



**December 2012**

## **Folkestone and Hythe District Council Tenancy Strategy**

### **1. Introduction**

- 1.1 Local Housing Authorities (LHA) are required to develop and implement a Tenancy Strategy for their area under the provisions of the Localism Act 2011. The Tenancy Strategy provides guidance for registered providers (also known as housing associations) operating in the Folkestone and Hythe District on the local strategic housing priorities for the district.
- 1.2 This document sets out the council's draft Tenancy Strategy Proposals for the Folkestone and Hythe District. Our local partners and customers, during a consultation period, were asked to give their feedback on the proposals set out in this document.

### **2. Overview**

- 2.1 The Government has introduced policy changes which mean it is possible for the council and other providers of affordable rented homes to grant fixed term tenancies. This represents a considerable change from current policy arrangements whereby households are generally offered a life-time tenancy when moving into council and registered providers (housing associations) homes in Folkestone and Hythe.
- 2.2 Funding arrangements for new affordable homes have also changed, and new homes provided by registered providers (housing associations) are now required to be provided at affordable rents, rather than the social rents that have been provided in the past.
- 2.3 The council will also be able to consider using the private rented sector more widely than it currently does to meet the long-term housing need for homeless households in the district. In meeting its obligations to homeless households the council will be able to offer private rented tenancies for a minimum of 12 months, provided the accommodation meets the household's needs.

### **3. Housing Need in Folkestone and Hythe**

- 3.1 Housing Need in Folkestone and Hythe continues to remain at a very high level. This is evidenced by the high number of households currently registered on the Folkestone and Hythe Housing Register and the number of homeless households requesting assistance from the council. There are currently approximately 3,000 registered on the housing list. In addition to this, the council's Strategic Housing Market Assessment has shown that in excess of 1,000 additional affordable homes are required each year to meet the identified housing needs of the district.
- 3.2 In view of the high identified levels of need in the district, it is vital that the council and its partner housing providers make the best possible use of the affordable housing stock available within the district.
- 3.3 It is also essential that the local community is aware that the private housing sector will meet the majority of Folkestone and Hythe households' housing needs.

#### **4. The Purpose of this Document**

- 4.1 This Strategy is the council's response to the requirements of the Localism Act. It sets out how the council would like registered provider (housing associations) partners with affordable housing stock in the district to respond to these changes.
- 4.2 The strategy covers the following areas:
1. The use of flexible tenancies (Section 5, 6 and 7).
  2. The introduction of the affordable rent regime (Section 8).
  3. Tenancy Succession Rights (Section 9).
  4. Changes to the way the council uses accommodation within the private rented sector to house homeless households for which it accepts a rehousing duty (Section 12).
  5. The strategy also considers possible changes to the council's allocations policy that will be considered by the council, in consultation with our customers and partner agencies (Section 10 and 11).

Each of these areas is considered in depth in this Strategy.

#### **5. Flexible/Fixed Term Tenancies**

- 5.1 The Localism Act enables the council and its registered providers (housing associations) partners to let affordable housing on flexible/fixed term tenancies to new tenants, rather than the current lifetime assured and secure tenancies that are offered.
- 5.2 The council embraces the principle of providing fixed term tenancies in most circumstances as it believes this change will make a significant contribution toward ensuring that the best possible use is made of the affordable housing stock in the district. However, we also recognise that excessive tenancy turnover within particular communities can have a negative impact in terms of community balance, cohesion and sustainability. We also recognise that some members of the community

with particular life-time support needs and vulnerable older people may benefit from the continued offer of life-time tenancies.

5.3 To implement flexible/fixed term tenancies, the council proposes the following elements to its Tenancy Strategy:

- Flexible/fixed term tenancies should normally be offered for a period of 4 years, including any tenancy probation period implemented by landlords.
- In some circumstances, where housing applicants have a previous track record of anti-social behaviour, landlords may wish to allocate 2 year tenancies, **including any tenancy probation period**. If the tenancy is renewed after the initial 2 year period, the tenancy period could be extended to the usual 4 year flexible/fixed tenancy period.
- Applicants with a serious lifelong support need should continue to be offered a long-term tenancy (usually 10 ten years). This provision applies to tenants with serious support needs requiring both general needs and specialist supported accommodation (including sheltered housing provision).
- The council also supports the principle that former members of the British armed forces (including members of their household), who have sustained life-changing injuries or disabilities during the course of their service, should also receive long-term tenancies (usually 10 years).

## 6. Reviewing Flexible/Fixed Term Tenancies

6.1 In the majority of cases, the council is of the view that flexible/fixed term tenancies will be renewed at the end of the agreed fixed term period. However, to enable an effective review of the tenancy and the needs of the household in the accommodation, it is essential that the council and partner agencies have a robust review process in place\*. The review should also allow for an appropriate amount of time to enable a tenant household to identify and move to suitable alternative accommodation.

\* Six months before the end of the fixed term, the landlord will review the tenancy and decide whether a tenant can stay there or have to move on.

6.2 The council believes that the following factors should be reviewed and taken into account during the tenancy review process:

- The current accommodation needs of the household and their need for a property of the type and size that they currently occupy.
- The income of the household and its level of savings and their ability to access alternative appropriate accommodation through the private housing market.
- The conduct of the tenant and other household members during the tenancy period.
- The contribution of household to the overall vitality of the community and potential impact on the community if they were to move out of the area.
- The council believes that any lump sum received by a member of the Armed Forces as compensation for a life-changing injury or disability

sustained on active service should be disregarded in the review assessment.

- 6.3 The council will implement its own internal appeals process, to enable tenants to review a decision made by the council where it intends to end and not renew a flexible/fixed term tenancy. The council will ensure that all tenants are aware of this review process and expect all social landlords working in the district to implement their own tenancy review and appeals processes.

## **7. Facilitating Appropriate Move-on Accommodation**

- 7.1 Where the council and other landlords decide not to renew a tenancy it is essential that the tenant is made fully aware of their landlord's decision regarding the future of their tenancy.
- 7.2 As part of this process they should be actively sign-posted to enable them to identify and access alternative housing accommodation. In some circumstances this may include providing assistance to enable households to access accommodation within the private rented and owner-occupation sectors. In some circumstances this may include the provision of suitable alternative accommodation.
- 7.3 The council expects that decisions not to renew a tenancy should not result in the tenant making a homelessness application to the council.

## **8. Our Approach to Affordable Rents**

- 8.1 Affordable housing now includes social rented, affordable rented and intermediate housing. Affordable housing is required to be made available to households whose needs are not met by the local housing market. Prior to 2011 all affordable rented homes were let at social rents.
- Social Rented Housing is rented housing owned and managed by local authorities and registered providers (housing associations) of social housing, which are let at targets rents which have been determined by the national rent regime.
  - Affordable Rented Housing is provided by registered providers of social housing on the same basis as social rented housing, but rent levels are outside of the national rent regime. Instead, the accommodation is required to be made available to eligible households at rental levels of up to 80% of the local housing market rent.
  - Intermediate housing is housing provided at prices and rent levels above those of social rents, but below market prices or rents. This can include shared equity products (e.g.: Homebuy), other low cost homes for sale and intermediate rent, but not including affordable rented housing.
- 8.2 All new affordable rented homes provided by registered providers with the assistance of Homes and Communities Agency Grant Funding are required to be let at Affordable Rents (rents of 80% of the local housing market

rate). The Affordable Rent should also include any service charge for the property. The council expects that all Affordable Rented Homes will be advertised through Kent Homechoice (Choice Based Lettings).

- 8.3 The council fully supports the use of Affordable Rents; however, we do expect Affordable Rents to be set at a level which is below the housing benefit cap to ensure that households who are eligible for Local Housing Allowance will be able to claim the full rental amount. We also expect registered provider partners to take account of the other planned changes to the benefits system, which will impact on the affordability of rents for low income households.
- 8.4 Some registered providers have also stated that they wish to explore the possibility of converting a proportion of their existing Social Rented homes to Affordable Rent levels in order to assist them to fund the development of future new affordable homes. Although the council recognises that this may be necessary in some circumstances, it also recognises that Social Rented Homes are particularly important for low income households living in larger homes and can affect the ability of a household to move into low-paid employment. Overall, the council requires that no more than 20% of the existing stock of social rented homes in the district owned by registered providers (housing associations) should be converted from Social Rents to Affordable Rent levels on re-letting. We also require that all 3 and 4 bedroom affordable homes should continue to be let at Social Rents. Prior to any conversion being made we also expect housing providers to have fully considered the potential impact the conversion will have on the supply of affordable housing in the district as a whole and in specific areas of the district.

## **9. Tenancy Succession Rights**

- 9.1 Under the provisions of the Localism Act 2011, the entitlement of individuals to take over an existing council or registered providers (housing associations) tenancy has been changed.
- 9.2 The legal right to succession will be limited to a spouse or civil partner only. While this provision excludes other close relatives living with an existing tenant (at the time of the tenant's death), social landlords will be able to adopt and implement their own local discretionary succession policies permitting a wider range of agreed household members to succeed to a tenancy.
- 9.3 Landlords providing affordable homes are expected to where possible, assist other household members affected by such circumstances (who have lived with the late tenant for at least the 12 months pre-ceding the tenants death). Where the property is a suitable size and type, the household member may be granted a normal fixed term tenancy for the property. Where under-occupation or suitability of a property is an issue, a household may be assisted with a move to suitable alternative accommodation. Household members that may be considered under these provisions are:

- Close family members (siblings, parents, children)
- Carers

9.4 Any succession to a Flexible/Fixed Term Tenancy should only be for the remaining period of that tenancy, and should be subject to the normal tenancy review set out in this document.

## **10. Changes to the Folkestone and Hythe Housing List**

10.1 The Localism Act has also introduced new freedoms which allow the council to set the rules which determine the categories of applicants who qualify to be considered for social housing in the district. However, the Government has recently issued new guidance which continues to set out which applicants should receive priority for social housing known as reasonable preference categories.

10.2 There are currently approximately 3,370 households registered on the Folkestone and Hythe housing list. With only 370 lettings made to social housing in the district during 2011/12, it is clear that social housing is unable to provide a long-term housing solution for the vast majority of the households registered for housing.

10.3 In view of these issues and policy changes, the council will complete a thorough review of its Housing Allocations Policy. This process will commence in early 2013.

## **11. Local Lettings Plans**

11.1 In some circumstances the council recognises that the use of a local lettings plan will help to create more sustainable local communities and provide a better living environment for local residents. Local Lettings Plans will be used in the following circumstances and will be clearly communicated to housing applicants through Kent Homechoice:

- Where it is appropriate to give priority to a particular client group.
- Where it is appropriate to give priority to individual with a strong link to a particular community.
- Where a community is experiencing serious community safety issues.

## **12. Choice Based Lettings**

12.1 The introduction of choice based lettings in Folkestone and Hythe has helped to ensure that the allocations process for affordable homes in the district is much more transparent and open for households seeking accommodation.

12.2 The council expects that all affordable homes in the district will continue to be let through Kent Homechoice.

## **13. Reviewing the Effectiveness of this Policy**

- 13.1 The council recognises that it is vital that it keeps this policy under ongoing review to ensure that it fully meets the needs of the local community.
- 13.2 As part of this review we will actively seek the views of our partner agencies and customers. The council will publish any proposed changes to this policy and enable partners and customers to let us know their views on the proposals. We will ensure that the feedback we received is used to inform future changes to this policy and our wider allocations policies.