing RP tenants	Housing Applicants	Intermediate applicants	All households
1 bed	47%	60%	89%	86%
2 bed	32%	44%	76%	77%
3 bed	20%	30%	53%	63%
4 bed	9%	15%	29%	48%

<sup>8</sup> 80% is maximum to be charged under the Affordable Rent system

## **7. GUIDANCE FOR REGISTERED PROVIDERS TO INFORM THEIR TENANCY POLICIES**

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### **7.1 Definitions of Affordable Housing and Affordability**

#### **Affordable housing**

Essentially affordable housing is housing provided at below market cost, either through renting or by a mixture of renting and buying part of the property, the latter is more commonly known as shared ownership. This may be achieved by using Government funds to subsidise build costs.

National Planning Policy<sup>9</sup> definition of affordable housing has been amended during 2011 and now includes 3 types of affordable housing:

- a) Social housing up until the introduction of affordable rents was the main model provided by Registered Providers and refers to housing that is subject to strict rent controls, which are around 50% of the market rents.
- b) The new 'affordable rent' which is up to 80% of market rent.
- c) Intermediate housing, which includes shared ownership.

It also states that affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

#### **Affordability**

St Edmundsbury wants to ensure that rent levels remain affordable within the borough. The market rent levels vary between the various locations across the borough. These variations will be reflected in the affordable rents calculated for each area.

The government's current guidance on housing market assessments suggests that, for market purchase, income multipliers to be used are:

- 3.5 times gross income for single income households
- 2.9 times gross income for dual income households<sup>10</sup>

The guidance also suggests that 25% of gross income spent on rent<sup>11</sup> can be judged 'affordable'.

Based on the data sources available to the Cambridge housing sub-region's SHMA, it is not possible to confidently separate out data for dual or single income households.

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<sup>9</sup> Planning Policy 3 June 2011

<sup>10</sup> Aug 2007, page 42

<sup>11</sup> Regardless of whether a dual or single income household



The SHMA therefore uses the data which is available for all households, and judges 3 times income<sup>12</sup> spent on housing costs as “affordable” regardless of tenure for the sub-region.

The affordable rent model will enable affordable housing providers to set affordable rents at up to a maximum of 80 per cent of the market rent for a comparable property within the same locality.

St Edmundsbury’s aim is to prevent excessive disparities between different areas in terms of affordable rent prices to ensure affordability for both low income and working households, and also for households that are dependant on welfare benefits. For this reason, St Edmundsbury would encourage Registered Providers to ensure rents charged for affordable rented properties do not exceed the relevant Local Housing Allowance<sup>13</sup> (LHA) rate that is applicable for that property size at the time of rent setting. This is to avoid excessively high affordable rents in high value areas.

The evidence to date suggests that in particular there may be affordability issues for large families living in larger affordable rent homes. This will be further impacted upon when the Government introduce a Universal Credit system and benefit cap in April 2013. St Edmundsbury expects Registered Providers to avoid setting rent levels that risk households being unable to afford their rent.

## **7.2 Flexible Tenure<sup>14</sup>**

Under the Government’s housing reforms, housing providers will have the flexibility to determine the length of tenancy they offer to new tenants. St Edmundsbury welcomes the introduction of these flexibilities as they provide an opportunity to address issues such as under-occupation, improve stock turnover, and encourage the best use of limited affordable housing stock in the borough. However, St Edmundsbury is also keen to ensure that these flexibilities are applied in a way that does not undermine social investment in communities, and ensures that the most vulnerable tenants are provided with the level of stability they require to enhance their health and well-being.

St Edmundsbury considers that where flexible tenancies are used these should be for a minimum term of five years in order to provide stability and security. It is expected that unless there has been a significant change in circumstances following a review the tenancy will be renewed for a further period. The circumstances where a tenancy is not renewed should be driven by housing management ‘best practice’ factors (see section 7. 7 for suggested criteria).

Tenants with a lifelong need for support that would disadvantage them in securing alternative accommodation should be offered lifetime tenancies. This applies to tenants in both general-purpose accommodation and those in specialist and/or supported accommodation.

Where a tenancy is renewed the rent may change as the property would be subject to a new assessment of the market rent.

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<sup>12</sup> Or 33% of gross income

<sup>13</sup> If you are renting a property or room from a private landlord, the Local Housing Allowance is used to work out how much Housing Benefit you get.

<sup>14</sup> Government term referring to less than lifetime tenancies also referred to as fixed term

In addition St Edmundsbury supports Registered Providers continued use of probationary and lifetime tenancies, as is considered appropriate.

### **7.3 Mobility in social housing (moving house)**

St Edmundsbury recognises the need for tenants to be able to move to be closer to work, family support etc and supports the Government's efforts to facilitate easier movement within the sector.

However, to enable mobility and encourage stock turnover, St Edmundsbury expects that social rented tenants should be allowed to retain their existing security of tenure if they choose to transfer to an alternative property.

### **7.4 Under-occupation and 'down-sizing'**

St Edmundsbury supports landlords taking positive action to facilitate a move to more suitable accommodation where the tenant's circumstances change and their current home is too large or too small.

The proposed housing benefit restrictions regarding bedroom size coming into force from April 2013 for working age households will add further pressure to ensure that properties are not under-occupied.

A large percentage of those under occupying are likely to be older households where their children have grown up and left the family home. National research has shown that the most important thing to those who may be under-occupying their home is the right home in the right location. General purpose housing is preferred by those aged between 55 and 70 allowing at least one spare bedroom, while some older tenants might wish to move into retirement housing.

St Edmundsbury will encourage partners to work together to address the issue of under-occupancy and develop with Registered Providers and other stakeholders a protocol, setting out an agreed approach in order to reduce under occupation as much as possible and make best use of stock in the future. This protocol will be in place by January 2013.

Under-occupancy is linked to the provision of appropriate advice and assistance at the end of a fixed term tenancy where a review will be carried out. Further detail is set out in section 7.7.

### **7.5 Properties with Adaptations**

Adaptations are made to homes to make it easier to access facilities within it. Adaptations may mean structural changes are needed, such as to adapt the home for wheelchair use, widening doors, installing a ramp.

As adaptations can be expensive it is important that adapted properties are lived in by those needing the adaptations. Where there is a change in circumstances and the tenant no longer requires the adapted property or their needs change St Edmundsbury considers that the tenant should be rehoused to a suitable property and the adapted property allocated to someone who requires the adaptations. This ensures best use is made of that property and a scarce resource is made available to other people in housing need who require that valuable adaptation.

This is linked to advice and assistance at the end of a fixed term tenancy (see section 7.7).

## **7.6 Requirements of Specific Groups**

It is important that the housing needs of specific groups for example older people with support or care needs and adults with learning disabilities are taken fully into account when planning for new homes. Housing for such groups may require either specially built or adapted housing. St Edmundsbury has always worked with the County Council, Registered Providers and other partners to ensure that the right provision is made and will continue to do this in future.

St Edmundsbury's Core Strategy identifies the aging population as one of the key challenges for the Borough. Population projections suggest that by 2031 over a quarter of St Edmundsbury residents will be aged 65 or over. This presents challenges in ensuring we plan for the provision of, and access to, appropriate housing in the future.

## **7.7 Advice and Assistance at the end of a Tenancy**

St Edmundsbury is committed to ensuring that the decision to terminate a fixed-term tenancy does not lead to increased homelessness in the borough.

Therefore it is expected that unless there has been a significant change in circumstances, following a review the tenancy will be renewed for a further period.

### **7.7.1 Criteria**

Registered Providers should identify instances where tenancies would not be renewed in their tenancy policies. St Edmundsbury consider that the following criteria should be taken into account:

- a) Property under-occupied
- b) Property over-occupied
- c) Suitability of property for current needs
- d) When a tenant requires re-housing in a more suitable/appropriate location
- e) Housing Management matters i.e. breaches of tenancy
- f) Tenant change in circumstances/income

Registered Providers should provide households affected by the ending of a tenancy with relevant advice and assistance that will assist them in successfully relocating to alternative accommodation. This advice and assistance could include:

- Advice on low-cost home ownership options and other alternative affordable housing tenures; Specialist housing; welfare-related advice and/or signposting to appropriate advice services.
- Advice on renting in the private rented sector and assistance in identifying and securing a suitable property (this may involve assistance with a deposit where necessary).
- Any assessment at the end of a fixed term tenancy should include an assessment of income.

### **7.7.2 St Edmundsbury Housing Options Team**

The Housing Options Team offer housing advice, homelessness prevention services, and manage the housing register (Home-Link) for the borough and are able to take a central co-ordinating role in supporting individuals' housing pathways and coordinating the review process. If Registered Providers wish to carry out reviews in this manner they should contact the Housing Options Team to discuss and plan how the service could be delivered and the appropriate charges for this service.

### **7.8 Conversions of Stock**

St Edmundsbury supports Registered Providers using the flexibility to convert existing affordable housing stock to affordable rents in order to generate funding for Registered Providers to build more homes, in principle. In doing so, providers should have regard to the overall balance of housing provision in neighbourhoods including any impacts on vulnerable groups. Registered Providers will inform St Edmundsbury of the proposed percentage of conversion, who will monitor and review the impact of these conversions over time across the borough.

However, it is important that homes remain affordable (see section 7.1). From the research carried out in January 2011 affordability is a greater issue for larger family homes i.e. three and four bed houses. Affordability will therefore need to be monitored closely (see section 3).

### **7.9 Disposals of Stock**

St Edmundsbury in general terms would not wish to see the disposal of housing stock, however, it is recognised that in certain circumstances this may be justifiable providing it allows for future investment within the borough in more appropriate housing.

### **7.10 Local Letting Plans**

To allow Registered Providers to create sustainable communities and to prevent management problems arising in the community, it is proposed to introduce and implement local letting plans where appropriate and where agreed between St Edmundsbury, the Registered Providers and other key stakeholders.

### **7.11 Housing Pathway**

The Housing Pathway enables St Edmundsbury's housing team to support applicants to take responsibility for their long term housing and to look at different opportunities for accommodation. Examples include moving from a housing association property to private renting and vice versa or moving from a social housing property into owner-occupation. It could also mean for those households who don't want to move, extending or adapting their current home to meet their family's changing needs.

The pathway provides a route to set out an applicant's housing options at a particular time in their life, and to help them make decisions on which is the best housing option for them to follow. This includes consideration of immediate needs, but also allows for long term plans to meet their housing aspirations.

The introduction of the housing reforms provides the ideal time to refocus the range of housing options available, and how they can assist individuals at different stages in their lives.

Working with all our partners we wish to maximise the range of options that residents and prospective residents can choose to take when deciding to move or improve their home. Our aim is to make these pathways as easy and flexible as they reasonably can be.

Further work is required to develop and promote the housing pathway model, and St Edmundsbury is committed to the principle that all applicants will have the opportunity to develop their own pathway as part of housing options advice in the future. This is anticipated to be complete by January 2013.

### **7.12 New Power to Discharge Homelessness Duty in the Private Rented Sector**

The Localism Act introduces changes to the 'duty to accommodate' which is owed by local authorities to households assessed as statutorily homeless. Local authorities will be able to discharge their duty to homeless households with an offer of suitable accommodation in the private rented sector provided the tenancy is for a minimum of one year. This option is already available to local authorities but it must be with the agreement of the household; the requirement for this agreement is now removed.

St Edmundsbury actively works with the private rented sector. Within the housing options team we have a specialist advisor whose role is to build up links with the private rented sector and facilitate access into it. In addition we have an established private sector leasing scheme managed by Housing Action.

A major factor in deciding when to use this new power will be the availability of affordable, good quality private rented accommodation. This power will be looked at on a case-by-case basis and used as appropriate, similar to the approach taken at present. Further details will be set out in St Edmundsbury Private Sector Housing Policy and Allocation Policy which will be completed by January 2013.

### **7.13 Additional preference for working applicants**

To ensure St Edmundsbury promotes a positive contribution to the community we intend to amend our allocation policy to allow for a percentage of affordable rented properties to be advertised with priority being given to those who can show that the incoming primary tenant(s) is/are working.

These amendments will be worked up in detail with the Cambridge housing sub-region with further opportunity for consultation before being implemented, which is anticipated to be in January 2013.

### **7.14 Risks**

Continuous involvement from the Housing Options Team to individuals via Housing Pathways offers a supportive mechanism which could allow tenants to progress from requiring total support for housing through to shared ownership and eventually full ownership. However the affordable rent product does change the level of risk regarding homelessness to those who are the most vulnerable or do not have the

ability to be financially self-sufficient. St Edmundsbury, working with the Cambridge housing sub-region, will monitor the impact of affordable rents and review this issue as necessary.

### **7.15 Equalities and Diversity**

St Edmundsbury expects Registered Providers to carry out Equality Impact Assessments for their tenancy policies.

An Equality Impact Assessment involves assessing the likely or actual effects of policies or services on people in respect of a protected characteristic<sup>15</sup>. It helps to make sure the needs of all groups are taken into account when a new policy is developed and implemented. The main purpose of an Equality Impact Assessment is to pre-empt the possibility that a proposed policy could affect some groups unfavourably.

## **8. COMMUNICATION**

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Working with the Cambridge housing sub-region, St Edmundsbury intends to:

- Minimise and reduce confusion.
- Make housing options as clear as possible through the HomeLink system and wide communication.
- Clarify housing choices under the new system without reducing applicants' involvement and participation.
- Support and maintain strong links with Registered Providers.

To do this, across the sub-region we will

- Raise awareness of the new housing products on offer and how they have come about.
- Allay any fears from applicants and existing tenants about their rights and security being affected or diminished.
- Communicate the changes which mean some new tenancies will be (a) on a different rent and (b) on a shorter term tenancy agreement.
- Provide early information about notices and formal procedures involved in the new flexible tenancies, to reassure tenants and applicants and prevent undue concern towards the end of a fixed term.
- Set out how the revenue-funded system will work in future years, and our hopes for the housing it may deliver.
- Work with our Registered Provider partners to consider whether additional marketing is needed for affordable rented homes.
- Work with Registered Providers to agree on the key messages and try wherever possible to convey these messages to all residents of our sub-region.
- St Edmundsbury expects all Registered Providers to have communications strategies for updating their tenants.

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<sup>15</sup> Protected characteristic as defined by the Equality Act 2010 – race, sex, disability, age, sexual orientation, gender reassignment, pregnancy and maternity, religion or belief

- Adapt HomeLink to accommodate the new products, the additional factor of tenancy length and (as necessary) any link to the new rents set and the Housing Benefit system, to help people assess how affordable the new products will be before making a bid.
- Use HomeLink and other existing communications channels to promote the new tenure products.

## **9. FURTHER INFORMATION**

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If you would like to discuss further please contact:

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**APPENDIX 1: GLOSSARY - TO FOLLOW**

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## **APPENDIX 2: KEY STAKEHOLDERS**

### **Members of Working Group**

- Homes and Communities Agency
- Havebury Housing Partnership
- Suffolk Housing Society
- Granta/Metropolitan Housing Trust
- Hastoe
- Cambridge housing sub-region (Housing Strategy Coordinator)
- Suffolk County Council Adult Community Services
- Anglia Revenues and Benefits Partnership
- St Edmundsbury Strategic Housing

### **Members Working Group**

- Councillor Everitt
- Councillor Gower
- Councillor Levack
- Councillor Mildmay -White
- Councillor Nettleton
- Councillor Pugh

### **Written Comments Received from**

- Suffolk ACRE
- Foundation East
- Hanover
- Flagship
- Orwell