

# Thanet District Council

## DRAFT TENANCY STRATEGY 2013-2017

August 2013



## **INTRODUCTION**

The Localism Act 2011 received Royal Assent on the 15 November 2011, and became law in April 2012.

Integral to the Act is a duty on local authorities to provide a Tenancy Strategy for the district.

This sets out the objectives affordable housing providers operating within their district need to consider.

With over 3,000 homes owned by Thanet District Council (TDC), this strategy directly affects the future management of its own stock. For the purposes of this strategy, both stock owned by TDC and its Housing Association partners is referred to as 'affordable housing'.

The Localism Act provides affordable housing providers with more freedom to;

- Provide new tenants with a fixed term tenancy, where it is believed to be more appropriate than a lifetime tenancy. This only applies to new let or re-lets, as existing tenants remain unaffected by any changes and will continue to enjoy full security of tenure. As well as all conditions such as the right to buy, rights of succession and a right to exchange their tenancy.
- Establish the length of the fixed-term tenancy to be offered.
- Develop their own strategy setting out the criteria to be issued in determining whether to issue a new tenancy at the end of any fixed term.
- Continue to grant lifetime tenancies if they wish.
- Build new homes or re-let existing homes under the new 'affordable rent' tenure, which allows for affordable housing providers to charge higher rent levels than are presently charged for their existing rented accommodation.
- The government expects local authorities to have some strategic influence over how affordable housing providers implement these reforms being proposed. All affordable housing providers operating within Thanet, will therefore, be expected to give 'due regard' to the districts' Tenancy Strategy, when implementing their own strategy and policies in regards to these changes.

Thanet District Council's Tenancy Strategy has been developed within the context of the overall Corporate Plan 2012-16 and its strategic objectives;

Priority 2 - We will tackle disadvantage across our district.

Priority 7 - We will plan for the right type and number of homes in the right place to create sustainable communities in the future.

This will apply to the Council's own housing stock, as well as those affordable housing providers operating within Thanet.

## **LOCAL CONTEXT**

Thanet sits on the North Kent Coast and covers the main seaside resorts of Margate, Ramsgate and Broadstairs along with the other village areas, with a population estimated to be 134,200 as per the 2011 census.

The average age of Thanet residents is 42 and the median age is 43. The 2011 Census showed 25,600 usual residents who were under 16, updated to 27,700 by the recently issued 2012 mid-year population estimations.

The 2011 Census showed 28,400 usual residents who were over 65, updated to 29,700 by the recently issued 2012 mid-year population estimations.

The 2011 Census showed that Under 19s accounted for 24% of Thanet's usual population, with 11-18 yrs accounting for 10.5% of the population

It is projected that the overall population of Thanet will rise from 136,000 in 2013 to 146,000 in 2021, with more people moving in from other parts of the country. Overall Thanet should see the retirement age population rise from 22.5% in 2013 to 24% in 2021 and up to 29% by 2035. The projections predict a slight drop in the percentage of school age and working age residents between 2013 and 2021.

There are 63,810 dwellings of which 56,050 are in the private sector.

Thanet District Council owns and manages 3, 070 homes.

The average salary in Thanet is £412.50 per week, in comparison to the Kent median of £546.20 and the South-East median of £554.40 (**Source: NOMIS 2011**).

The Government plans to introduce a Universal Credit system and housing benefit reforms which will cap, welfare benefits and reduce welfare benefits paid to some under occupying households. The Council therefore expects registered providers to be mindful of the potential impact of the proposed changes and the need to help under occupying tenants affected, move to smaller housing where they wish to do so.

There are currently 22 Registered Providers that hold stock within the District, equating to 3714 bed spaces.

## **AIMS OF THE STRATEGY**

The primary purpose of our tenancy strategy is to ensure affordable housing stock within Thanet is used effectively and that those residents unable to secure housing in the private sector (defined as housing which is owner-occupied or rented privately) are given access to it.

The use of flexible tenancies will provide all affordable housing providers including TDC, with opportunities to tackle under occupation allowing larger properties to then be released to assist with overcrowding issues.

The Council intends to take full advantage of the opportunity to grant fixed term tenancies and expects registered providers to do the same. Two year tenancies should only be issued in exceptional circumstances for example where there is a strong likelihood that the tenant will only require the tenancy for a short duration or where the property is only available for a short, fixed term.

The Council believes that the normal minimum tenancy term that should be provided by social landlords in Thanet is 5 years.

## **AFFORDABLE RENT**

The Department of Communities and Local Government (DCLG) and the Homes and Communities Agency (HCA) announced new 'affordable rent' tenure as part of the October 2010 Spending Review. This is to be made available during the 2011-15 Affordable Homes Programme. Under the affordable rent model, affordable housing providers can offer tenancies at rents of up to 80% of

market rent levels within the local area inclusive of service charges. The additional finance raised is available for reinvestment in the development of new social housing.

It can also be applied to both the provision of new affordable homes within the programme and the conversion of existing properties which become available in order to help fund the provision of the new homes.

The main features of this system are:

- Prior to setting an Affordable Rent, Thanet District Council will assess the gross market rent that the individual property would achieve using the Local Housing Allowance, and set the initial rent (inclusive of service charges, where applicable) at up to 80% of that level.
- Affordable Rent will be charged on all new homes developed by Thanet District Council under the contract agreed by Thanet District Council and the HCA relating to the Affordable Homes Programme.
- Thanet District Council will ensure that on each occasion that a new tenancy is issued or renewed on an Affordable Rent property, the rent is reassessed to ensure that it remains at no more than 80% of market rent (inclusive of service charges).

The result of any such reassessment will override the RPI + 0.5% limit, mentioned in the 'rent charges' section below.

## **RENT CHARGES ON AFFORDABLE RENTS**

- Rents will be charged for 52 weeks of each 52 week financial year, or 53 weeks of each 53 week financial year.
- Rent is payable on the Monday of each week it is due and should be paid within the week it is due.
- Rent will be inclusive of any applicable service charge
- The maximum annual rent increase on an Affordable Rent property will be set at Retail Price Index (RPI) + 0.5%.  
*Should this change to CPI then this will be reviewed.*
- Rent increase or decreases will be applied from the first rental charge period of each financial year which will usually be the first Monday in April.
- Customers will be notified in writing of such increases within the 28 day statutory notice period.

## **DEALING WITH NEW HOMES**

All new homes built utilising funding from the HCA must be let at an Affordable Rent due to the funding requirements, including any new build delivered by TDC.

## **DEALING WITH RE-LETS**

As part of the supply agreement for new properties, TDC can convert a proportion of existing Target Rent Properties (also known as Social Housing Rent) to Affordable Rent.

To overcome the problems with the property types, and thereby reducing the impact on some of the more vulnerable customers, it has been decided to restrict this to houses only. Therefore, 20% of all re-lets that are houses will now be let at an affordable rent. This will assist TDC with its

development aspirations as the additional rental income will be used to deliver a new build programme.

Cases will be considered on a case by case basis to ensure we are working towards our strategic housing objectives and to create sustainable communities.

## **ALLOCATIONS**

Affordable Rent homes will be advertised through HomeChoice and in accordance with Thanet District Council's Allocations Policy, in the same way as social rent homes, to ensure fairness and transparency.

## **SERVICE STANDARDS**

Customers will be informed of any increase or decrease to their rent in accordance with the statutory 28 day notice period that is required.

## **TERMS OF THE STRATEGY**

Outlined below are the circumstances TDC will continue to grant secure or lifetime tenancies together with those where a fixed term flexible tenancy may be used. At all times, the rights of existing tenants from within the affordable rented sector will be observed.

Those to be granted life-time tenancies will be;

- Existing tenants of TDC or another affordable housing provider whose tenancy commenced before 1 January 2014 unless they move into a new house with affordable rent.
- Older people who have reached state retirement age. In a couple this is where one person is at state retirement age.
- Former armed forces personnel who have been both medically and honourably discharged and saw active service during their military career.
- Households where the applicant, spouse/partner or dependent child has a disability (Disability defined within the Disability Discrimination Act as a person who has a physical or mental impairment that has a substantial and long-term effect on his or her ability to carry out normal day to day activities).
- Applicants or spouse/partner who is terminally ill.

In all other circumstances, a fixed term tenancy of five years for Local Authority tenants following a one year introductory tenancy will be awarded from 1 January 2014.

The council may also wish to allocate 2 year tenancies. This would be awarded in the following circumstances;

- Where a housing applicant has a previous track record of anti-social behaviour,
- In areas where the Council is involved in a regeneration scheme. For example in areas where the empty property program is being delivered.

The potential for fixed term tenancies to make better use of the stock locally, relates primarily to under occupation in family accommodation (two or more bedroom houses and flats).

## **MUTUAL EXCHANGE**

All requests for permission to mutual exchange must be made to the Landlord. Landlords will provide information to the assignee of the implications of exchanging with a tenant who has a fixed term tenancy. Where any tenant wishes to exchange their property for a home with another landlord, then the tenant and the assignee must be made aware if the tenancies are different.

## **SUCCESSION**

There is an automatic right for a spouse or partner to succeed a flexible tenancy. This will only happen once, however, with any other right being at the discretion of TDC or other affordable housing providers. Where a succession is granted, successors will only be succeeding for the remainder of the period of that tenancy and within any full review period.

## **TENANCY REVIEWS**

No less than 6 months before a flexible tenancy is due to end, it will be subject to a review. If it's decided a tenancy will not be renewed, then written notice advising the tenant of this will be served. Any notice should include the reasons for a decision and advise them of appeal rights.

Should any tenants appeal fail to be overturned, possession of the property will commence. Any application for possession may then be challenged in the County Court.

## **TENANCY REVIEW CRITERIA**

Unless one of the conditions for not re-issuing a fixed term tenancy is met then a new fixed term tenancy will be granted to the tenant for a further five years.

A tenancy may also continue if;

- A tenant or a member of their household is suffering from a terminal illness, substantiated by their GP.
- A tenant or member of the household has a disability, substantiated by occupational therapy.
- A tenant has children attending a local school.
- A tenant is a foster carer and the tenancy needs to continue to enable them to perform this role.
- The tenant is a care leaver and still receives support from social services or equivalent support provider because of this.
- The tenant provides a valuable community service to the area that they reside.

Tenancies will not normally be extended where one or more of the following apply;

- The tenant or member of the household has been convicted of any civil disturbance or criminal act which makes them unsuitable to continue to be a tenant.
- The tenant has breached their conditions of tenancy and has failed to reach or maintain agreements to remedy such a breach.
- Where there is now one or more spare bedroom's in a property.

- The property has been extensively adapted (extensive being works in excess of £5,000) and works were for someone who no longer resides within the property.
- The tenant, spouse/partner has assets or savings which are greater than the amount stipulated in TDC's Allocation Policy this is currently £ 16,000.00.
- Where a tenant is earning more than is stipulated in TDC's Allocation Policy this is currently if any member of the household is earning a higher rate salary which places them into the higher or additional rate taxable bands as per HM Revenue and Customs.

## **TERMINATION OF A FLEXIBLE TENANCY**

Any tenant should be given sufficient notice to seek advice about possible options. TDC is committed to working with the tenant, to assist with their alternative housing options.

These options may include home ownership or accommodation within the private sector. TDC expects affordable housing providers to be able to offer advice and assistance, as well as explore alternative financial opportunities to that which TDC may offer.

TDC Housing Options Team will be able to assist tenants with a range of advice as a result of any termination of tenancy. Advice could include signposting to other organisations that can assist with their housing related issues.

## **APPEALS**

The Council expects that providers will have robust and fair appeals processes in place and advertised that sets out;

To whom appeals or reviews should be made and how they are made. The Council's appeal procedure will contain Elected Members who will sit on the appeal board and who will be fully independent. Along with a more Senior Officer than the one who made the original decision.

Where a tenant wishes to appeal the termination of tenancy and the notice period has expired during the period of the appeal, the tenant will be permitted to stay in the property if there is not likely to be an unreasonable delay in the property becoming vacant.

If the formal review upholds the original decision no other appeals will be considered. The tenant continues to have the usual recourse through the County Court.

The Council will ensure that if people have to leave their Council tenancy due to the size criteria that we will make two offers of appropriately sized accommodation to the tenant to ensure that they do not become homeless.

# GLOSSARY

## **Affordable housing**

Affordable housing includes social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market.

## **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 household's or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

## **Social rented housing is:**

Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant.

## **Affordable Rent**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent.

## **Intermediate affordable housing is:**

Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent but does not include affordable rented housing.

**Arms Length Management Organisation – ALMO:** A situation where an organisation is established to manage council housing stock. The properties remain council owned and tenants retain secure tenancies. This can provide extra funds.

**Decent Homes Standard** – All social housing must meet the Decent Homes Standard, to be warm, weatherproof, and have reasonably modern facilities.

**Empty Property:** For statistical purposes, empty properties are those which have been vacant for more than 6 months.

**Homes and Communities Agency (HCA):** A body set up by the Government, which provides assistance, regulation and control of Registered Providers landlords (RP's). It also allocates funds for the development of new affordable housing.

**Housing Options Team:** The team manage the housing list, choice based lettings, housing advice and homelessness functions and ensures that the Council discharges its statutory duties to households in housing need in a fair and transparent manner, complying with statutory obligations, guidance and best practice.

**Housing Revenue Account (HRA):** This is the Council's landlord's account, which shows all of a Local Authority's income and expenditure arising from its role as the owner of housing. The account is 'ringfenced'; that is, no transfer can be made between it and the rest of the Council's accounts, the 'General Fund'. Other powers and duties of a Housing authority, for example the duty to the homeless, the 'enabling' role in promoting Housing Association activity in the area, and grants for private sector housing are General Fund activities.



**Intermediate housing:** where prices or rents are above those of social rented housing but below market housing prices or rents.

**Kent Homechoice(KHC):** Choice Based Lettings scheme partnership in Kent, the largest CBL partnership in the UK. All of the Kent councils are part of the partnership. Vacant council and housing association homes are advertised on a fortnightly basis through KHC. Housing applicants have to bid/express an interest to be considered for them. The homes are allocated to the applicant who bids and has the highest level of priority points for re-housing.

**Kent Housing Group (KHG):** This is a forum for social housing organisations in Kent. Acting as the “Voice of Housing in Kent” the group serves to represent the collective voice of Kent’s housing bodies providing advice and a “Kent perspective” to regional and national bodies.

**Local Housing Allowance (LHA):** This is a simplified housing benefit system for people on benefits or low incomes who rent from private landlords. LHA is based on the number of rooms people are allowed, not how much rent is charged. The number of rooms allowed depends on who lives with the tenant.

**Market Housing:** Private housing for rent or sale, where the price is set in the open market.

**Registered Social Landlord (RSL):** - A social housing organisation that is registered with the Homes & Communities Agency and is often referred to as a housing association.

**Registered Providers:** Registered Provider landlords are independent non-profit making housing associations aiming to provide affordable homes for people in housing need. Also known as Housing Association’s.

**Right to Buy:** Government policy that allows tenants of local authorities to purchase their home from the council.

**Vulnerable People:** The following people are considered to be vulnerable:

- Older people/young people leaving care
- Single homeless people and rough sleepers
- People with mental health issues
- People with a physical or sensory disability/or a learning disability
- Victims of domestic violence
- Black and minority ethnic groups
- People with aids or who are HIV positive
- Refugees who have been granted leave to remain