

APPENDIX B

# TENANCY STRATEGY (2013-18)

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Sevenoaks District Council

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# CONTENTS

Introduction

Regulatory requirements

Local context

Kent and Medway Tenancy Strategy Framework

## GUIDANCE FOR SOCIAL HOUSING PROVIDERS

- 1) Tenancy types/options
- 2) Tenancy renewal
- 3) Affordable rent
- 4) Income and capital
- 5) Succession
- 6) Right-to-Buy/Acquire
- 7) Kent Homechoice
- 8) Under-occupation and over-crowding
- 9) Discharge of homeless duty into the private sector
- 10) Disposal of stock
- 11) Appeals and complaints

Equalities

Monitoring and review

Comments/feedback

Contact details

Abbreviations of terms

Appendix A – Key local housing-related data

Appendix B – Registered providers in the Sevenoaks District

Appendix C – List of consulted organisations

Appendix D – Equality Impact Assessment Screening Form

**Note:**

This guidance specifically applies to Registered Providers (RPs) – those housing associations registered with and governed by the Homes and Communities Agency (HCA). Although non-registered social housing providers are not required to comply with this guidance, it is still considered good practice to do so and would help to standardise approaches to social housing tenancies across the Sevenoaks District.

## **Introduction**

The Localism Act 2011 introduces a number of provisions in relation to social housing. In particular, the introduction of the fixed-term tenancy which can be used as an alternative to secure, lifetime tenancies, which have generally been issued in the past.

The Act also introduces new provisions in relation to the way in which the local housing register list is managed and how priority can be awarded. Local authorities and other Registered Providers (RPs)<sup>1</sup> of social housing now have the discretion to consider a greater range of factors when letting properties and when considering the type of tenancy to be awarded.

The purpose of a tenancy strategy is for the local authority to set out how it sees the new tenancy type being used, its priorities in relation to who should be housed and for how long and to set the framework within which RPs (and other social housing providers) need to have regard when developing their landlord tenancy and allocations policies.

Key aims of this document are to ensure that those in most in need are suitably housed; to make the best use of District's limited social housing stock; be fairer and not over-subsidise households that don't need it; promote economic activity and not be a disincentive for work; and be relatively simple to understand, administer and communicate.

This document also embraces the requirement for a revised Allocation Policy which takes into account Government guidelines, Welfare Reform, social housing tenants, residents and partner organisations' views. Consultation concerning Tenancy Strategy objectives was undertaken both with tenants and the RPs.

## **Regulatory requirements**

It is a regulatory requirement that RPs let their homes in a fair, transparent and efficient way which takes into account the housing needs and aspirations of tenants and potential tenants. Local RPs need to demonstrate how their lettings make the best use of available housing and contribute to local housing strategy and wider Community Plan outcomes. When developing tenancy strategies, local authorities must have regard to their homelessness strategy and allocations scheme. There is a West Kent Homelessness Strategy which is constantly reviewed by a multi-agency group and the current document expires 2016.

The HCA also requires that RPs publish clear and accessible policies which set out the lengths of tenancies; when they will be renewed; the approach to management, including interventions to sustain tenancies and prevent unnecessary evictions; and tackling tenancy fraud.

## **Local context**

Property prices in the Sevenoaks District are the highest in Kent and amongst the most expensive in the UK. As at April 2012, the average price of a property in the

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<sup>1</sup> RPs – this term includes the District Council's partner housing associations who are actually registered with the Homes and Communities Agency (HCA)

District was £354,272 compared to the Kent average of £225,125. Using lower-quartile property prices as a measure of affordability, an average property in Sevenoaks costs £222,750 compared to Thanet at £116,000. The average for Kent is £147,000; the SE Region £165,000; and England £125,000.

The Sevenoaks District is also ranked the second most expensive authority for private renting in the South-East region. In contrast, seven other Kent local authorities were ranked in the lowest eleven in South-East England. Rents across the whole of West Kent are generally higher than those in East Kent, reflecting the higher incomes and house prices of the London fringe area.

At 14%, the District has a lower proportion (and overall number) of social housing units than its local authority counterparts in West Kent. There are also far fewer 1-bedroom units in comparison to neighbouring authorities. At April 2012, the District's social housing stock comprised: 1-beds (19%); 2-beds (35%); 3-beds (44%); and 4-beds (2%).

The District's social housing stock is owned and managed by a number of RPs, with West Kent Housing Association and Moat Homes Ltd holding the majority of the stock. The remaining social housing stock is owned and managed in small numbers by a number of other RPs, either being specialist accommodation or general needs units in a particular neighbourhood. The Council's entire housing stock was transferred to West Kent HA in 1989 and that RP manages the Sevenoaks District Housing Register for the Council. The Council's proposed SDHR Allocation Policy will identify priority ranking for bidding and re-housing into the social housing stock.

Being an expensive area with a relatively low proportion of affordable housing (across tenures), there is a distinct mismatch between local housing need and supply. As at April 2012, there were 1,485 households registered as needing social housing on the Sevenoaks District Housing Register (SDHR). With an average of 337 re-lets per annum, the current social housing stock is far from sufficient and housing need continues to outpace supply.

With the majority of the Sevenoaks District being designated Green Belt (c93%), there is limited opportunity to build affordable housing to keep pace with growing need. As a consequence, local housing strategy aims to make more effective use of the existing housing stock by better matching households to properties. In the process, this also helps to reduce under-occupation and over-crowding – both key local housing strategy objectives. The aims of objectives of this policy are to therefore maximise the use of the existing social housing stock to compensate for low levels of new development.

### **Kent and Medway Tenancy Strategy Framework**

The Kent and Medway Tenancy Strategy Framework<sup>2</sup> was developed in partnership with the Kent County Council and local authority partners across the county (lead by the Kent Housing Group). This provides a base from which local authority tenancy strategies can be developed across Kent, in a consistent approach that is aimed at delivering county housing strategy priorities, whilst still taking into account local district/borough demographics and other circumstances.

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<sup>2</sup> Available at: <http://www.kenthousinggroup.org.uk/>

## **Guidance for social housing providers**

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The following guidance takes into account the Kent and Medway Tenancy Strategy Framework and ties in with local housing strategy, including direct links with the District Council's new Sevenoaks District Housing Register Allocations Policy.

The aim of this strategy is to deliver policy objectives of welfare reform whilst still allowing enough flexibility for partner housing associations to continue delivering their own policy objectives, priorities and housing management procedures – all aimed at the most effective and efficient use of the District's social housing stock.

### **1) Tenancies types/options**

In the main, five-year tenancies are supported in the Sevenoaks District – but there are some circumstances where shorter terms will be desirable. During consultation, tenants supported this option but agreed each case should be considered on its merit.

#### **Fixed-term**

The District Council supports the use of introductory or probationary tenancies followed by fixed-term tenancies. Fixed-term tenancies provide a way of making the best use of limited stock and linking tenancy renewal to behaviour and responsibilities. It is desirable that all new social tenancies across the District are on similar fixed terms, rather than there being a hierarchy of tenancies which are difficult to explain to customers. In the main, five-year tenancies are supported but there will be some circumstances where shorter terms are desirable. Tenants generally support probationary tenancies because the more vulnerable households are given support to pay their rent and minimise anti-social behaviour. Without a probationary tenancy some tenants would have quickly been evicted.

#### **Two-year**

The HCA states that two-year tenancies should only be granted in exceptional circumstances. This could be, for instance: where a short tenancy is being offered for a fixed period and there is no intention to renew; or where an existing five-year tenancy is coming to an end and a further shorter term is more appropriate as the tenant has a history of not keeping to the terms of their tenancy agreement. During consultation with RP tenants it was identified that some are concerned about such short tenancies and that it may create a negative approach to their housing due to insecurity and the Council is mindful of this.

Any issues regarding tenancy concerns are usually dealt with through probationary tenancies.

#### **Five-year**

The District Council recognises that five-year tenancies give adequate security to most households as they provide a balance between residents having stability and feeling settled in an area, with the ability to still make the best use of the limited social housing stock. This view was generally agreed by tenants.

#### **Life**

Under the Localism Act, RPs must offer secure or assured tenancies to applicants who were already social tenants before the provisions were enacted and this applies to mutual exchanges, reciprocal moves or moves as a result of major works or regeneration. Tenants with enduring vulnerability or lifelong need for support that would disadvantage them in securing alternative accommodation should be offered lifetime tenancies. This applies to tenants in both general needs housing and those in specialist and/or supported accommodation. The District Council is also of the view that those residing in designated older persons' accommodation, should continue to be granted lifetime tenancies. Through consultation some tenants raised the issue of families with disabled children having life time tenancies. It is understood that RPs will look at these on case by case basis.

### **Rural housing schemes (exceptions sites)**

Due to the nature and key purpose of rural exceptions sites, and the fact that there are additional limitations in rural areas, the District Council would support longer tenancy reviews for relevant stock-holding RPs. In the case of the English Rural Housing Association (the District Council's specialist rural housing partner), the District Council supports its corporate policy of a set 21-year review period.

## **2) Tenancy renewal**

HAs should clearly communicate renewal terms to new tenants when they are offered fixed-term tenancies so they understand that, in most circumstances, tenancies will be renewed. This will help people feel connected and settled and also able to contribute to their local areas and to invest in their homes. Social housing also comes with responsibilities and there should be a link between expected behaviour and tenancy renewal which needs to be strongly communicated at the start of the tenancy.

Tenancy renewal is likely to be a contentious area. To ensure the process is dealt with as sensitively as possible, whilst also ensuring key outcomes are still achieved, the District Council supports the following approach:

- The tenancy renewal meeting should be timed to give enough time to consider all issues and for appeals to be made. During consultation some tenants felt that 1 year before tenancy end was an appropriate time to consider renewal
- It should be used as an opportunity to link the household to any necessary support, including employment and training (including HERO scheme);
- Tenancies should generally not be renewed where there has been a serious and persistent breach of the tenancy agreement, such as anti-social behaviour and criminality. Consultation has identified that generally tenants agreed with this.
- Consideration should be given to not renewing tenancies where the tenant is not engaging in the review process (any vulnerability issues need to be fully taken into account) Generally tenants felt this approach is fair
- Income and capital should be taken into account and other appropriate housing options discussed, such as intermediate tenures. The Council is currently liaising with West Kent HA to increase level of capital held after a



property is sold for older people, to ensure that this level is consistent with current house prices.;

- RPs should take a consistent, fair and transparent approach to decisions at the point of tenancy review; and
- The contribution of the household to the overall vitality of the community and potential impact on the community if they were to move out of the area.

In situations where a decision has been taken by a social housing provider not to renew a tenancy at the end of a fixed-term, the provider should seek to engage with the tenant at the earliest possible opportunity to make them aware of the provider's intentions. Tenants raised this and felt it important that RPs are proactive so that some issues can be resolved.

Social housing providers should provide households affected by the termination of a tenancy with any relevant advice and assistance that will assist them in successfully relocating to alternative accommodation. This advice and assistance should include:

- Advice on low-cost home ownership options and other alternative affordable housing tenures;
- Specialist housing and or welfare-related advice and/or signposting to appropriate advice services; and
- Advice on renting in the private rented sector and assistance in identifying and securing a suitable property (this may involve assistance of the District Council's rent-in-advance or property accreditation scheme).

### **3) Affordable Rent**

The District Council aims to prevent excessive disparities between different localities in terms of affordable rent prices to ensure affordability for low-income working households and also for households that are dependent on welfare benefits.

To address the above, the District Council requires social housing providers to ensure that rents charged for affordable rented properties do not exceed the relevant LHA rate that is applicable for that property size at the time of rent setting. This is to avoid excessively high affordable rents in the District's high value areas.

RPs can also convert a proportion of their existing social rented homes to affordable rent to generate additional income to fund future development in place of significantly reduced grant and a shift from a capital to revenue-based delivery model (subject to individual RPs' business plans and agreement from the District Council, where appropriate and unless otherwise agreed). RPs should take a responsible view when determining the size, type and location of the stock they plan to convert to the affordable rent tenure. Conversions should not be over-concentrated in any particular area.

Affordable rent levels must take into account known future welfare reform and have rents which can continue to be paid once these changes have been introduced. This includes the re-basing of rents at the end of a tenancy. Affordable rent levels must not prohibit or prevent tenants or household members from looking for work by creating a benefits trap.

#### **4) Income and capital levels**

Many households that have increased their incomes and levels of savings may still need to remain in the area for employment reasons or if they have children at local schools and may not be able to afford local market or intermediate housing to meet their needs. In circumstances where households with higher incomes and levels of capital are unable to move, the District Council supports charging more rent rather than ending tenancies.

Affordability limits for eligibility for intermediate housing are good indicators that households can afford to access other housing or can pay more rent. The income limit for the Sevenoaks District Register is a gross maximum income of £33,383 pa. For households applying for housing solely on a rural exception site, applicants may have a higher limit of income in line with those set for eligibility for Homebuy (currently £60,000 gross, per annum) Capital assets should also be taken into account and can be assessed as notional income in the way that is commonly used for benefit purposes. This means that capital over the Housing Benefit upper savings limit (£16,000 at December 2012) is assumed to generate income for households applying for general needs housing, but an upper limit of £250,000 is in place for applicants requiring sheltered housing only..The Council is liaising with WKHA particularly to possibly increase this level by £100,000 to reflect the increase in house prices. When calculating income and capital, the District Council supports taking the tenant's income into account plus that of their partner or spouse and also some income and capital of wider family members.

#### **5) Succession**

The Act allows for one succession of tenancy by a spouse or partner of a deceased tenant, although local authorities and RPs have the flexibility to extend these rights. The District Council expects social housing providers to consider the needs of the household against making best use of their housing stock (under-occupation etc.) when making decisions.

#### **6) Right-to-Buy/Acquire**

In addition to already existing rules and limitations that may apply to a particular property/tenancy, a tenant must hold a tenancy for a minimum length of five-years to qualify for the right-to-buy/acquire in the District.

#### **7) Kent Homechoice**

When advertising properties directly and through Kent HomeChoice, Social housing providers should clearly indicate the duration of the tenancy being offered, the rent type and level that will be charged, and any client group limitations.

#### **8) Under-occupation and over-crowding**

The use of fixed-term tenancies should be the most effective way to manage under-occupation in future – a key local housing strategy objective. RPs should encourage under-occupiers to move by not re-issuing tenancies to properties which are the wrong size for the household and assisting them into a tenancy for a smaller or a more accessible property. This approach should tie in with over-crowding and mutual exchanges, where possible.

RPs should ensure that their policies do not restrict the mobility of existing tenants living in the social rented sector, particularly where existing households are over-occupying or over-crowded. To enable mobility and encourage down-sizing, in particular, the District Council expects that social rented tenants should be allowed to retain their existing security of tenure if they choose to transfer to an alternative property.

### **9) Discharge of homeless duty into the private sector**

Local authorities are now able to discharge their duty to homeless households with an offer of suitable accommodation in the private rented sector, provided that the tenancy offered is for a minimum period of 12-months.

Increasing use of the private rented sector will help the District Council to meet some of the increasing need for housing from households who register on the SDHR, particularly at a time when new supply is falling. The District Council will seek to make an offer of suitable private rented accommodation to applicants approved as statutory homeless where they are deemed able to sustain accommodation. This will only take place where those properties are safe, decent, affordable and well-managed accommodation.

### **10) Disposal of stock**

The District Council in general terms would not wish to see the disposal of housing stock. However, it is recognised that in certain circumstances this may be justifiable providing it allows for future investment within the District in more appropriate housing. In certain circumstances, we would support generated funds being directed elsewhere across Kent.

We would ask that RPs consult with us before disposing of any stock, so that we have the opportunity to discuss the individual situation.

### **11) Appeals and complaints**

The regulator requires RPs to set out the way in which a tenant or prospective tenant may appeal against or complain about the length of the fixed-term tenancy offered and the type of tenancy offered, and against a decision not to grant another tenancy on the expiry of the fixed-term.

The District Council expects related RP tenancy policies, to:

- Set out to whom appeals or reviews should be made (this is expected to be a more senior officer that wasn't involved in the original decision) and how they can be made;
- Give timescales for dealing with appeals or reviews;

- Set out how the tenant can take their appeal or review further if they are dissatisfied with the response i.e. to a tenant panel or Housing Ombudsman and where they may get independent advice; and
- Be accessible and easily available i.e. published on websites/available in local offices.

## Equalities

The public sector equalities duty under the Equality Act 2010 requires public bodies in exercising their functions to have due regard to the need to eliminate unlawful discrimination and to advance equality of opportunity. RPs should consider equalities when rent setting, managing and terminating social housing tenancies. Equalities impact assessments on RP tenancy policies are considered the best way of demonstrating due regard.

## Monitoring and review

The District Council will need to monitor the impact of this policy against the objectives it is trying to achieve as outlined in both the Housing Strategy and West Kent Homelessness Strategy.. The Government guidance suggests 5 years but this Council will monitor the situation regularly and if necessary undertake earlier reviews before that period of time. These reviews will reflect economic, environment changes, legislation, and Government guidance and local issues..

## Comments/feedback

If you would like to comment and/or feedback on this document, please email [jane.ellis@sevenoaks.gov.uk](mailto:jane.ellis@sevenoaks.gov.uk) or send to the following postal address: (email address as per consultation docs)

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## Abbreviations

LHA	LOCAL HOUSING ALLOWANCE
RP	REGISTERED PROVIDER
SDHR	SEVENOAKS DISTRICT HOUSING REGISTER
WKHA	WEST KENT HOUSING ASSOCIATION

KEY HOUSING DATA

## Sevenoaks District Housing Register (SDHR)

<b>Live applications (as at November 2012)</b>	
1-bedroom	785
2-bedrooms	388
3-bedrooms	248
More than 3-bedrooms	62
Not stated	2
<b>Total</b>	<b>1,485</b>

## Historic lettings through SDHR

<b>SDHR</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Total number	313	409	339	323	300

## Number of rent-in-advance/deposit bonds issued in private sector

<b>Year</b>	<b>Number</b>
2008/09	77
2009/10	72
2010/11	59
2011/12	<b>20</b>

Current 'social' and 'affordable' rent levels (key providers) and how they compare to relevant LHA rates

## Local Housing Allowance (LHA)

The Sevenoaks District falls within two Broad Rental Market Areas (BRMAs) - these being North-West Kent and High Weald. As at November 2012, weekly LHA rates were as follows:

<b>Accommodation types</b>	<b>NW Kent BRMA</b>	<b>High Weald BRMA</b>
Shared-accommodation	£68.27	£77.00
One-bedroom	£121.15	£130.38
Two-bedrooms	£150.00	£171.92
Three-bedrooms	£167.31	£201.92
Four-bedrooms	£229.62	£323.08

Directgov (November 2012)

## Social housing development programme

<b>Year</b>	<b>Units</b>
2007/08	61
2008/09	57
2009/10	80
2010/11	51
2011/12	15
2012/13	62
2013/14	127
2014/14	47

} Anticipated

## House prices - Sevenoaks District (Land Registry, September 2012)

<b>TYPE</b>	<b>COST</b>
Average	£448,336
Detached	£695,407
Semi	£353,043
Terrace	£259,478
Flat	£219,919

## APPENDIX B

### Registered Providers in the Sevenoaks District

West Kent HA London Road Sevenoaks TN 01732-749400	Moat Homes Ltd
Places for People	Orbit HA
Housing 21	Servite Homes
Hanover HA	Beckett Trust
English Rural HA	Anchor Trust

**List of consulted groups:**

West Kent HA  
Moat  
Orbit HA  
Places for People  
Rockdale  
Shelter Housing Aid  
Citizens Advice Bureaux  
Kent County Council  
Age UK  
Home and Communities Agency  
English Rural HA  
Kent County Council Supporting People  
National Landlord Association  
Planning Policy team  
Community Development team  
Tenancy Boards  
Sevenoaks District Housing Register applicants

**Feedback from the groups listed above**

**1) Tenancies types/options**

In the main, five-year tenancies are supported in the Sevenoaks District – but there are some circumstances where shorter terms will be desirable. During consultation, tenants supported this option but agreed each case should be considered on its merit.

**Fixed-term**

Tenants generally support probationary tenancies because the more vulnerable households are given support to pay their rent and minimise anti-social behaviour. Without a probationary tenancy some tenants would have quickly been evicted.



### **Two-year**

During consultation with RP tenants it was identified that some are concerned about such short tenancies and that it may create a negative approach to their housing due to insecurity and the Council is mindful of this.

Any issues regarding tenancy concerns are usually dealt with through probationary tenancies.

### **Five-year**

This view was generally agreed by tenants.

### **Life**

Through consultation some tenants raised the issue of families with disabled children having life time tenancies. It is understood that RPs will look at these on case by case basis.

### **Tenancy renewal**

- During consultation some tenants felt that 1 year before tenancy end was an appropriate time to consider renewal

### **Affordable Rent**

Affordable rent levels must not prohibit or prevent tenants or household members from looking for work by creating a benefits trap