Chichester District Council Tenancy Strategy 2020-25



# Executive Summary

The Review highlights the growing need to place homeless households in emergency accommodation which is either non-self-contained or outside of the district. In 2018 the number of placements of this type was twice what it was five years ago. This is by no means unique to Chichester and reflects a trend across West Sussex and the south of increasing demand for temporary accommodation.

The Localism Act 2011 requires every local housing authority to publish a Tenancy Strategy. The Strategy must set out, in high level terms, the matters to which all registered providers of social housing for its district should have regard in formulating their own tenancy policies relating to:-

* The kinds of tenancies they grant
* The circumstances in which they will grant a tenancy of a particular kind;
* The lengths of the terms, where fixed tenancies are offered
* The circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

The concept of “flexible tenancies” was introduced into the social housing sector by the Localism Act 2011. The Act gives providers of social housing the option to offer flexible tenancies to new social tenants. A flexible tenancy is a secure tenancy of a fixed term (not less than two years), rather than a “lifetime” tenancy, where the tenant may remain in the property for life, even if their circumstances change and they no longer need it.

A key theme of the District Council’s wider Housing Strategy is to ensure that ‘local housing is well used’, to this end the Council recognises that the use of flexible tenancies can help make optimal use of the District’s affordable housing. Social housing is a scarce resource and flexible tenancies could be one way of ensuring that homes are available to those households with the greatest level of housing need. This is because a flexible tenancy will have a fixed end date at which point the tenants circumstances can be reviewed to ensure they still require social housing. Fixed term tenancies and the review process forms part of an overall package of options that local authorities and housing providers have available to them to manage housing need as part of an overall approach.

Chichester’s Tenancy Strategy fulfils this statutory requirement by providing direction and guidance to Registered Providers (RPs) who own and manage stock with the District. It sets out the council’s expectations with regard to life time and fixed term tenancies and informs residents what they might expect when they move into or between social housing properties in relation to their period of tenure. Furthermore, it sets out the criteria to which Registered Providers should pay particular regard in relation to the way tenancies are granted.

The council recognises that it has no regulatory powers to direct Registered Providers in their decisions about the tenancy terms (lengths) they may offer. However, the Council expects that Registered Providers in the District will have regard to this Tenancy Strategy in their decision making process, both at the point a property is let and when the tenancy is reviewed.

Key Principles of the Tenancy Strategy

The key principle of the strategy is to promote the fair and efficient use of the District’s affordable housing stock. In doing so, it recognises that there is a balance to be struck in providing tenancy terms of sufficient length that households may enjoy some stability and quality of life, against the potential benefit of carrying out periodic reviews to re-assesses and re-confirm residents’ requirement for a specific type of home. It is recognised that Registered Providers will apply their own policies to the issue of fixed term tenancies and tenancy reviews. In doing so the Council expects Registered Providers to have regard to the following principles which are designed to ensure that the use of fixed tenancies and tenancy reviews promotes effective use of the housing stock whilst at the same time protecting the interests of households with a long term need for affordable housing.

## Housing Affordability

Registered Providers should have regard to the cost of market housing in Chichester when undertaking tenancy reviews and forming a view as to whether a fixed term tenancy for an affordable tenancy should be renewed. As a guideline it is suggested that the combined rent and service charge should not amount to more than 25% of gross income. Guidance on costs for home ownership and private renting are shown in Appendix 1.

## Homelessness prevention

Registered Providers should consider the implications and consequences of their decision with regard to potential homelessness that may result from the ending of a fixed term tenancy. On review, before making a final decision, RPs should explore with the tenant possible housing alternatives so that homelessness is avoided. This may include:

* Transferring to alternative more suitable accommodation, for example, downsizing
* Varying the rent level where the tenant`s income has increased (but their income is still not high enough to secure market housing).

## Vulnerable groups

In some circumstances, fixed term tenancies may not be appropriate and lifetime tenancies should be awarded. This might include long term accommodation which is specifically suited to meet the needs of vulnerable groups been provided. This could include extra care housing, and retirement schemes.

## Homes that have been adapted

Where significant adaptations to a property have been provided (for example a through floor lift, level access shower, extension or stair lift) to meet the needs of a member of the tenant’s household, it is expected that the household may continue to live in that property for as long as the disabled household member who requires that adaptation continues to reside in the property.

## Transfers and Mutual Exchanges

Where an existing tenant holds a lifetime tenancy and they transfer from one property in the District to another also in the District it is expected that their lifetime tenancy will transfer with them. This applies to tenants transferring from one RP to another and transferring with the same RP. This is to maintain turnover of stock in the District and to encourage residents to ‘downsize’ without compromising their security of tenure. A tenant already covered by a lifetime tenancy who has to move due to a regeneration scheme would be expected to retain their lifetime tenancy throughout the life of the regeneration programme.

## Rural Housing

Rural exception scheme properties may require “local connection” eligibility to be
demonstrated. This will carry significant weight and the council should be consulted in each individual case with reference to the existing tenant`s ability to find suitable accommodation elsewhere and the nominations that may be considered for that property if the existing tenants move out. Consideration should also be given to the scarcity of housing in some rural areas. Any decision to renew, or not to renew, a tenancy will require a balance between the housing needs of those on the Housing Register and the likelihood of the existing tenant to secure other accommodation that meets their needs.

## Council Funding

Chichester District Council may use its own resources (land or investment
funding) to support a development. The Council may, in these circumstances determine the mix and distribution of flexible and lifetime tenancies and how they should be applied as part of the lettings approach on that site. This is to ensure that council resources are used to best and sustainable effect in the delivery of affordable housing and support of households in housing need.

## Tenancy terms

While the Localism Act 2011 allows fixed term tenancies to be offered for a two year term, the Council would expect that fixed term tenancies should be a minimum of five years to give some stability to households in need and for the communities in which they live. This does not include time for probationary or starter tenancies, the terms for which would be in addition to the five years minimum term. A term of five years allows a balance to be struck between providing security and stability for tenants.

## Under Occupation

Where a household under occupies by 2 bedrooms or more then this would be a material factor in considering not to renew a fixed term tenancy as the household would be deemed to be in a property too large for their needs. This would free up property for families in housing need in overcrowded or unsuitable conditions who require a larger property. This also helps to improve the supply of family homes for which turnover and re-let rates are traditionally low.

## Creating Sustainable and Balanced Communities

Registered Providers should have regard for the principle of sustainable communities, that is, the importance of encouraging stable and settled neighbourhoods. This is particularly important in areas of the District where there is a high may be a higher level of household/population turnover or social deprivation.

## Principles for Tenancy Reviews

The approach to the renewal of a tenancy at the end of the fixed term should solely be based on the housing need of the current tenants and an affordability assessment taking account of the financial circumstances of the household and whether they are able to afford to rent or buy a home in the private market.

The review assessment should assess whether the household still requires a property of the same type and size, in the same location, at a lower than market cost, and that the current property remains suitable given these factors. An assessment of affordability should also take into account how much the rent may increase for that particular property over the next five year term of the tenancy and whether likely increases in the rent may render it unaffordable. Where there is evidence to support a continuing need or an affordability issue, the council expects that the tenancy will be renewed.

# The review assessment

The District Council expects that in most cases fixed term tenancies will be renewed. The exception to this will be when there is here is evidence that:

* *On Housing Need grounds* – that taking into account the Council’s Allocations Scheme, a tenant’s need for property of specific size or type no longer exists. In such circumstances the District Council may exercise discretion to award Band A or B status under the Allocation scheme, thereby facilitating the tenant to bid for an alternative property through Homemove;
* *On Affordability grounds*, the household no longer requires social housing
property at that rent level; or
* *Suitable alternative accommodation* options are available which could reasonably meet the tenants’ needs.

# Guidance for Registered Providers:

Tenancy reviews should not involve a ‘desk top exercise’ but involve face to face interviews with tenants and adult members of the household in order to verify tenants’ circumstances as well as those of other members of the household.

In relation to the design of their policy, Registered Providers should set out:

* 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
* 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, whether the tenancy will be renewed, or whether a tenancy will come to an end
* The review process, timescales, and advice the tenant might expect to 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 decision

In relation to time scales, Registered Providers should:

* Ensure that tenancy reviews are started no less than 9 months before the end of the fixed term – ideally beginning 12 months before the end of the fixed term
* Work proactively with Council’s Housing Options service, advice agencies and partners to explore all housing options, no later than 9 months
before the end of the fixed term
* Ensure that the timetable for review and appeal is such that, following any appeal that results in the tenancy ending, the tenant has 6 clear months from receiving the appeal decision before the tenancy ends.

In relation to decision making, Registered Providers should provide written decisions which include:

* An explanation of how a decision has been made, and how the tenant`s individual circumstances relate to the RP’s policy
* Include an assessment of tenant’s ability to access suitable alternative accommodation reflecting their current and future income, health, disability and general welfare of any members of the tenant’s household.

# Governance of the Tenancy Strategy

Each registered provider should monitor the effects of their policies and individual reviews. The District Council is especially interested to understand the impact of this policy in terms of:

* The number of reviews undertaken and their outcome
* The outcomes for tenants whose tenancies are not renewed
* The number of transfers within RP’s stock which take place as a result of reviews, particularly where this results in down sizing

The implementation of the Tenancy Strategy and the use of fixed term tenancies by Registered Providers will be an item for regular review at the Council’s Registered Provider Forum.