

# London Borough of Havering – Draft Tenancy Strategy

## 1. Introduction

The Localism Act 2011 introduces a number of housing reforms. These changes include giving local authorities and Registered Providers<sup>1</sup> (RPs) the freedom to introduce flexible fixed-term tenancies from April which have a limited security of tenure. In addition to these, the Act also gives freedom to councils to review their allocation schemes (the subject of a separate consultation), changes to homelessness legislation and the reform of council housing finance.

The Act also requires local authorities to produce a Tenancy Strategy. As the strategic housing authority, Havering Council has been working in partnership with East London authorities and RPs to shape this draft strategy. We have also had regard to our Allocation Scheme review, Homelessness strategy and the Revised Draft London Housing strategy.

This Strategy sets out our performance to date, local information and provides guidance to RPs on the following issues:

- making best use of housing stock in the borough
- increasing housing mobility
- meeting the needs of those in priority need
- assessing affordability of 80% market rent to local people
- flexible fixed-term tenancies

As the Council owns social housing stock we set out our proposals for introducing flexible fixed-term tenancies in chapter 7 and in particular the following:

The kinds of tenancies we grant

- The circumstances in which we will provide a tenancy of a particular kind
- Where we grant tenancies for a certain term, the length of the terms, and
- The circumstances in which we will and would not grant a further tenancy when it comes to an end of an existing tenancy.

As a requirement of the Localism Act 2011, Registered Providers (RPs) need to have regard to the information contained in this Strategy when formulating their own policies.

## 2. Aim of the Strategy

This Draft Tenancy Strategy intends to give guidance to RPs operating in the borough so that they develop letting and tenancy policies that take account of local needs and the housing market. We want to ensure that social housing in the borough is used as effectively as possible, in order to meet those in greatest need.

This Strategy may evolve over time to take account of changing housing needs in the borough and conditions in local housing markets. The Council will keep the document under review and may modify or replace it from time to time in consultation with RPs.

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<sup>1</sup> Registered Providers – sometimes called Registered Social Landlords or Housing Associations

### **3. The Policy Framework**

The Council is a key partner in delivering housing change at both regional and sub-regional level. Our key strategic responsibility is to set and deliver housing-related services that meet local people's priority needs in partnership with RPs and agencies across Havering borough.

In developing this Draft Tenancy Strategy the Council has had to consider the policies of its national, regional and local partners. This section identifies the key housing policies and drivers that have informed the document.

#### **National level**

##### **Government housing strategy**

The Government's recently published housing strategy<sup>2</sup> aims to deliver homes and strengthen the economy. The strategy sets out the Government's ambitions to deliver the following 6 key priorities:

1. Increasing supply: more homes, stable growth
2. Social and affordable housing reform
3. A thriving private rented sector
4. Our strategy for empty homes
5. Quality of housing experience and support
6. Quality, sustainability and design

Priority 2 focuses on social and affordable housing reform.

This chapter recognises the importance that social and affordable housing makes to improving people's life chances at a time when they need it, for as long as they need it and its contribution to supporting mixed sustainable communities and local economies. It highlights key issues including excessively long waiting lists, the need to make best use of social housing and providing tenants with support into work and sets out key actions for future delivery. Our Tenancy Strategy sets out our commitment to deliver these aims at a local level which we can directly influence.

##### **Localism Act 2011**

The Localism Act introduces changes to the way in which social housing is provided, allowing local authorities (that own housing stock) and other social landlords to offer homes to tenants on fixed-term tenancies, normally with a minimum length of five years (and between two and five years in exceptional circumstances) with the aim of increasing mobility (for example, supporting people to move for work) and encouraging tenants and landlords to decide what type of housing is suitable at different stages in life.

The legislation requires this Strategy to include the following guidance for RPs:

- 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 term, the length of the terms, and
- d) the circumstances in which they can grant a further tenancy on the coming to an end of an existing tenancy.

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<sup>2</sup> "Laying the Foundations: A Housing Strategy for England", (Nov 2011), Communities and Local Government Department (CLG). Available to download at <http://www.communities.gov.uk/publications/housing/housingstrategy2011>

Havering Council's Draft Tenancy Policy in chapter 7 sets out how we propose to provide fixed-term tenancies and other RPs need to have regard to our proposals when developing their policies.

## **National Affordable Homes Programme**

### **Delivery of new affordable housing and introduction of Affordable Rents**

Alongside the Localism Act, the Government has introduced a framework for delivering new affordable housing. The Homes and Communities Agency has agreed a new Affordable Homes Programme to deliver new housing over Comprehensive Spending Review period, ending in 2015. This scheme encourages registered housing providers to apply for affordable housing funding. They have flexibility to charge Affordable Rents, up to 80% of local market levels on both new properties together with a proportion of re-let properties, in an agreement to develop new homes under the programme. The Government is also encouraging landlords to develop more efficient and innovative ways of making the best use of their housing stock.

#### **Affordable Rent**

Affordable rents are not included within the Localism Act. However, Havering Council wants to provide information on local people's earning levels together with an assessment of affordability. For this reason, we have included guidance on affordable rent levels for registered providers as part of our Strategy and RPs need to have regard to this guidance when developing their policies.

## **Equality Act 2010**

Councils and Registered Providers need to have regard to the Equality Act 2010<sup>3</sup> that came into effect on 5 April 2011. We need to ensure that we consider how different people will be affected by our activities and deliver policies and services that are efficient and effective, accessible to all and that meet different people's needs. In meeting the requirements of the Equality Act, we have taken account of different groups and outline our priorities that Registered Providers must take into account when developing their tenancy policies. An Equality Analysis is being undertaken in relation to this Strategy and the Council expects RPs to carry out their own Equality Analyses in respect of their policies.

## **Regional context**

### **Revised Draft London Housing Strategy 2011**

A Draft Revised London Housing Strategy<sup>4</sup> was recently out to public consultation. From April 2012, the Mayor will be directly responsible for strategic housing, economic development and regeneration in London. The Draft Strategy reinforces the Mayor's commitment to working with London boroughs to deliver the vision - more affordable housing and housing is of higher quality, enabling improved opportunities for social and economic mobility.

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<sup>3</sup> The Equality Act 2010 extended statutory equality duties and now includes duties to cover Race, Disability, Gender, Religion and Belief, Sexual Orientation, Age, Gender reassignment, Pregnancy and Maternity, Marriage and Civil Partnerships.

<sup>4</sup> 'Draft London Housing Strategy 2011', Mayor of London, 2011, [www.london.gov.uk/consultation/revised-london-housing-strategy](http://www.london.gov.uk/consultation/revised-london-housing-strategy)

Havering Council remains committed to working with regional partners and our Draft Tenancy Strategy sets out our commitment to delivering this vision at a local level which we can directly influence.

## Sub-regional context

### East London Housing Partnership (ELHP) Action Plan

In April, the East London Housing Partnership published the East London Housing Partnership Action Plan 2011-15. It analysed the key housing issues and developed priority issues that will be tackled collectively between the eight East London local authorities: Barking and Dagenham, City of London, Hackney, Havering, Newham, Redbridge, Tower Hamlets and Waltham Forest. The key priorities are:

- Increasing the supply of housing to reduce needs and support economic growth
- Improving the affordability of homes
- Improving the quality and sustainability of homes
- Enabling mobility across the sub-region and other parts of the UK, and between tenures
- Ensuring that East London's housing offer is inclusive and supports the needs of all

Havering Council continues to play an important role in the sub-regional approach to meeting the housing needs of people living or aspiring to live in East London. Table 1 below summarises the work that has been carried out to date to boost the supply of housing, meet housing needs and to promote mobility across East London boroughs.

Table 1 - Links between the Tenancy Strategy and the ELHP action plan

East London Housing Partnership objectives	Actions	Target	Performance to date
Boost supply and alleviate housing need	Investigate how the partnership can explore scope for shared benefits from Devolved Delivery, New Homes Bonus and new Affordable Rents <ul style="list-style-type: none"> <li>- Share data and experience</li> <li>- Coordinated approach for Affordable Rents</li> </ul>	April 2011	The ELHP commissioned an Affordability Analysis in February 2011 to inform RPs' Affordable Rents policies. This information is provided in chapter 5. The ELHP has provided an Affordable Rent calculator on the choice based lettings website to help prospective bidders.
	Manage nominations protocol effectively <ul style="list-style-type: none"> <li>- Learn from experience of protocol to date</li> <li>- Improve data monitoring and recording</li> <li>- East London's contribution to pan-London protocol</li> <li>- Revised the protocol in light of the new Affordable Rent produced by December 2011</li> </ul>	Ongoing	Havering Council has signed up to the pan-London protocol <i>housing moves</i> , providing up to 5% of council housing stock in the borough from May 2012 to support social housing tenants' ability to move across

			London.  The nominations protocol has been produced and circulated to ELHP partners.
	Strengthen and expand joint working on overcrowding and under-occupation <ul style="list-style-type: none"> <li>- Deliver current project on time and to target</li> <li>- Continue to develop new ways of reducing overcrowding and under-occupation</li> <li>- Pursue joint working options with RSLs</li> </ul>	Ongoing	<u>Under-occupation</u> We are reviewing our Allocations Scheme. Our Draft proposals support tenants who want to down size, thereby releasing a larger family size property. <u>Overcrowding</u> Under the Allocation Scheme Review we propose to directly offer a property to households that are statutorily overcrowded into suitable accommodation. <u>Joint working options</u> Havering Council encourages RSLs to develop policies that recognise and support tenants who want to down size in addition to supporting overcrowded families.
<b>Aid and promote mobility</b>	Develop reciprocal agreement for urgent move Build on domestic violence protocol Encompass gang violence, care and support needs, access to work etc.	June 2011	A reciprocal agreement has been adopted by all social landlords in the borough. An agreement has been adopted as part of management transfer processes by social landlords operating in the borough.
	Begin moves towards a common lettings approach <ul style="list-style-type: none"> <li>• Map lettings policies currently in operation</li> <li>• Working group to present options for overcoming significant differences</li> </ul>	April 2011	Given the different housing challenges across the ELHP area, this is not being pursued at present.
	Work towards establishing an East London RSL protocol, in the context of choice based letting scheme. Formalise the relationships between RSLs and local authorities in nominations, allocations, homelessness prevention etc.	April 2012	A feasibility study is expected to be undertaken in 2012.

## Local strategic context

### Corporate Plan

Havering Council's purpose is as follows:

"We're here to serve local people and make Havering a place where our residents are proud to live"

In 2011, the Council adopted the following vision and corporate aims:

Everything we do is aimed at delivering **a better quality of life for local people.**

The Living Ambition is based on five Goals:

- Goal for the Environment to ensure a clean, safe and green borough
- Goal for Learning to champion education and learning for all
- Goal for Towns & Communities to provide economic, social and cultural opportunities in thriving towns and villages
- Goal for Individuals to value and enhance the lives of our residents
- Goal for Value to deliver high customer satisfaction and a stable Council Tax.

All of the Council's strategies are developed and aligned to achieving these objectives and these values remain a constant at the heart of everything we do:

- We will strive to act as One Council
- We will Learn from our Experiences
- We will act with Integrity at every step of the way
- We will show each other – and our customers – that You Matter
- We will display a Can Do attitude
- We will continue to be Fair To All.

### Housing strategy

This Tenancy Strategy will be a sub-strategy of the Council's Housing Strategy and sit alongside related strategies including Homelessness Strategy. These documents are outlined in Appendix 1.

## 4. Our local context and housing market

As the strategic housing authority, Havering Council has a critical role to play in understanding and shaping housing markets for the future so that housing supply meets needs and demands over both the short and longer term, that we make the best use of all resources and contribute to achieving wider community objectives.

To achieve this, we aim to improve the level of information we keep and maintain a detailed understanding of the drivers that affect local housing markets

### Local context

Havering has a key strategic location within London, the Thames Gateway and the South East and is in close proximity to the heart of the 2012 Olympic Games sites. Demand for housing is strong and attracts both older and younger people with dependent children, due to its good transport links into central London and the rest of the country, good public transport, parks and open spaces, schools and health centres.

At the time of the Census 2001, out of a total of 93,792 homes<sup>5</sup>, a high proportion (78.77%) were owner-occupied, 12.41% (10,195) of homes were rented from the Council, 1.78% rented from a housing association, 0.38% in shared ownership, 4.91% privately rented and 1.73% were rented from another source. Although more social housing has been delivered in the borough since 2001, the supply of social housing, compared to those in home ownership is relatively low and so it is important the Council and Registered Providers make the best use of the existing housing stock for local people with priority needs.

### **Future demand for housing in the borough**

In 2001, Havering's population was 224,000. Although the borough's population fell by 3% between 1991 and 2001 it is forecast to grow by 3% by 2021. More significantly, the number of newly forming households is expected to increase by 7.5% over the same period. The Strategic Market Assessment carried out in 2010, indicated that newly forming households may consist of couples with dependent children, increasing the pressure on the supply of existing family-size housing in the borough.

The research indicated that whilst the older population aged 65+ was expected to decrease between 2001-2012, due to the number of new forming households we can expect an increase in the elderly aged 85+ (a 30% increase between 2001-2011).

## **Focus on Social housing**

### **Social housing stock owned by Havering Council**

As at 1 April 2011 the Council owned 10,017 social rented homes. The stock consists of a range of housing types, the highest proportion (58.1%) of which are flats, 37.6% are houses, 3.9% are bungalows and 0.4% are traditional multi-occupied properties. While the Council owns sheltered, it does not own any supported housing or extra-care schemes at present.

Void properties are usually re-let well within 30 days across all housing types with one exception - sheltered housing. There are been difficulties in letting a number of the sheltered properties, due to an over-supply of this type of property. Schemes are being remodelled or improved to ensure we increase the number of homes for those in greatest need.

### **Social housing stock owned by other social housing providers**

There are 21 RPs operating within the borough which own a total of 2,861<sup>6</sup> social rented units. Of these, 61.1% are flats, 32.4% are houses, 1.85% are maisonettes, 1.71% are sheltered and 2.06% extra-care units. There are low levels of bedsits and bungalows.

### **Demand for social housing – housing needs information**

In November 2011, a total of 10,465 households were on the Council's Housing Register. As social housing is in high demand and priority is given to those in most need of housing, a majority of applicants on the register with a low or no housing need have had no realistic prospect of accessing social housing. As mentioned in the introduction of this Strategy, a review of the Allocations Scheme is being undertaken.

### **People wanting to downsize in to a home with fewer bedrooms**

We believe there is a higher latent demand to downsize which is to some extent constrained by the lack of high quality alternative properties. We are currently seeking to convert our own resources and influence National Affordable Housing Programme (NAHP) resources to

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<sup>5</sup> Source - Census 2001

<sup>6</sup> Housing Strategy Statistical Appendix (HSSA) 2009/10 data return

deliver attractive smaller properties. We are also seeking to maximise and prioritise downsizing through our Allocation Scheme.

### **Neighbourhood-specific information**

We acknowledge that some of our neighbourhoods have specific needs and will produce local lettings schemes in consultation with registered providers to ensure that new housing units are allocated and sustainable communities are achieved. These development project areas are located in:

- Harold Hill Ambitions Programme, including Hill Dene and Briar Road Estate Renewal
- Rainham Compass, including the Orchard Village area

### **Tenure-specific information**

MOSAIC<sup>7</sup> data indicate that the group most likely to live in public rented properties are benefit dependent young families and single person households in social housing who often have high levels of debt, low levels of savings and poor health.

While a majority of social housing in the borough (typically Council housing stock) will continue to be let at a social rent, RPs are introducing Affordable Rents for new build homes together with a proportion of re-lets and we look at this in more detail in Chapter 5.

## **Guidance for Registered Providers**

### **5. Affordable rents**

Havering Council recognises that RPs will set Affordable Rents of up to 80% market rent (including service charges) based on the value of individual properties and not the borough average. This means that there may be some variation in rents sets across different parts of the borough. However, we need to establish whether people earning an average salaries in the borough are able to afford up to 80% of the market rental value. The assessment is discussed below.

A study in March 2011 found that in Havering, housing market rent levels are not exceptionally high when compared with other areas in East London. Based on selected postcodes covering Harold Hill, Central Romford and Rainham average private sector markets are, together with Barking and Dagenham, the lowest in East London. Table 2 below sets out in simple terms affordability of 80% market rents to residents across East London on median incomes in that Borough.

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<sup>7</sup> Experian and London Borough of Havering, 2010



Table 2 – an East London study of affordability of 80% market rents for those on median incomes

PERCENTAGE OF GROSS INCOME COMPARED TO 80% MARKET RENTS					
	Gross Household Income	1 Bed 80% Mkt Rent	2 Bed 80% Mkt Rent	3 Bed 80% Mkt Rent	4 Bed 80% Mkt Rent
B&D	£ 23,954	27%	34%	39%	57%
Hackney	£ 26,788	37%	50%	63%	83%
<b>Havering</b>	<b>£ 29,002</b>	21%	28%	33%	42%
Newham	£ 23,265	37%	45%	57%	57%
Redbridge	£ 29,534	23%	31%	35%	46%
LBTH	£ 28,199	41%	55%	69%	77%
Waltham Forest	£ 27,637	25%	33%	38%	50%
<b>ELHP AVERAGE</b>	<b>£ 26,911</b>	<b>30%</b>	<b>40%</b>	<b>48%</b>	<b>59%</b>

Source: Affordable Rent Programme 2011-2015 – an analysis for the East London Partnership Stage 2-Havering, March 2011, POD.

Using a standard definition of affordability, that is, that the occupier should not have to spend more than 33% of their gross income on rent, it can be seen that for Havering residents on average gross household incomes for the borough, 1, 2 and 3 bed units are affordable, whilst 4 bed accommodation is the most affordable in the sub-region.

Even on incomes of £20,000, local residents would not need to spend more than around a third of their income on rent if moving to a 1, 2 or 3 bed property with a rent at 80% of market rents. Ideally, however, 4 bed properties would have rents set at no more than 63% of market rents to ensure that a household earning £20,000 spent no more than a third of their income on rent. That said, given the very limited supply of 4 bed units in Havering borough, the Council will consider 4 bedroom properties let at 80% market rents.

### Can larger households earning median incomes afford Affordable Rents?

Although we have incomplete data on the Housing Register, we can see from Table 3 below that for applicants waiting for larger accommodation there is a high proportion of unemployed applicants. We have only recently started to capture income data at application and do not differentiate between earned income and benefits however it is likely that many applicants in employment will also be on lower incomes.

Table 3 – A study of applicants on the Housing Register waiting for larger housing

Status	3 Bed	4 bed
Employed in Borough	30%	25%
Employed out of Borough	13%	10%
Student	3%	2%
Unemployed	54%	64%
retired	1%	0%

The research in this section suggests that considerable numbers of households in Havering could meet the costs of an affordable rent, as opposed to a social rent. It is noted these rents are below the housing benefit cap and, indeed, that access to private renting in the borough is often constrained by access to deposits and rent in advance rather than the rent levels alone. This indicates that new supply from the 2011/12 – 2014/15 National Affordable Housing Programme, along with a number of RSL re-lets at affordable rents, when taken together with the ongoing supply of council and RSL social rent lets, will provide an additional supply of affordable housing options in the borough for those in need.

On this basis:

- Havering Council supports 80% Market Rents for new RP development of 1,2 and 3 bed properties and will consider 80% market rents for 4-bed homes.
- An Affordable Rent calculator has been provided<sup>8</sup> on the Choice based lettings website for households to use prior to bidding for Affordable Rent properties
- A symbol has been provided on the Choice based lettings magazine and website to help households identify affordable rent properties
- RPs should have regard to the Council's Borough Investment Plan and, in future, Tenancy Strategy when framing development proposals in the Borough

### **Conversion to Affordable Rents at re-let stage**

Havering Council accepts the need for RPs to convert a proportion of existing housing let at social rents to affordable rent at the re-let stage in order to generate funding for more homes. It is vital that homes remain affordable and, importantly, that the supply of larger family homes at social rents is not unduly diminished.

Therefore, the Council's position is that:

- Given the higher number of 1 and 2 bed units in the local housing stock and Affordable Rents for 3 and 4 bed units are more expensive, we expect that RPs will convert more 1 and 2 bed units than 3 and 4 bed units at re-let stage to Affordable Rents (at 80% market rents) but no more than 50% of all re-lets in Havering borough

We will seek to keep individual RPs' conversion rates under review through the choice-based lettings / nominations procedures and one-to-one meetings with RPs.

### **Limiting Affordable Rents to a maximum of 80% market rental value**

It is normal practice for social housing providers to increase rents annually, at a rate of inflation plus 0.5% (RPI plus 0.5%). RPs will need to monitor total Affordable Rent (including service charge) increases to ensure that rents for individual properties do not exceed 80% of their market rental value, and would be particularly important should the private rental market fluctuate in the future.

## **6. Local lettings plans for larger developments**

The Council is supporting new RP build in a number of key regeneration areas most notably in Harold Hill at the current time, but potentially in other parts of the borough over the lifetime of the 2011/12 to 2014/15 affordable housing programme. Therefore, while reviewing our Allocations Scheme, we will make provision for the application of local lettings policies from time-to-time.

Local lettings policies could potentially set criteria around:

- where tenants taking up initial LB Havering nominations are moving from within the borough. This is so as to ensure that local residents see the benefit of significant new development in their area
- the balance of new tenants with different employment statuses.

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<sup>8</sup> in partnership with other East London boroughs

The Council will be open to working with the partners on any local lettings policies that it may wish to apply, although as the strategic housing authority, we see the Council as the final decision-maker regarding such policies.

## **7. Flexible fixed-term tenancies – guidance for Registered Providers**

### **Havering Council's Draft Tenancy proposals**

The Council owns housing stock in the borough. Our housing management service will apply this fixed-term tenancy strategy, and Registered Providers must also have regard to it in formulating their tenancy policies.

We are committed to making the best use of housing in the borough to meet the needs of those in greatest priority need. In order to meet this objective, the Council needs to support those in priority need in to suitable accommodation and support those who want to downsize. We aim to apply this strategy in a way that is transparent and clear to tenants and staff delivering the Council's housing management service.

This section outlines our policy proposals in relation to:

- 7.1 The kinds of tenancies we grant
- 7.2 The circumstances in which we will provide a tenancy of a particular kind
- 7.3 Where we grant tenancies for a certain term, the length of the terms, and
- 7.4 The circumstances in which we will and will not grant a further tenancy when it comes to an end of an existing tenancy.

#### **7.1 The kinds of tenancies we grant to Council tenants**

Some people will continue to be granted a secure lifetime tenancy however the majority of new tenancies will be granted on a fixed-term basis. This is explained further in the section below.

#### **7.2 The circumstances in which we will provide a tenancy of a particular kind**

##### **7.2.1 Secure lifetime tenancies**

The following households will be provided with secure lifetime tenancies by Havering Council:

- Tenants who already have a secure lifetime tenancy, where they decide to transfer to another home within the Council's housing stock
- People who move to properties designated for tenants aged 60+. These are sheltered and extra-care schemes and flats in general needs schemes designated for 60+.

The Council wants to reduce where possible the potential barriers that existing tenants may face when wanting to move to another home. We will endeavour to work with other providers to honour existing tenants' security of tenure and the length of that tenancy over and above the minimum regulatory duty.

If Havering Council undertakes a large/small scale voluntary transfer of housing stock to another provider, we will ensure that existing secure lifetime tenants' rights are preserved. If

legislation is unclear on this matter at the time of transfer, we will adopt local policy to ensure existing secure lifetime tenants are provided with an assured tenancy.

### 7.2.2 Flexible fixed-term tenancies

Please note that when we provide fixed-term tenancies, we expect these will be renewed but tenants will still go through a tenancy review and renewal process every 3 or 5 years in accordance with this policy.

All new tenants will be given an Introductory Tenancy. A fixed-term tenancy will be offered following successful completion of the initial Introductory Tenancy, with the exception of those households in section 7.2.1 above and tenants who have already been granted an Introductory Tenancy.

Before entering into an Introductory Tenancy, the Council will notify the prospective tenant that at the end of this initial tenancy agreement, it will become a fixed-term tenancy and we will set out the length and express terms. The prospective tenant will have up to 21 days from the notification to request a review of the length of the tenancy. If a request is received, the Council will undertake a review and advise the new tenant of its decision in writing.

Sometimes during a tenancy, we seek an alternative to seeking possession of a tenant's home. In these cases, we ask the court to demote a tenancy to a non-secure one for 12 months. This is called a Demoted Tenancy. This will mean that a tenant will not have all the rights of a secure tenant like the Right to Buy. It will also mean that the Council could end your tenancy more easily while your tenancy is 'demoted'. Before a Demoted Tenancy comes to an end, we will write to the tenant to explain that when the tenancy comes to an end, it will transfer to a secure fixed-term tenancy. Our written notice will set out what balance of the tenancy remains. The tenant will be able to request a review.

In cases where a fixed-term tenant(s) wishes to move, we will endeavour to work with other providers to honour the tenant's security of tenure and length of tenure over and above the minimum regulatory duty.

A fixed-term tenancy gives tenants similar rights as those with secure lifetime tenancy agreement. The main difference is the length of the tenancy period. These differences are outlined in table 5 below.

Table 5 shows the similarities and differences between lifetime secure and flexible fixed-term tenancies

	<b>Council housing - Secure lifetime tenancies</b>	<b>Council housing - Flexible fixed-term tenancies</b>
Initial introductory tenancy	Introductory tenancy for 12 months. On successful completion, a lifetime secure tenancy is granted.	Introductory tenancy for 12 months and the tenancy becomes a flexible tenancy at the end of the introductory period. For example, normally it would become a fixed-term tenancy for 5 years, making a total of 6 years.
Length of tenancy	Tenancy is granted for the life of the tenant, that is, until the named tenant, or both named tenants in the case of joint tenants, gives up the tenancy or passes away.	A secure tenancy that is set for a fixed-term. This will normally be for 5 years, or 3 years in certain situations, see 7.3 below.
Succession	One succession of tenancy to a spouse or close relative (including co-habiting	A right to one succession to a spouse or civil partner of the tenant if they lived at

	partner, children, parents, brother, sister and other close relatives) if they lived with the tenant at least one year before their death for all tenancies. The surviving spouse or civil partner needed to have been living with their partner at the time of their death.	the property as their only or principal home at the time of the tenant's death. A person who was living with the tenant as the tenant's wife or husband will be treated as the tenant's spouse. A person who was living with the tenant as if they were civil partners will be treated as the tenant's civil partner. Succession rights relate to the remainder of the fixed-term tenancy (rather than the property).
Assignment	A secure tenancy can be assigned to the person who would have succeeded on death. (This is the current position but may be changed in the future)	The tenancy can be assigned to the person who would have succeeded on death. (This is the current position but may be changed in the future)
Mutual exchange, transfer of tenancy	Secure and assured tenancies If an existing secure (or assured tenant) whose tenancy began before 1 April 2012 wants to exchange with a tenant on a fixed-term tenancy exchanges need to be done by surrender and then new tenancies will be granted. A landlord can refuse an exchange under Schedule 14 of the Localism Act) and has 42 days following receipt of the tenants' requests to make that decision.	Same as opposite but the tenant needs to exchange with a secure tenant.
Rents charged	Let at a social rent. Government applies a cap limit which rents cannot exceed.	Same rights as secure lifetime tenants
Right to buy	Tenants have the right to buy after a qualifying period of 5 years (this qualifying period is only 2 years if your first council tenancy began before 18 January 2005). The qualifying period includes all the time you have been a council tenant at a property not just the current one.	Same rights as secure lifetime tenants
Repair of the property	The Council as landlord deals with repairs within a reasonable timescale and the tenant have a right to compensation (in certain circumstances)	Same rights as secure lifetime tenants
Right to improve the property	Tenants can improve the property with express permission by the Council.	Tenants do not have a statutory right to improve the property and do not have a right to be compensated for improvements made.

### 7.3 Where we grant tenancies for a certain term, the length of the terms

We will continue to grant an Introductory Tenancy for the first 12 months, which can be extended for further 6 months. On successful completion of this tenancy, a 5-year fixed term tenancy will be granted in order to provide households with some stability and security of

tenure. We will provide clear information to tenants at sign up before entering into the Introductory Tenancy on the terms of the flexible tenancy and other express terms together with details of the review process.

**The Council wants to retain stability in its communities. For this reason it expects following review, that unless there has been a change in circumstances most tenancies will be renewed on a 5-year basis, except in the following circumstances:**

1. **Breaches in tenancy** - Breaches in tenancy including rent arrears and anti-social behaviour in cases where the tenant(s) has not adhered to an agreement between them and the Council to resolve them e.g. repay outstanding rent arrears. Following review, the tenancy will be renewed on a 3-year basis, with a condition that the tenant(s) works with the Council to resolve the issues. If the tenant does not work proactively with the Council, the usual eviction procedure will be taken forward.

The Council will still retain the right to use other powers, including Demoted tenancy and Family intervention tenancy and at the end of these tenancies they will become a flexible tenancy for a fixed term.

2. **A household in which the youngest child has reached 15 years old** – if the youngest child in the household has reached 15 years, the tenant(s) would be given a 3-year fixed term tenancy. These tenancies will then be reviewed on a 3-yearly basis. These reviews are more regular and this may mean offering a smaller property to the tenant(s) when children have left home and a larger family home is no longer needed.
3. **People with limited leave to remain in the country** – a 3-year fixed-term tenancy will be provided to enable the Council to keep the tenant's eligibility for housing under close review.

#### **7.4 The circumstances in which we will and will not grant a further tenancy when it comes to an end**

**We will normally award 5-year tenancy agreements which will be renewed every five years.**

Flexible fixed-term tenancies will primarily provide a means of regularly checking that the household still requires the size and/or type of property they are occupying rather than whether they require social/affordable housing at all.

We are under a legal duty to review all fixed-term tenancies at least 6 months before the tenancy comes to an end. We will normally start the review 9 months before the tenancy comes to an end.

The review will take account of the tenant and their household's circumstances and a decision will be made to -

- renew the tenancy for the same property
- grant a new flexible tenancy for a different property, or
- not renew the tenancy and provide advice regarding other housing options.

#### Reasons why we will grant a further tenancy

We **will** grant a further fixed-term tenancy in the following cases:

- The size of the Tenant(s) family and their circumstances remain unchanged
- The size of the household has increased although other circumstances remain unchanged, the household will be able to continue to live at the property or apply to go on the Housing Register if they have not already done so
- Households which contain a disabled person, where the property has been adapted and is still required to meet their needs

Why we will not renew the tenancy for a further period

We **will not** renew the tenancy in the circumstances outlined in table 6 below.

If the Council decides not to renew the fixed-term tenancy, we will set out the reasons for not providing another tenancy at least 6 months before the end of the tenancy term, we will inform the tenant(s) of their right to request a review of this proposal and set out the timescales involved.

Table 6 – Review criteria where tenancies will not be renewed:

Criteria		Explanatory notes
a)	<p>The property is under-occupied</p> <p><i>It is under-occupied by one or more bedroom(s)</i></p> <p><i>Exceptions –</i></p> <p><i>1. This does not include tenant(s) living in extra-care housing, or</i></p> <p><i>2. Any tenant(s) that has downsized under the Council's Allocations Scheme.</i></p> <p>If the occupant(s) has housing need they may be offered a fixed-term tenancy for another property.</p>	<p>Larger family-sized homes are in short supply in Havering, so the Council is keen to use flexible tenancies to provide smaller accommodation as family sizes reduce.</p>
b)	<p>The suitability of the property</p> <p><i>The home has been adapted for someone who no longer lives at the property.</i></p> <p>If the occupants have a housing need, then they may be offered a fixed term tenancy for another property.</p>	<p>Larger ground floor properties in Havering are in demand. A tenancy may not be renewed when it could better suit the needs of another potential occupier in greater need – for example a bungalow being made available for an elderly tenant. Similarly, an adapted house could be made available to someone with care needs.</p>
c)	<p>A change in the tenant(s)' circumstances</p> <p><i>We will assess the tenant(s) income and savings and their ability to afford different housing</i></p>	<p>For example when a tenant(s) has a demonstrably high enough gross income to comfortably afford (for example purchase) market or alternative housing and arguably the affordable house would be better used by somebody in greater need.</p>



	<i>options in the borough.</i>	
d)	Damage to property and unauthorised alterations	Poor property condition and carrying out work to the property without authorisation are breaches of terms in the tenancy agreement.

**Exceptionally there may be other circumstances linked to the table above that will need to be taken into account on a case by case basis.**

These may include, by way of example:

- The household contains someone with a disability, when moving to another property will not meet their current needs
- When someone in the household is terminally ill
- Where children in the household attend a school and a move would have a significant detrimental impact on the educational development of the children
- When the Council's Adult Social Care or other colleagues believe the tenant is a vulnerable adult
- When the tenant(s) is employed and a move would have a significant impact on their employment.

### **Advice and assistance should a fixed-term tenancy come to an end**

Should we decide not to renew the fixed-term tenancy we can take one of two options:

#### 1. Offer a new fixed term tenancy for another property

Where the tenant(s) continue(s) to have a housing need, the Council will serve a notice indicating that it does not intend to grant a new tenancy of the current property, for which there are rights to request a review, and in parallel a notice offering a new flexible tenancy of a separate property for which it will provide an assisted move. The tenant(s) will be given 6 weeks to bid for other properties and if this is unsuccessful, we will give two alternative suitable offers within the last two months of the tenancy end date. If the tenant(s) declines both offers, the Council can continue to seek possession of the property and the Housing Advice Team will provide advice and support in partnership with other relevant agencies to find alternative accommodation.

#### 2. Provide advice and assistance to find suitable housing

In cases where the applicant(s) no longer has a housing need, our Housing Advice Team will offer advice on intermediate and market-rental options, and assistance to support the tenant and their household to find alternative accommodation, in conjunction with other housing-related services and agencies.

## **Ending a fixed-term tenancy**

### **The Council as landlord can end the tenancy during the fixed-term**

The Council may apply for a court order if grounds for possession can be proved in order to end the tenancy. Grounds for possession are the same as secure lifetime tenancies.

### **A tenant's right to terminate a flexible fixed-term tenancy**

A tenant can bring their fixed-term tenancy to an end by serving a written notice, stating that the tenancy will be terminated on the date specified in their notice and that date must be after the end of 4 weeks beginning with the date on which their notice is served. The Council may agree with the tenant to dispense with this requirement.

The tenancy will come to an end on the date detailed in the tenant's notice, or (as the case may be) determined in accordance with arrangement made with the Council, to dispense with the notice period if on that date there are no rent arrears outstanding under the tenancy and the tenant is not in breach of other terms in their tenancy agreement.

### **Recovering possession should a flexible fixed term tenancy come to an end**

On or after a fixed-term tenancy comes to an end the Council may apply for a court order for possession of the property. The following 3 conditions need to be satisfied for the Council to get a court order.

Condition 1 – that the flexible fixed-tenancy has come to an end and no further secure tenancy (whether or not a flexible tenancy) exists for the time, other than a secure tenancy that is a periodic tenancy.

Condition 2 – that the Council has given the tenant 6 months' or more notice in writing –

- a) stating that the Council does not propose to grant another tenancy when the flexible tenancy comes to an end,
- b) setting out the Council's reasons for not proposing to grant another tenancy, and
- c) informing the tenant of the tenant's right to request a review of the Council's proposal and of the time within which the request must be made.

Condition 3 – that the Council has given the tenant two months' notice or more in writing stating that the Council requires possession of the property.

A notice in respect of Condition 3 may be given before or on the day on which the tenancy comes to an end.

If the Council obtains a court order requiring possession and the tenant refuses to vacate the property, then the possession order will be enforced.

The only statutory grounds for the court to refuse an order for possession of the property is if the tenant has requested a statutory review and the court is satisfied that the correct procedure has not been followed and or reviewed decision 'is otherwise wrong in law'. The court may give directions as to the holding of a review.

In cases where the tenant is not being given another tenancy, we will offer advice and assistance in partnership with relevant service providers to support the tenant to find alternative housing accommodation.

### **Enforcing the possession order**

The Council will normally apply for a warrant of possession if the tenant does not leave the property within 14 days of the date for giving possession. In these cases there is no right to stay or suspend the warrant.

### **Review of decision to seek possession of the property**

A request for a review in writing of the Council's decision that it does not intend to grant another tenancy on the expiry of the flexible tenancy must be made within 21 days beginning with the day on which the Council's notice is served.

If a request is made, then the Council will review its decision and will notify the tenants in writing of the decision following the review, giving reasons for the decision. This review will be carried out before possession proceedings are commenced.

### **Other ways in which a tenancy can be brought to an end, include:**

- If the tenancy ceases to be a secure tenancy, before expiry, for example the property is no longer used as the principal home, a notice to quit could be served.
- Mutual agreement that the tenancy will be surrendered

### **Review period**

We will keep the tenancy strategy under review, and may modify or replace it from time to time. If we need to make a modification to reflect a major change in policy, we will send a copy of the draft strategy or proposed change to the Mayor of London and every RP of social housing in the borough and give them a reasonable time to provide comments, and with other persons as prescribed by the Secretary of State.

### **Complaints**

The Council operates a complaints procedure which customers can use to complain if they are dissatisfied with the level of service. This could include a delay, lack of response or the standard of service they received.

## **8. Equality and diversity**

It is important that the Council and RPs take account of and assess the effects of their policies on people in specific groups. We are carrying out an Equality Analysis alongside the development of this Draft Strategy.

### **Affordable Rents**

In developing this Strategy, we have carried out assessments to determine the affordability of Affordable Rents set at 80% of market rents for local people earning median and on lower incomes. In addition, we do not want to restrict Affordable Rent properties to specific groups and for this reason, have provided an Affordable Rent Calculator on the East London Choice based lettings website so that people can assess whether they can afford the higher rent before bidding for properties.

### **Draft Tenancy proposals**

We will continue to provide lifetime tenancies for people who move into accommodation designated for 60 years+.

The Council expects Registered Providers to continue to grant secure lifetime tenancies to people with severe disabilities or learning difficulties with support needs living in specialist

supported housing or living in general needs housing who receives long-term care and/or support services. However, it is recognised that in some circumstances, offering a lifetime secure tenancy would not be appropriate e.g. for tenant(s) living in move-on accommodation with floating support.

We have included a property suitability assessment as part of our policy so that properties can be provided to those in greatest need, including high priority disabled people who need an adapted property to meet their needs.

## 9. Governance and monitoring delivery of the Strategy

Havering Council has established links with Registered Providers operating in the borough and they have welcomed dialogue and guidance on delivering the Government's housing reforms under the Localism Act. Following initial consultation, we plan to hold regular forums or provide briefings as appropriate in order to keep RPs up to date on changes in the local housing market.

## 10. Consultation timetable

Havering Council is consulting stakeholders through a forum, one-to-one meetings and formal consultation mechanisms. Our consultation plan is outlined in table 6 below.

Table 6 – Consultation timetable

<b>Type of consultation</b>	<b>Stakeholders</b>	<b>Date(s)</b>
Event hosted by Havering Council	Registered providers operating in the borough	17 October 2011
Initial consultation	<ul style="list-style-type: none"> <li>- Homes &amp; Communities Agency</li> <li>- Registered providers</li> <li>- East London Housing Partnership</li> <li>- Havering Citizens Advice Bureaux</li> <li>- Adult Social Services</li> </ul>	4 – 25 November 2011
Results of initial consultation	<ul style="list-style-type: none"> <li>- Registered Providers broadly agreed with the Council's Tenancy Strategy initial consultation.</li> <li>- One-to-one meetings have been held to discuss specific enquiries.</li> </ul>	n/a
Formal consultation 1	<ul style="list-style-type: none"> <li>- Homes &amp; Communities Agency</li> <li>- Mayor of London</li> <li>- Registered providers</li> <li>- Residents</li> <li>- Housing Register applicants</li> <li>- Citizens Advice Bureaux</li> <li>- Adult Social Services</li> <li>- Community groups</li> </ul>	Between 23 April and 20 May 2012
Formal consultation 2	<ul style="list-style-type: none"> <li>- Mayor of London (GLA)</li> <li>- Registered Providers</li> <li>- Housing Register applicants</li> </ul>	June-July 2012

## 11. Related documents and further information

### **Additional reading:**

*Laying the Foundations: A Housing Strategy for England*, CLG (November 2011)

*Managing the impact of housing reforms in your area: Working towards the tenancy strategy*, Chartered Institute of Housing (June 2011)

*The local authority role in housing markets*, Chartered Institute of Housing (April 2011)

### **Related Housing strategies and policies:**

Laying the Foundations: A Housing Strategy for England, CLG (Nov 2011)

Draft Revised London Housing Strategy

East London Housing Partnership Action Plan 2011-15, ELHP (April 2011)

Havering Council Corporate Housing Strategy

Housing sub-strategies and policies

- Homelessness Strategy
- Private Sector Strategy
- Allocations Scheme

## 12. Glossary of abbreviations and housing terms

**ALMO** – Arm’s Length Management Organisation – Homes in Havering manages housing stock owned by the Council.

**ELHP** – East London Housing Partnership

**RPs** - Registered Providers – these are also known as housing associations or Registered Social Landlords. RPs that have an agreement with the Homes and Communities Agency to deliver new housing under the National Affordable Homes Programme are able to introduce Affordable Rents for new build homes plus conversion of a proportion of existing housing to Affordable Rent at re-let stage.

## 13. Acknowledgements

We recognise the importance of continued and ongoing partnership working with Registered Providers and other agencies and this will be essential in helping us meet local people’s housing needs and maintaining a buoyant housing market in the future.

We acknowledge national best practice in respect of the Strategy framework developed by St. Edmondsbury Borough Council.

## 14. Further information

For further information on the Draft Tenancy Strategy, please contact:

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Housing Needs and Strategy Manager  
Housing and Public Protection  
London Borough of Havering  
Mercury House  
Mercury Gardens  
Romford  
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## Appendix 1

### Related Strategies and policies

When the final Tenancy Strategy has been adopted by the Council, it will be a sub-strategy of the Council's Housing Strategy, and sit alongside other sub-strategies and policies including the Homelessness Strategy and Allocation Scheme. These are outlined below:

#### Housing Strategy

Havering Council adopted a Housing Strategy for the period 2009-12 in consultation with residents and relevant partners in the borough. The strategy sets out delivery plans to achieve the following four key strategic objectives:

Objective 1 – provide more new affordable housing

Objective 2 – improve existing housing

Objective 3 – regenerate unsustainable / unpopular areas and estates

Objective 4 – provide high quality housing information, advice and support

The Tenancy Strategy will contribute to the achievement of these objectives.

#### Homelessness Strategy

In October 2008, the Council adopted a Homelessness Strategy over the period 2008-13 and took into account the views and priorities of a wide range of statutory and voluntary organisations and service users. The strategy sets out the council's ambition for delivering the following 5 key action areas:

##### **Homelessness Action Area 1 – homelessness prevention**

Objectives:

- Reduce the levels of homelessness as a result of parental evictions
- Improve links with landlords in the private rented sector
- Become prepared for an increase in the number of potential mortgage repossessions
- Establish a programme of homelessness outreach work
- Tackling rent arrears to prevent homelessness

##### **Homelessness Action Area 2 – Support for vulnerable homeless people**

Objectives:

- Reducing the levels of homelessness among 16 and 17 year olds
- Meeting the increasing housing demand from young people
- Tackling the need for housing support and accommodation for people with mental health needs
- Increase our knowledge about the need for support among other groups
- Provision of additional move-on accommodation for women fleeing domestic violence

##### **Homelessness Action Area 3 – Temporary accommodation**

Objectives:

- Achieve the temporary accommodation reduction target by 2010
- Promote the use of 'qualifying offers' to tenants and landlords
- Tackle worklessness among people living in temporary accommodation
- Improve the conditions of the Council's homelessness hostels

##### **Homelessness Action Area 4 – Customer care**

Objectives:

- Continue to provide a recognised high standard of housing advice services and homelessness casework
- Clearer understanding of service provision between us and our partners
- Explore the benefits of introducing specialist housing advice
- Extending housing advice interviews
- Customer consultation

### **Homelessness Action Area 5 – Strategic partnership working**

Objectives:

- Use the Homelessness Strategy Delivery Group to promote the profile and development of services
- Use the East London Housing Partnership, ELHP, to take a strategic partnership approach to preventing and tackling homelessness
- Defining the role of housing associations in preventing and tackling homelessness
- Measuring the impact of homelessness on children
- Establish and maintain better links with the Health Service
- Work cross-borough to support and assist people who are homeless or potentially homeless due to domestic violence

### **Draft Housing Allocations Scheme**

This Council has undertaken a review of its Allocation Scheme and this is due to be approved by the Council on 26 September 2012.

The main changes we are proposing are:

- Introducing a residency criterion
- A financial assessment. If you can afford to rent privately in the borough you will not be accepted on to the housing register
- Reducing the number of bands on the Housing Register
- Reward applicants with priority over others when they contribute to their local community by, for example, working, volunteering, having been in the armed forces, needing to move to foster, or if they are a council or housing association tenant who would release a larger property by moving to one with fewer bedrooms
- Giving council tenants waiting to transfer a better chance of moving
- Making direct offers to people who have an emergency need to move
- No longer accepting people on to the Housing Register just because they are renting privately or living with parents