



## **DRAFT LOCAL TENANCY STRATEGY**

**November 2019**

### **1. Introduction**

- 1.1 The Localism Act 2011 obliged all local authorities to develop a Tenancy Strategy to guide Registered Providers in developing tenancy policies for their own stock. Registered Providers (RPs) are expected to have regard to this Strategy when determining their own policies. The Localism Act gave local authorities new powers to ensure that social housing in their areas is meeting need and priorities as identified by the Council. The Localism Act requires Local Authorities to review their tenancy strategies from time to time. The 2019 Tenancy Strategy is the result of a review of the Council's 2012 Tenancy Strategy and reflects current local issues of housing need and affordability. It has been revised alongside other key Council strategies, such as the Corporate Plan, the Housing Strategy and the Homelessness Strategy following the change to a new administration and Council structure in May 2019.

### **2. Policy context**

#### **2.1 Devon-wide framework**

A Framework for Local Tenancy Strategies in Devon was adopted in February 2012 following widespread consultation with Devon local authorities, Registered Providers (RPS) and other stakeholders. This Strategy is informed by the Devon-wide Framework, but also reflects the current local context and priorities in Torbay. The Framework enables local authorities to adopt different approaches where these support local priorities.

#### **2.2 Corporate Priorities**

The Localism Act (2011) requires local authorities when preparing their strategies to take into account the council's key corporate policies and strategies. This strategy takes into account and is complementary to the Council's key corporate plans/strategies, which are:

**Torbay Corporate Plan** (*date to be added*)

**Torbay Local Development plan:** A Landscape for Success 2012-30 (the Local Plan)

**Torbay Planning Contributions and Affordable Housing** Supplementary Planning Document, February 2017

**Torbay Housing Strategy 2020-2025**

**Torbay Homelessness Strategy 2020 - 2025**

## Torbay Allocations Policy.

### 3. Torbay - Social and Economic Context

#### 3.1 Employment and incomes

Torbay is made up of the three coastal towns Torquay, Paignton and Brixham and covers just 24 square miles. The population is 133,883 with around 61,683 households. (ONS 2016 population projection). Torbay Council is a unitary authority. Whilst the area enjoys outstanding scenery and natural environment, it faces a number of economic and social challenges, including an ageing population, relatively low wages and higher than average rates of unemployment and disability (JSNA, 2019). At 2018 Torbay's median workplace based earnings were £22,121 compared to Exeter £28,844, England and Wales £29,686 and the South West £27,969. Lower quartile earnings in 2018 for Torbay were £16,822 compared to England and Wales £21,170 and the South West £20,567 (Nomis). Torbay has higher number of people who are unemployed and claiming benefits than the SW and national averages. See <https://www.nomisweb.co.uk/reports/lmp/la/1946157356/printable.aspx>

#### 3.2 Housing costs

The house prices to earnings ratio in Torbay for Median and Lower Quartile properties is relatively high (a higher number indicates that housing is less affordable).

	Median	Lower Quartile
Torbay	8.17	8.8
England and wales	7.83	7.18
South West	8.9	8.99

Renting privately in Torbay is not as expensive as neighbouring authorities. However for those on lower incomes the requirements for deposit, rent in advance and agents' fees are significant barriers to accessing housing in this sector. Benefit claimants and people with pets and children may face discrimination in accessing PRS housing. Insecurity of tenure in the PRS continues to be an important cause of homelessness and of approaches to our housing options/advice services.

#### 3.3 Availability of social housing

The majority of housing stock in Torbay (92 %) is privately owned with around 8% social housing (English Housing Survey 2017-18). This is owned by Registered Providers (RPs) as the Council no longer owns any social housing. Official government figures do not distinguish between the proportion of private rented and owner occupied homes due to the difficulty of collecting this private information and the interchange between these two parts of the private dwelling stock. This data is collected at local authority level in the Census (2011), but is now somewhat out of date. In Torbay it estimated that between 22% and 30% of the housing stock is privately rented. As at March 2019 there were just over 1000 households on the Housing Register for affordable housing in Torbay. Applicants have to meet certain criteria before being accepted to the Housing Register and those with a less severe

housing need (Band E) are not included in the Register. During 2018-19 a total of 329 units of affordable accommodation were offered and successfully bid for, representing a vacancy rate of 6%. The pressure on scarce social housing stock highlights the importance of the Council's Tenancy Strategy in ensuring that social housing is effectively and fairly allocated to those in housing need.

#### 4. **Consultation**

The revised Tenancy Strategy has been the subject of consultation with local RPs through Torbay Strategic Housing Partnership meetings and a consultation event for affordable and private sector housing partners and community organisations held in late 2019.

#### 5. **Objectives of the strategy**

5.1 The key overall aims for our tenancy strategy are as follows:

- Supporting local people to access appropriate and affordable social housing where they want to live;
- Encouraging local social housing providers to offer a sufficient range of housing options and tenures to support households at different stages in their lives, and with different levels of income,
- Making best use of the available social housing stock, including reducing overcrowding, tackling under-occupation, and making best use of adapted housing for those with a disability;
- Ensuring that vulnerable households are able to access appropriate accommodation and where needed, ensure that accommodation is available for life;
- Maximizing choice for applicants, within the available resources, and promoting mobility within social housing and between social housing and other housing tenures.
- Providing security of tenure where needed and encouraging sustainable communities.

#### 6. **Affordability**

6.1 The Council has adopted the definition of affordable housing as set out in draft National Planning Policy Framework

'Social Rent, Affordable Rent and Intermediate housing provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices.'

(See Appendix 1 for the detailed definition of the range of affordable tenures as set out in the revised NPPF 2018)

6.2 The Council's Affordable Housing SDP requires a mix of a third social rented, a third affordable rented and a third low cost home ownership on S106 sites. Given the relatively low wages and higher levels of benefit dependency in Torbay it is important that affordable housing providers continue to develop social rented homes as well as affordable rented and shared ownership. **Where affordable rents are charged the Council supports the Devon-wide Framework which suggests that the "baseline" maximum rent charged for affordable housing should be no greater than the relevant Local Housing Allowance.**

- 6.3 The Council encourages Registered Providers to carry out affordability assessments when letting properties at rents which are close to the current Local Housing Allowance, to ensure that the tenancy will be sustainable over time, taking into account future rent increases.

## **7. Conversions to Affordable Rent**

- 7.1 Torbay Council recommends that Registered Providers should have regard to the following when considering which properties will be re-let at an 'Affordable Rent':
- The pattern of re-lets by location, property size and type.
  - The need to ensure that under-occupiers wishing to downsize are not put off by having to pay a higher rent or being given reduced tenancy rights.
  - The need to ensure a reasonable supply of family-sized accommodation at social rents.
  - The need to ensure that a reasonable supply of properties can be let to those working in the area with low incomes.
  - The shortage of wheelchair accessible accommodation.
- 7.2 The Council requests that RPs consult over criteria for conversion or the overall approach being taken by the RP, rather than being consulted over each individual conversion.

## **8. Type of tenancy to be granted**

- 8.1 The Council expects landlords to offer tenancies in line with the new tenancy standards i.e.

“tenancies which are compatible with the purpose of the accommodation, the needs of individual households, the sustainability of the community and the efficient use of their housing stock”

- 8.2 The Council acknowledges that landlords will continue to offer a range of tenancy types for different circumstances, including flexible tenancies where this will help to make best use of the stock, in the case of larger or adapted properties for example. However, this should not be done in such a way to create insecurity or a lack of consistency in tenure policies across different types of stock. Review periods should be set to support reasonable movement between types of/sizes of housing rather than too frequently to avoid creating insecurity and a lack of community cohesion. Opportunities to offer incentives to encourage downsizing should also be considered. When deciding on the type/length of tenancy to offer, landlords should consider:
- The age and frailty of the prospective tenants.
  - The vulnerability of the prospective tenants and their households.
- 8.3 The Localism Act offers limited protection for existing tenants who are transferring to new properties let at affordable rents. The Council would like to see RPs offering a tenancy which is as close as possible to the existing tenancy of a transferring tenant, where this does not conflict with the statements above. In particular, tenants who are down-sizing should be offered a tenancy (and ideally a rent level) which incentivizes the move.
- 8.4 The Localism Act changed the right of succession for new tenancies, with opportunities for landlords to offer additional rights through the tenancy agreement. The Council asks landlords to ensure that succession rights are consistent with flexible tenancy policies.

8.5 The Council supports RPs who offer introductory tenancies to continue to do so. Where a landlord offers an introductory tenancy, it is anticipated that the flexible or permanent tenancy would be offered upon successful completion of the introductory tenancy, normally one year.

## **9. Minimum length of tenancy**

9.1 The legislation states that 5 years should normally be the minimum term for a flexible tenancy. A shorter tenancy period can be given in exceptional circumstances; the Council requests that any landlord considering offering a tenancy period of less than 5 years should discuss this with the Council before making a final decision. Experience of RPs since the introduction of flexible tenure has indicated that 'flexible' tenancy periods longer than five years may be more appropriate, to avoid the unnecessary staff time and intrusion of frequent reviews and encourage sustainable communities.

## **10. Mobility**

10.1 The Council is keen to promote mobility within social housing, and expects landlords to actively promote schemes to facilitate mutual exchange. Landlords will need to be aware of the provisions within the legislation for affecting mutual exchange between tenants with different tenancy types and to ensure that their policies reflect these requirements.

## **11. Circumstances in which a tenancy might not be renewed**

11.1 The Council expects that the vast majority of flexible tenancies will be renewed upon review following an appropriately sensitive assessment. Circumstances in which the Council recognises that the tenancy may not be renewed, but an alternative offer will be made include:

- **Size:** Where the tenants' current property is significantly larger than the household requires (unless set out in Local Lettings Policies). Exceptions might include instances where it is necessary to accommodate a full or part-time live-in carer; to enable access to dependent children where care is shared or to limit occupation because of local housing management issues. Any under-occupation should have regard to local housing market conditions; examples might include remoter rural settlements.
- **Extensive Adaptations:** Where the property has been extensively adapted but the adaptations are no longer required by anyone living in the household

11.2 Circumstances in which the Council recognises that the tenancy may not to be renewed and no offer of alternative accommodation to be made are:

- **Possession Proceedings:** In cases where possession proceedings have started and Registered Providers have looked at all the options i.e. exhausted other remedies before withholding the renewal of a tenancy on these grounds.

The Council asks Registered Providers to notify the Housing Options Service where a tenancy is being brought to an end and no alternative accommodation is being offered. A protocol for the notification process is in place.

## **12. Tenancy management, sustainment and tackling tenancy fraud**

- 12.1 The Council encourages all RPs to work proactively to manage and sustain tenancies. This should include regular contact with the tenant, regardless of tenancy type. For those on flexible tenancies this contact should be at least annually and should include a reminder of the tenancy end date and the grounds for not renewing the tenancy. The Council also expects RPs to adhere to other protocols as agreed, for example the pre-eviction protocol.
- 12.2 The Council supports landlords in taking reasonable precautions to tackle tenancy fraud, incorporating identity check at tenancy sign-up and subsequent regular contact.

## **13. Downsizing**

- 13.1 Downsizing to make best use of larger stock is encouraged and where possible the Council will develop/support incentive schemes. Downsizees are given additional priority under the Council's allocation scheme.

## **12. Equality impact assessment**

- 12.1 This policy has been subject to an EIA. Any particular impacts from an equalities perspective should be recorded and notified to the Council so that these can be addressed in the short term and taken into account when reviewing the policy. RPs should adhere to their equalities and diversity policies and monitoring in implementing this strategy and ensure that they operate in compliance with the Equality Act.

## **13. Information sharing and reviewing this policy**

- 13.1 The Council requests that RPs provide up to date copies of their Tenancy Policies and notifies the Council of any proposed changes.
- 13.2 The Tenancy Strategy has been reviewed alongside the Housing Strategy and Allocations Scheme. Performance of the Strategy will be reviewed by the Council's Housing Delivery Group and through Strategic Housing Partnership meetings with local RPs. A full review and consultation will be carried out in five years from adoption, or sooner should Government policies significantly change the statutory tenancy framework.

## Definition of Affordable Housing NPPF 2018

### Annex 2: Glossary

**Affordable housing:** housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.