



Elmbridge
Borough Council

... bridging the communities ...

ELMBRIDGE TENANCY STRATEGY 2012-2015

1. Introduction & Background

- 1.1 The Coalition Government has introduced a number of far-reaching reforms to social housing, which are intended to:
- make the social housing system fairer, striking a balance between the needs of new and existing tenants
 - ensure that the support which social housing provides is focussed on those who need it most for as long
 - give councils and housing associations new powers so that can make best use of their housing, in a way which best meets the needs of individual households and their local area
- 1.2 These reforms are now being implemented and this document sets out Elmbridge Borough Council's views on how many of the new freedoms and flexibilities should be used within Elmbridge.
- 1.3 The Council is embarking on a review of its housing allocations policy, which will not be considered in detail within this document, although it is recognised that this strategy and the housing allocations policy need to be consistent with one another.
- 1.4 Whilst the Council is no longer a social housing landlord, having transferred its stock to Elmbridge Housing Trust in 2000, there are around twenty registered providers managing rented housing within the borough, providing homes to over 5000 households. This Tenancy Strategy sets out the housing objectives that the Council expects any registered providers to follow in developing and implementing their tenancy policies and seeks to ensure consistency of approach within Elmbridge.

Document Structure

- 1.5 The document is structured as follows:
- Chapter one provides background on the social housing reforms being introduced by central Government, including the requirement for local housing authorities to adopt a Tenancy Strategy.
 - Chapter two provides substance of our Tenancy Strategy and sets our expectations of registered providers as to how they let social housing within Elmbridge
 - Chapter three provides guidance to registered providers in respect of the new affordable rent regime and its role in funding the future development of affordable housing in the borough
 - Chapter four sets out how we intend to review the strategy

- There are four appendixes. Appendix 1 summarises the main features of the local housing market and the role of social housing for rent. Appendix 2 is a glossary of terms and Appendix 3 comprises a directory of registered providers with housing stock in Elmbridge.
- 1.6 An equality impact assessment of the policy will be carried out following the completion of the consultation phase and prior to the adoption of the final strategy.

The Policy & Legal Context

- 1.7 Housing tenure describes the legal status under which people have the right to occupy their accommodation and the most common forms of tenure are home-ownership and renting. The Localism Act reforms social housing tenure, with registered providers no longer being required to let general needs homes on ‘the most secure form of tenure’ possible. Instead, registered providers of social housing have been given the discretion to offer fixed-term, flexible tenancies to social housing applicants, as well as lifetime secure and assured tenancies.
- 1.8 All registered providers must publish a policy explaining how they will use this flexibility so that housing applicants are clear about what sort of tenancy they can expect to be offered.

The Localism Act 2011

- 1.9 Section 150 of the Localism Act places a new duty on local housing authorities to prepare and publish a tenancy strategy. This strategy must set out the matters to which registered providers of social housing are to have regard in formulating their policies or tenancies in terms of:
- The kinds of tenancies they grant
 - The circumstances in which they will grant a tenancy of a particular kind
 - Where they grant tenancies for a term certain, the length of the terms,
 - The circumstances in which they will grant a further tenancy on the coming to an end of existing tenancies
- 1.10 The Act also requires that the tenancy strategy either summarises the tenancy policies of the registered providers within the district or explains where they can be found. Appendix 3 of this document complies with this requirement, by providing where these policies can be found.

Regulatory requirements of housing providers

- 1.11 The Homes and Communities Agency (HCA) is the regulator of social housing and its revised Regulatory Framework for Social Housing

provides more detail on what is expected from registered providers in their tenancy policies. The policies should set out:

- The type of tenancies they will grant
- Where they grant tenancies for a fixed term, the length of those terms
- The circumstances in which they will grant tenancies of a particular type
- Any exceptional circumstances in which they will grant fixed-term tenancies for a term of less than five years in general needs housing following any probationary period
- The circumstances in which they may or may not grant another tenancy on the expiry of the fixed term, in the same property or in a different property
- The way in which a tenant or prospective tenant may appeal against or complain about the length of 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
- Their policy on taking into account the needs of those households who are vulnerable by reason of age, disability or illness, and households with children, including through the provision of tenancies which provide a reasonable degree of stability
- The advice and assistance they will give to tenants on finding alternative accommodation in the event that they decide not to grant another tenancy
- Their policy on granting discretionary succession rights.

1.12 The regulator requires that registered providers grant general needs tenants a tenancy for a minimum fixed term of five years, or exceptionally, a tenancy for a minimum fixed term of no less than two years, in addition to any probationary tenancy period.

1.13 Existing council and housing association tenants who were tenants on 1 April 2012 and have continued to be tenants since that date are protected from any reduction in their security of tenure if they apply for a transfer to another social rented home. The regulator expects registered providers to offer these tenants a tenancy with no less security if they have chosen to move to another social rented home, whether with the same or another landlord. However, this does not apply where they choose to move to accommodation let on affordable rent terms.

The affordable rent tenure

1.14 The vast majority of new affordable homes funded through the HCA's Affordable Homes Programme (2011-15) will be delivered at Affordable Rents. With significant reductions in government grant funding available to registered providers, the model is intended to increase investment through higher incomes from new homes. Registered Providers, which enter into contract with the HCA, are also able to re-let a proportion of

their social housing stock at Affordable Rents to further increase available funding to support new affordable housing development.

- 1.15 This strategy sets out the Council’s expectations around the use of affordable rent model within the borough.

Range of social housing tenancies on offer in Elmbridge

- 1.16 There are three main types of tenancy offered by housing associations in Elmbridge. Following the tenure reforms outlined above, they can be offered at either social rent or affordable rent. Table 1 below sets out the range of different social housing tenancies potentially on offer from housing associations, excluding supported housing.
- 1.17 There is a limited stock of supported housing provided by housing associations within the borough, which is provided for vulnerable individuals to help them live as independently as possible. This accommodation and support is often provided on a short-term basis, for example up to two years, with provision of support usually a condition of occupancy. In such cases, the accommodation is usually let either on an assured-shorthold tenancy or occupied through a licence.
- 1.18 This strategy sets out our expectation that registered providers will look to offer fixed-term (or “flexible tenancies”) in the majority of instances when granting new tenancies rather than assured (or “lifetime tenancies”), meaning that over time, the balance of the two will shift over time.

Table 1 Range of social housing tenancies and rents (excluding supported housing)

	Starter tenancy	Permanent / lifetime tenancy	Fixed-term / flexible tenancy
Social rent	Housing association – fixed-term, assured shorthold tenancy (for 12 months) let at social rent	Housing Association – periodic assured tenancy let at social rent	Housing Association – fixed-term assured shorthold tenancy let at social rent
Affordable rent	Housing association – fixed-term, assured shorthold tenancy (for 12 months) let at affordable rent	Housing association – periodic Assured Tenancy let at affordable rent	Housing Association – fixed-term assured shorthold tenancy at affordable rent

Source: Chartered Institute of Housing

Welfare Reform

- 1.19 The Government has embarked on a programme of radical reform to the benefits system.
- 1.20 These changes include reductions in housing benefit entitlement from April 2013 for working-age households whom are under-occupying social

housing. This reform is predicted to impact on 5% to 7% of working-age social housing tenants in Elmbridge. The phased introduction of Universal Credit from October 2013 and the associated benefit caps of £350 per week for single claimants and £500 per week for lone parents and couples with or without dependants will have a further impact.

- 1.21 These, and other reforms, are likely to have a significant impact on the ability of people on lower incomes to afford their home and to increase demand for housing advice and social housing. The reforms are also likely to prompt providers of social housing to review their tenancy policies and councils to take account of these facts when developing or modifying their tenancy strategies and housing allocations policies.

2. Tenancy strategy guidelines

Introduction

- 2.1 Appendix 1 sets out the main features of the local housing market and explains how high house prices, coupled with high market rents, mean that many households look to the social sector to meet their housing needs.
- 2.2 The statistics on social housing show up two mismatches, the first being that number of households seeking social housing in Elmbridge far exceeds the available supply and the second that a significant proportion of existing social housing tenants occupy accommodation that could be considered too small or large for their needs.
- 2.3 With rising levels of homelessness and significant welfare reforms being introduced, there are likely to be increasing demand for affordable housing.
- 2.4 Taken altogether, these factors all provide compelling reasons for the Council to use the Tenancy Strategy to work with and guide the actions of registered providers operating in Elmbridge so that the social housing stock here is able to best meet housing need.
- 2.5 The rest of this chapter provides guidance to registered providers on particular issues, along with justification for our position. It concludes with details as to how we will intend to evaluate the strategy.

Issue 1: Matters to be taken into account by registered providers when deciding what tenancy to grant

- 2.6 The Council believes that flexible tenancies are reasonable for the majority of applicants, including those with children. We believe that flexible tenancies of a minimum of five years (excluding any probationary period) are reasonable. Where we believe it is reasonable to make an exception to this general approach, either in terms of a different type of tenancy or a different length of tenancy, we have set this out under issue two.
- 2.7 In supporting the use of flexible tenancies for a minimum of five years (excluding any probationary period) (with exceptions), the Council has considered the following matters:
 - (i) **The needs of individual households**
- 2.8 The Council acknowledges the benefits that long-term security of tenure can provide. It can provide stability and remove anxieties about the future,

for example by helping children to enjoy a settled education, without the prospect of having to move house and change schools. At the same time, we recognise that social housing is a scarce resource and that the interests of those with tenancies need to be balanced against those whom are seeking social housing or who already hold a social housing tenancy but whose current home is unsuitable.

(ii) The efficient use of the social housing stock

- 2.9 Whilst it needs to be made absolutely clear that the rights of existing social housing tenants will not be affected under these reforms, fixed-term tenancies offer the potential to help better meet local housing need by better addressing under-occupancy and over-crowding. There are significant levels of under-occupation within Elmbridge's social housing stock and there is insufficient turnover of social housing stock to meet current housing need. There are several measures in place locally to promote the more effective use of the social housing stock in the borough, such as the Perfect Fit scheme and the use of fixed-term tenancies could complement this. At the same time, there is also a short supply of social housing properties in Elmbridge which have been adapted for people with physical disabilities and the use of fixed-term tenancies could make better use of these in the future, when such adaptations are no longer required by the occupying household.

(iii) Sustainability of the community

- 2.10 One of the arguments for continuing to grant long-term tenancies is that it promotes sustainable communities. It is considered that a household is more likely to invest in its community, take care of its home and put roots down, when they know that they are there for the long-term. Conversely, a concentration of short-term tenancies in one location may undermine this and result in a more transient community

(iv) The purpose of the accommodation

- 2.11 The Council believes that the purpose of affordable housing is to provide for those who cannot afford market housing and this principle needs to be incorporated into this strategy and the policies of registered providers.

(v) Reducing the administrative burden and ensuring simplicity, fairness and transparency

- 2.12 For landlords, shorter tenancy periods would lead to greater stock turnover and void costs, impact on their rent collection performance and create a greater administrative burden. This would impact on the quality of services to tenants and their longer-term ability to deliver additional affordable housing. It is also important that arrangements are simple, fair

and transparent, so that applicants and tenants alike know their rights and responsibilities and can plan for the future.

Issue 2: What kind of tenancy should be offered?

Fixed term, flexible tenancies

- 2.13 The Council expects registered providers to offer the vast majority of applicants a fixed term tenancy as this allows for regular review of the household's housing needs and will support the most effective use of the social housing stock.
- 2.14 We would support the granting of fixed-term tenancies of homes that have undergone significant adaptations or are fully wheelchair accessible, given the scarcity of such accommodation and the need to ensure it continues to be used by those who need it.
- 2.15 There may be very exceptional instances, where to support the sustainability of the community, Registered Providers could look to re-let a property using a lifetime tenancy rather than a fixed-term tenancy. This may be appropriate to avoid a concentration of short-term tenancies, where there have been concerns arising from the transience of the community.

Lifetime tenancies

- 2.16 Registered providers should consider offering a lifetime tenancy to applicants aged 60 or above where the associated property is within a retirement housing scheme.
- 2.17 In the case of existing tenants with lifetime tenancies who are choosing to move within Elmbridge, the Council encourages registered providers to offer the same security of tenure (i.e. an assured tenancy) where it would help meet a strategic objective, such as making more effective use of the stock. The offer of a lifetime tenancy in these cases may encourage an under-occupying tenant to move to a smaller home.
- 2.18 The Council's expectation is that registered providers should give serious consideration to continuing to offer lifetime tenancies within general-needs stock to the most vulnerable individuals where there is a long-term, possibly life-long need for support or care, due to substantial learning disabilities or severe and enduring mental health problems, for example, where they can be considered to be able to live in general-needs accommodation with appropriate support. Where it is clear that an individual or household, due to such long-term conditions, is unlikely to have the financial resources to meet their housing needs in the market nor be ever likely to manage or sustain accommodation without long-term support, such that their circumstances are unlikely to change, then it is

thought appropriate that they should benefit from the permanency and greater protection that lifetime tenancies offer. Registered providers are encouraged to liaise with health and social care professionals and the Council's Housing Services when considering such cases.

Issue 3: How long a fixed term tenancy should be granted?

- 2.19 Where fixed terms tenancies are used, they should be for a minimum of five years (excluding any probationary period), unless there are exceptional circumstances.
- 2.20 The Council considers that fixed-term tenancies of two years could be suitable for short-term supported housing where the intention is to prepare residents to move onto more independent accommodation. The provision of short-term tenancies helps ensure that people are moved on from supported housing when they no longer need that level of help, so that vacancies are created for others that do. This should not represent a significant change to current policy and practice, as it is understood that most lettings to supported housing of this type are made through assured-shorthold tenancies.
- 2.21 The Council discourages registered providers from granting fixed-term tenancies of less than five years within their general rented stock in Elmbridge because they are unlikely to provide lasting benefit to the households concerned or to the neighbourhoods in which the properties are located. We would urge any registered providers thinking of doing so, to ensure that they set out very clearly the rationale within their tenancy policies. The Council believes tenancy management is best undertaken through the use of probationary tenancies and through the available legal remedies, rather than through offering short-length tenancies.
- 2.22 The Council discourages registered providers from offering an initial fixed term of more than ten years (excluding any probationary period) as such length would not allow timely review to ensure that such housing is still required.

Issue 4: When should a fixed term tenancy be renewed?

- 2.23 The Council expects that registered providers will renew the majority of fixed term tenancies as in most cases the household's circumstances will not have changed significantly and the tenancy will have been conducted in a satisfactory manner. As such, the Council recommends that registered providers adopt a presumption that tenancies will be renewed and that landlords should show good reason for not renewing a tenancy.
- 2.24 Nevertheless, it is important that registered providers consider the best use of the social housing stock and that the review process ensures that

the household's circumstances and needs are appropriate for the type and size of accommodation they occupy.

- 2.25 Registered providers are expected to conduct a review of the tenancy no later than six months before the fixed term is due to expire and to consider the tenant's household, income and circumstances and to decide whether the property occupies meets their needs or whether there are more suitable housing options available to the household rather than a further fixed-term flexible tenancy. The review and assessment should consider the following.

Household size and occupancy

- 2.26 The review should consider whether the household composition has changed since the tenancy was granted, for example if members have left and found housing elsewhere or if new members of the household need to be added. If the review identifies that the household is under-occupying their accommodation (when assessed against the Council's housing allocation policy) then the registered provider is not expected to renew the tenancy but is expected to provide a suitably-sized alternative. If the household requires larger accommodation then the household should be supported to look at options such as seeking a transfer or achieving a mutual exchange.
- 2.27 If the property has been significantly adapted or has been built to be fully wheelchair-accessible and the household no longer includes a person who requires such facilities, then registered providers are not expected to renew the tenancy but to provide a suitable alternative. This will allow the property to be made available to somebody who would benefit from the adaptations.

Household incomes, savings and assets

- 2.28 The review should consider whether the tenant's household could afford to buy or rent suitable housing privately or take up options such as shared-ownership. The level of income and savings required to move on will depend on a number of factors, including the size of accommodation required (which will depend on the household composition) and the price of properties and levels of private-sector rents in place at the time when the review takes place. For these reasons, the Council does not believe it appropriate to set a threshold at this time as this will change over time.
- 2.29 That said, the Council believes that it is appropriate for registered providers to consider the following when undertaking the review:
- Size of the household and number of bedrooms required as per the housing allocations policy in place at the time of the review

- Lower-quartile private-sector rent levels for relevant property size needed within Elmbridge and surrounding boroughs
 - Lower quartile property prices within Elmbridge and surrounding boroughs
 - Annual household income maxima in place for HomeBuy products (currently £60,000)
 - That it is reasonable for a household to spend up to 25% of gross income on rent
 - To assume that a single-income household can raise a mortgage of 3.5 times gross annual income and that a dual-income household can raise a mortgage of 2.9 times gross annual income
 - The value of any savings or assets held
 - The tenant has come into legal ownership of another home or property
- 2.30 Given the gulf between the household incomes of those moving into housing association tenancies and those required to obtain market housing in the borough, it is anticipated that relatively few tenancies will be ended as a result of the household being able to afford alternative accommodation.

Tenancy conduct

- 2.31 As a general principle, the Council believes that registered providers should use the existing tools and legal remedies available to manage tenancies, rather than terminating tenancies at the fixed-term due to rent arrears. However, in cases where there is a history of anti-social behaviour or criminal activity by the tenant(s) or members of their households within Elmbridge, it may be appropriate for the tenancy to not be renewed.
- 2.32 Should providers decide to incorporate tenancy conduct into the review process, such that issues like rent arrears, anti-social behaviour or other breaches are considered, then it is important that these are clearly laid out in the tenancy policies and clearly communicated to tenants during the tenancy and at the point of review.

Other matters

- 2.33 There may be circumstances, where it would be unreasonable to expect tenants to move. These include:
- A tenant or member of the household is suffering from a terminal illness
 - The tenant has a child / children attending a local school
 - The tenant is a foster carer and the tenancy enables them to continue in the role

Expected outcomes of reviews

2.34 The Council anticipates the following outcomes:

A fixed-term tenancy should be renewed, when:

- The tenant qualifies for housing and is in need of social housing in line with the Council's housing allocations policy
- The tenant still needs the type and size of accommodation they are occupying
- The tenant (and partner if required) have completed a household resources assessment and at the time of the assessment they are not considered to have the means to afford local market housing, with reference to current prices and rents

A suitable alternative social housing should be offered:

We would expect registered providers to make arrangements for suitable alternative accommodation to be offered to the tenant where:

- The tenant qualifies for housing and is in need of social housing in line with the Council's housing allocations policy, but they no longer need the type and / or size of accommodation they are occupying, and / or;
- The tenant (and partner if required) have completed a household resources assessment and at the time of the assessment they are not considered to have the means to afford local market housing, with reference to current prices and rents

(The Council recognises that it may be particularly difficult for those Registered Providers with limited stock in and around the borough to offer suitable alternative accommodation where the outcome of the tenancy review points to the need to offer suitable alternative social housing. For this reason, Registered Providers are encouraged to work collaboratively with one another and with the Council to achieve this).

The tenant should be supported to find suitable housing in the market

We would expect registered providers to make arrangements for the tenant to find suitable market housing where:

- The tenant (and partner if required) have completed a household resources assessment and at the time of the assessment they are considered to have the means to afford local market housing, with reference to current prices and rents

Circumstances where no further offer of social housing be made and the tenant be evicted

We would expect providers to consider not renewing the tenancy and taking steps to obtain possession of the property where there have been breaches of the tenancy agreement in relation to anti-social behaviour, criminal activity or tenancy fraud etc.

Issue 5: Advice and assistance in finding alternative accommodation

- 2.35 The Tenancy Standard requires registered providers to, where they let homes on fixed-term tenancies, to offer reasonable advice and assistance at the end of the tenancy, especially where the landlord has taken the decision to end the tenancy and evict the household. The Council is mindful of the potential homelessness that could result and expects providers to ensure that they make arrangements to either provide such advice and assistance directly or to work with the council and / or other third party to do this on their behalf. In any case, we would expect the provider to give written notice to the Council's Housing Options Service well in advance of any tenancy termination, to maximise the prospects of preventing homelessness.

3. Affordable rent

- 3.1 The HCA's Affordable Homes Programme 2011-15 introduced significant change in the way that new affordable housing development is funded. This programme allows registered providers to charge up to 80% of market rent on new properties and on a proportion of re-lets, and provides them with the flexibility to dispose of existing properties, where this is necessary and supports the delivery of their development programme.
- 3.2 These measures were intended to increase providers' ability to raise development finance using their own assets and to compensate for a smaller level of capital investment from the public purse. Registered providers could only take advantage of these freedoms and flexibilities through entering into an agreement with the HCA.
- 3.3 It is recognised that the introduction of the affordable rent model in Elmbridge has the potential to raise significant additional funding to support much needed new delivery, given that market rents are amongst the highest in the country. This opportunity also presents a challenge, as rents being set at, or close to, 80% of market rents, may not be genuinely affordable to lower-income households, given local incomes.
- 3.4 It is also recognised that a number of Registered Providers have already entered into contracts with the HCA to deliver homes in and around Elmbridge and that these contracts are based on business plans and assumptions which pre-date this guidance, and in such circumstances, it may not be possible for these providers to meet all our expectations.

Rent levels

- 3.5 The Council has already provided guidance as to rent levels to be charged on new-build affordable rent properties. This guidance is included in part three of the Elmbridge Local Plan: Developer Contributions Supplementary Planning Document, which was adopted in April 2012 (<http://www.elmbridge.gov.uk/planning/policy/devcspd.htm>)
- 3.6 For the sake of consistency, the Council recommends that the principles applying to rent levels on new-build properties also be applied to re-lets converted to affordable rent. The suggested maximum rent levels are set out in Table 2, for ease of reference. The Council would of course encourage providers to set rent levels below these maxima, wherever possible.

Table 2 Guidance on maximum proposed rent levels for rent

	Outer South West London Broad Rental Market Area	Walton Broad Rental Market Area
1 bedroom	The lower of the following: <ul style="list-style-type: none"> • 80% of market rent • 90% of Local Housing Allowance (LHA) cap applying to month of let 	The lower of the following: <ul style="list-style-type: none"> • 80% of market rent • 95% of LHA cap applying to month of let
2 bedroom	The lower of the following: <ul style="list-style-type: none"> • 80% of market rent • 90% of LHA cap applying to month of let 	The lower of the following: <ul style="list-style-type: none"> • 80% of market rent • 85% of LHA cap applying to month of let
3 bedroom	The lower of the following: <ul style="list-style-type: none"> • 80% of market rent • 80% of LHA cap applying to month of let 	The lower of the following: <ul style="list-style-type: none"> • 80% of market rent • 70% of LHA cap applying to month of let
4 bedroom	The lower of the following: <ul style="list-style-type: none"> • 80% of market rent • 70% of LHA cap applying to month of let 	The lower of the following: <ul style="list-style-type: none"> • 80% of market rent • 70% of LHA cap applying to month of let

- 3.7 Details on the current Local Housing Allowance caps can be found at: <https://lha-direct.voa.gov.uk/search.aspx>
- 3.8 The HCA framework makes it clear that affordable rent properties should be allocated through existing lettings and nomination arrangements to those in housing need. The Council therefore expects that all households on the housing register will be considered eligible for affordable rent properties and that housing associations will advertise these properties through the Search Moves choice-based lettings scheme.
- 3.9 We would expect that registered providers will set out in their tenancy policies the circumstances in which they will grant a tenancy at a social rent level as opposed to at an affordable rent. We would expect safeguards to be in place to ensure that households will be able to afford accommodation, regardless of whether their income is partly or wholly derived from means-tested benefits.

Conversions of existing social housing to affordable rent

- 3.10 The existing stock of social housing in Elmbridge is a valuable and limited resource. A balance needs to be struck between supporting new development (predominantly of affordable rented stock) and retaining the social rented stock, which is typically let at rents of between 40% and 50% of market rents.

- 3.11 We would discourage providers from converting more than half of any re-lets arising over the lifetime of this strategy (up to 31 March 2015). We would also discourage providers from converting any homes with four or more bedrooms from social rent, as we are concerned that such an approach could leave such accommodation out of reach of the low-income households for whom the housing was originally intended.

Disposals of existing social housing stock

- 3.12 It is recognised that registered providers may pursue disposals of some of their existing social housing within Elmbridge to raise finances to support their development programme. The Council encourage any provider considering disposing of social housing stock in the borough to undertake early consultation with the Council's Housing Team. The Council is only likely to agree disposals if it can be clearly demonstrated that the asset no longer meets a strategic housing need or requires significant investment which does not represent good value for money. Given the particular need for homes with three or more bedrooms, we are unlikely to support disposal of this size of accommodation, without assurances that replacement units would be provided. In all cases, we would expect the provider to show how the proceeds generated from any disposal would result in additional affordable housing within the borough.

4. Review and monitoring

- 4.1 This strategy will run from January 2013 to the end of March 2015, which is when the HCA's Affordable Homes Programme comes to an end. This will allow the strategy to be refreshed in the light of any changes relating to the future funding of affordable housing.
- 4.2 The evaluation of the strategy will need to combine both short and long-term measures, covering the granting of tenancies and what happens when tenancies are due to end. The Council will work with registered providers to agree a set of review measures, but it is proposed that the following be put in place, which we would be monitored on either a six-monthly or annual basis.

Table 3 Proposed review measures for Tenancy Strategy

1. Number of fixed-term tenancies granted, of which: <ul style="list-style-type: none">• Less than 5 years• 5 years• 6 to 9 years• 10 years
2. Number of assured-tenancies granted <ul style="list-style-type: none">• To existing social tenants• To new tenants
3. Number of fixed-term tenancies renewed
4. Number of fixed-term tenancies not being renewed, and reason why: <ul style="list-style-type: none">• under-occupation• adapted property• financial resources• tenancy conduct• other
5. Destination for households where tenancy not reviewed: <ul style="list-style-type: none">• Granted other social tenancy• Full home-ownership• Private-rented• Homebuy• Homeless application• Other

- 4.3 For further information or to comment on this strategy, please contact housingpolicy@elmbridge.gov.uk or telephone the Housing Strategy & Enabling Team on 01372 474631.

Appendix 1 Local context

Population and dwelling numbers

- 1.1 The 2011 Census recorded Elmbridge's population as 130,900, a rise of 9000 (or 7%) since the 2001 Census.
- 1.2 There were 55,655 homes recorded in Elmbridge, as at October 2011. Approximately 10% of households live in social rented housing (which is just over half the national level of 19%). There is no longer any council housing within Elmbridge, with housing associations providing all the affordable housing in the borough.

Costs and affordability of owner-occupation and private-rented housing

- 1.3 Property prices are amongst the highest in the country, with the average price of a home sold in Elmbridge in the first quarter of 2012 being £622,000. The table below shows how that mean, median, lower quartile and fifteenth percentile property prices in Elmbridge are significantly higher than the county and national equivalents.

Table A1 Comparison of property prices in Quarter 3, 2011

	Mean	Median	Lower quartile	15th percentile
Elmbridge	£575,518	£401,250	£250,000	£225,000
Surrey	£409,681	£310,000	£222,500	£187,000
England	£241,414	£180,000	£125,000	£101,000

Source: Land Registry

- 1.4 The median house price was over twelve times the level of local earnings in the third quarter of 2011, significantly above the national and regional ratios (6.65 and 7.98 respectively).
- 1.5 The Valuation Office Agency has published data on private-sector rent levels across England gathered for the twelve months to the end of June 2012. Table A2 shows that, as with house prices, the rents are well above the national average and rank amongst the highest in the country.
- 1.6 Government guidance indicates that market rents should be considered to be affordable when the rent payable represents no more than 25% of household gross income. The figures within Table A2 give some indication of the household income levels required to afford rent within the lower quartile (or cheapest quarter).

Table A2 Comparison of monthly private-sector rents (year to June 2012)

Size	Elmbridge (average)	England (average)	Elmbridge (lower quartile)	Gross household income required for Elmbridge lower quartile rent to be considered affordable
1 Bedroom	£803	£593	£737	£35,376
2 Bedroom	£1180	£665	£950	£45,600
3 Bedroom	£1468	£765	£1250	£60,000
4 Bedroom	£3429	£1337	£1900	£91,200

Source: Valuation Office Agency

1.7 The high costs of renting or buying on the market help explain the need for affordable housing as outlined below.

Supply and demand for housing association rented stock in Elmbridge

1.8 As at 1 April 2012, there were approximately 4230 properties owned by housing associations within Elmbridge provided as low cost rented accommodation. In addition, there were approximately 937 housing association properties for rent within retirement schemes, along with 41 supported housing units.

1.9 The table below provides a breakdown of the general-needs rented owned by housing associations within Elmbridge, by bedroom size. It excludes properties provided as supported housing or within sheltered housing schemes for older people, as well as properties designated for key-workers.

Table A3 Housing association general-needs stock in Elmbridge, April 2012

Housing type	Bedsits	1-bed	2-beds	3-beds	4-beds	5-bed	Totals
General-needs	61 (1.4%)	1050 (25%)	1450 (34%)	1553 (37%)	105 (2%)	8 (0.2%)	4227

Source: Homes and Communities Agency, Statistical Data Release (2012)

1.10 The vast majority of the properties recorded in the above table will be currently let on assured (or lifetime) tenancies. Whilst the table sets out the stock numbers, the more relevant information to consider concerns the number of these which actually become available for letting (“the flow”).

1.11 Whilst the table above shows that three-bedroom properties make up the single largest proportion of stock, lettings data for Elmbridge show that the

number and proportion of these homes that become available for letting each year is significantly smaller than for one and two bedrooms. Table A4, taken from reports produced by CORE, a national information source on social housing lettings, demonstrates this point, by considering lettings trends over the last three years.

Table A4 Housing association general-needs in Elmbridge, 2009/10 – 11/12

Year	1-bed	2-bed	3-bed	4-bed	Total
2009/10	109	80	36	5	230
2010/11	106	111	28	1	246
2011/12	95	117	64	8	284
Average per year	103 (40%)	103 (40%)	42 (17%)	5 (2%)	253 (100%)
Average turnover per year (lettings / stock)	9.8%	7%	2.7%	5%	6%

Source: CORE reports

1.12 In terms of need, as at 1st April 2012, there were 1756 applications on Elmbridge Council’s Housing Register, their bedroom requirements being as follows.

Table A5 Breakdown of bedroom requirements of housing register applicants, April 2012

	1-bed	2-bed	3-bed	4-bed	5-bed	Total
Number of applications	882	561	259	46	8	1756

Source: Elmbridge Housing Register

1.13 In addition to those on the Council’s Housing Register, Elmbridge Housing Trust holds a register of its tenants whom are seeking re-housing. As at October 2011, 512 Elmbridge Housing Trust tenants were on this transfer register and 68 of these were in larger accommodation than they were deemed to need, whilst 219 were looking to transfer to larger accommodation than they currently occupied.

1.14 These statistics on social housing show up two mismatches, the first being that number of households seeking social housing in Elmbridge far exceeds the available supply and the second that a significant proportion of existing social housing tenants occupy accommodation which could be considered too small or large for their needs.

1.15 The security of tenure enjoyed by most social housing tenants gives them “life-time” tenancies (so long as they comply with their tenancy conditions) regardless of whether they under-occupy their home or not. This helps explain why there are considerable levels of under-occupation within the social housing stock, whilst tenants of the same landlord may need larger

accommodation. An analysis of occupancy levels within Elmbridge Housing Trust's general-needs stock in the borough in 2011 found that an estimated 25% of its two bedroom are under-occupied and that up to 50% of all three bedroom homes are under-occupied. It should be noted of course that tenants of these homes are often older people who have lived in this homes for many years who would not consider moving and have absolute rights to remain.

Statutory Homelessness

1.16 Whilst the Council oversaw a sustained reduction in the levels of homelessness in the borough from 2004 through a greater focus on homelessness prevention, there has been an upturn in homelessness since 2011, due to a combination of factors, including the recession and the impact of benefit reforms making it difficult for lower-income households to access accommodation in the private-rented sector. As at 30 June 2012, the Council had 33 households placed in temporary accommodation.

Income levels

1.17 The Annual Survey of Hours and Earnings survey (ASHE) reported the following weekly gross earnings data for Elmbridge residents and those employed in the borough.

Table A6 Weekly gross earnings for Elmbridge (residence based and workplace-based), 2011/12

	Median	Mean	Lower quartile	Upper quartile
Residence-based	£592.60	£915.50	£331.20	£1008.70
Workplace-based	£483	£578.20	£252.70	£728.30

Source: ASHE, 2011

1.18 Whilst we do not have directly comparable data to show the income levels of households applying for social housing in Elmbridge or for all social housing tenants in the borough, the information we do have demonstrates that households taking up social housing tenancies in the borough have much lower average incomes. CORE records reported that the net weekly average income of the tenant or tenant and partner within households taking up general-needs tenancies within Elmbridge in 2011/12 was £238.

Appendix 2 Glossary of terms

Term	Definition
Adapted property	A property adapted to enable a person or households with a special requirement to live there – e.g. a person with physical disabilities
Affordable Rent	Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable)
CORE	CORE (COntinuous REcording) is a national information source funded by Central Government that records information on the characteristics of new social housing tenants and the homes they rent and buy.
Fixed-term tenancy	A tenancy granted for a fixed period of time.
Homes and Communities Agency	The organisation that provides public funding to fund new affordable housing and which regulates Registered Providers
Housing Allocations Policy	The policy by which applicants for affordable housing are prioritized and tenancies are offered
Housing Register	The register of applicants for social housing, usually managed by local authorities (commonly referred to as the “waiting list”)
Local Housing Allowance	The Local Housing Allowance (LHA) arrangements are a way of working out Housing Benefit for people who rent from a private landlord. Local authorities use LHA rates based on the size of household and the area in which a person lives to work out the amount of rent which can be met with HB
Registered Provider (RP)	A landlord registered with and regulated by the Homes and Communities Agency. Most RPs are either housing associations or council landlords
SEARCH Moves Choice-Based Lettings Scheme	The choice-based lettings scheme operating across Spelthorne, Elmbridge and Runnymede used to allocate social housing vacancies. When a property becomes vacant it is advertised and potential tenants can bid for the property. Each property is then usually offered to the bidder in the highest priority band
Social rented housing	This is rented housing usually owned and managed by councils or housing associations and let at rents following the Government’s guidelines for target rents. These rent level, within Elmbridge, are significantly below market rents and Affordable Rents.
Temporary Accommodation	Accommodation of various types intended to be occupied for a temporary period to homeless households, whilst settled accommodation is being sought.
Tenancy Policy	The policies that registered providers are expected to publish outlining their approach to tenancy management, including interventions to sustain tenancies, prevent unnecessary evictions, and tackle tenancy fraud.
Tenancy Strategy	See paragraph 1.9 in chapter one.
Universal Credit	Universal Credit is a new single benefit payment for people who are looking for work or on a low income and is to be introduced on a phased-basis from October 2013. It will replacing the current system by which people of working age can receive a variety of benefits that are often administered separately and in different ways, by different agencies.

Appendix 3 Directory of Registered Providers with housing stock in Elmbridge

PRP Name	General needs stock – for rent	Supported stock –for rent	Housing for older people – for rent	Low cost housing units owned	Address & contact details
A2 Dominion South Ltd	226	10	0	49	40 London Road Staines, TW18 4HD Phone: 020 8825 1000 Email: info@a2dominion.co.uk Website: www.a2dominion.co.uk
Advance Housing & Support Ltd	0	0	0	3	1 Cygnet Court, High Street, Witney Oxon, OX 28 6HT Phone: 01993 709221 Email: housing@advanceuk.org Website: www.advanceuk.org
Amicus Horizon	2	0	0	32	Grosvenor House, 125 High Street, Croydon, Surrey CR0 9XP Phone: 020 8726 8600 Email: contactus@amicushorizon.org.uk Website: www.amicushorizon.org.uk
Catalyst Housing Ltd	0	0	0	1	Ealing Gateway, 26-30 Uxbridge Road, London, W5 2AU Phone: 020 8832 3334 Email: online/website Website: www.chg.org.uk
Elmbridge Housing Trust Ltd	3464	760	59	78	Case House, 85-89 High Street, Walton-on-Thames, KT12 1DZ Phone: 01932 235700 E-mail: info@elmbridgehousing.org.uk Website: www.paragonchg.co.uk/elmbridge-

PRP Name	General needs stock – for rent	Supported stock –for rent	Housing for older people – for rent	Low cost housing units owned	Address & contact details
					housing-trust/
Genesis Housing Association Ltd	6	0	0	0	421 Harrow Road London, W10 4RE Phone: 033 3000 3000 Email: online/website Website: www.genesisha.org.uk
Hastoe Housing Association Ltd	38	0	0	0	Marina House, 17 Marina Place, Hampton Wick, Kingston upon Thames KT1 4BH Phone: 020 8973 0395 Email: customerservices@hastoe.com Website: www.hastoe.com
Hyde Housing Association Ltd	1	0	0	0	30 Park Street London, SE1 9EQ Phone: 020 3207 2600 Email: customerservices@hyde-housing.co.uk Website: www.hyde-housing.co.uk
Inquilab Housing Association Ltd	5	0	0	0	Grove House, 77 North Road Middlesex, UB1 2JL Phone: 0208 843 1263 Email: enquiries@inquilabha.org Website: www.inquilabha.org
Kingston upon Thames Churches Housing Association Ltd	0	0	12	0	Meadway House, 17/21 Brighton Road Surbiton, Surrey, KT6 5LR Phone: 020 8399 7221 Email: office@kcha.org.uk Website: www.kcha.org.uk

PRP Name	General needs stock – for rent	Supported stock –for rent	Housing for older people – for rent	Low cost housing units owned	Address & contact details
London & Quadrant Housing Trust	99	0	0	18	Osborn House Osborn Terrace London, SE3 9DR Phone: 0844 406 9000 Email: online/website Website: www.lqgroup.org.uk
Look Ahead Housing & Care Ltd	0	24	0	0	1 Derry Street London W8 5HY Phone: 020 7937 1166 Email: info@lookahead.org.uk Website: www.lookahead.org.uk
Martlet Homes Ltd	1	0	0	0	Martlet House, Southern Gate Chichester, West Sussex PO19 8SG Phone: 01243 788794 Email: customerservices@hyde-housing.co.uk Website: www.hyde-housing.co.uk
Orbit Group Ltd & Orbit South Housing Association Ltd	141	12	0	14	29 Linksfield Lane, Redhill, RH1 1SS Phone: 0800 678 1221 Email: info@orbit.org.uk Website: www.orbitsouth.org.uk
Richmond upon Thames Churches	127	0	16	37	13 Castle Mews, High Street, Hampton, TW12 2NN. Phone: 020 8481 7277

PRP Name	General needs stock – for rent	Supported stock –for rent	Housing for older people – for rent	Low cost housing units owned	Address & contact details
Housing Trust Ltd					Email: info@rutcht.org.uk Website: www.rutcht.org.uk
Rosemary Simmons Memorial Housing Association Ltd	136	0	38	16	Rosemary House, Portsmouth Road Esher, KT10 9AA Phone: 01372 461440 Email: enquiries@rsmha.org.uk Website: www.rsmha.org.uk
Southern Housing Group Ltd (including Southern Home Ownership Ltd)	34	0	0	33	Fleet House, 59-61 Clerkenwell Road, London, EC1M 5LA Phone: 0845 612 0021 Email: service.centre@shgroup.org.uk Website: www.shgroup.org.uk
Thames Ditton Homes Ltd	0	0	15	0	Lynton, St. Leonards Road, Thames Ditton, Surrey, KT7 0RW Phone: 02083980306 Email: N/A Website: www.housingnet.co.uk
Thames Valley Housing Association	77	0	0	94	Premier House, 52 London Road Twickenham TW1 3RP Phone: 020 8607 0607 Email: info@tvha.co.uk Website: www.tvha.co.uk
The Richmond Fellowship	0	17	0	0	80 Holloway Road London, N7 8JG Phone: 020 7697 3300 Email: communications@richmondfellowship.org.uk

PRP Name	General needs stock – for rent	Supported stock –for rent	Housing for older people – for rent	Low cost housing units owned	Address & contact details
					Website: www.richmondfellowship.org.uk
The Sons of Divine Providence	16	0	0	0	13 Lower Teddington Road Kingston Upon Thames, Surrey KT1 4EU Phone: 020 8977 0105 Email: online/website Website: www.sonsofdivineprovidence.org
Transform Housing Ltd	0	20	0	0	Bradmere House, Brook Way Leatherhead, Surrey, KT22 7NA Phone: 01372 387100 Email: info@transformhousing.org.uk Website: www.transformhousing.org.uk
Walton on Thames Charity	3	0	96	0	Mayfield, 74 Hersham Road Hersham, Walton on Thames, KT12 5NU Phone: 01932 220242 / 020 3328 0242 Email admin@waltoncharity.org.uk Website: www.waltoncharity.org.uk
Wandle Housing Association Ltd	0	0	0	2	232 Mitcham Road London, SW17 9NN Phone: 0800 7312030 Email: customerservices@wandle.com Website: www.wandle.com

Appendix 4 Equality Impact Assessment

Department / section	Housing	Officer responsible for EIA	Colin Waters, Strategy & Enabling Manager
Date	10 January 2013	Equalities screening form completed?	No
Name of policy/project/consultation/function being assessed			
Tenancy strategy			
What is the purpose/objectives and desired outcomes			
To provide guidance to Registered Providers on the type and length of tenancies they should offer across their affordable housing stock in Elmbridge, and in what circumstances.			
Stakeholders and Consultation			
Who is intended to benefit/has an interest/who has been consulted/engaged – internally/service users/partners/members and how did you consult?			
Registered Providers (more commonly known as housing associations) with rented affordable housing within Elmbridge have the most direct interest and each was sent a copy of the draft strategy and given an opportunity to comment. The draft strategy was approved for consultation on 10 December 2012 by the Cabinet Member for Housing. Households on the Council's Housing Register seeking a housing association tenant and those who are likely to join the register between now and March 2015 have an interest in the strategy. The consultation was limited to housing association and complies with the legal requirements as set down in the Localism Act.			

					What will the impact be? If the impact is negative how can it be mitigated?(action) e.g. details of consultations/consideration of data, indirect/direct discrimination. What can be done to reduce/remove impact. How will you monitor? do you have an action plan?
		Positive impact	Negative impact	No specific impact	
Sex	Men			x	The strategy does not direct providers to differentiate on the issue of gender when considering tenancy types and nor do we consider that there will be any indirect impacts.
	Women			x	See above
Gender Reassignment	Transgender			x	See above
Race / Ethnicity	Asian or Asian British			x	The strategy does not direct providers to differentiate on the issue of gender when considering tenancy types and nor do we consider that there will be any indirect impacts.
	Black or Black British			x	See above.
	Mixed race			x	See above.
	White Irish			x	See above.
	White British			x	See above.
	Other ethnic group			x	See above.

		Positive impact	Negative impact	No specific impact	What will the impact be? If the impact is negative how can it be mitigated?(action) e.g. details of consultations/consideration of data, indirect/direct discrimination. What can be done to reduce/remove impact. How will you monitor? do you have an action plan?
	Gypsies / travellers			x	See above.
Disability	Physical	x			We consider that the strategy has a positive impact on those with physical disabilities and who require adapted properties. This is because it provides guidance to providers to not review tenancies on such properties when any fixed-term comes to an end, if the household no longer requires such adaptations. This should allow these properties to be made available for re-letting to households with physical disabilities and promote better use of these type of properties.
	Sensory	x			We consider that the strategy does has a positive impact on households with substantial disabilities / mental health problems as it does encourage providers to offer lifetime tenancies, where households considered to have significant long-term care and support needs, which would impair their ability to access housing in the market and to sustain such accommodation.

		Positive impact	Negative impact	No specific impact	What will the impact be? If the impact is negative how can it be mitigated?(action) e.g. details of consultations/consideration of data, indirect/direct discrimination. What can be done to reduce/remove impact. How will you monitor? do you have an action plan?
	Learning Difficulties	x			See above
	Mental Health	x			See above
Sexual orientation	Lesbian, gay men, bisexual				The strategy does not direct providers to differentiate on the issue of sexual orientation when considering tenancy types and nor do we consider that there will be any indirect impacts.
Age	Older people (60+)	x			We consider that the strategy has a positive for applicants aged 60 and over as it encourages providers to offer lifetime tenancies to these households in retirement housing schemes so as to provide peace of mind.
	Younger people			x	The strategy does not direct providers to differentiate when households or individuals below the age of 60 when considering tenancy types and nor do we consider there will be any indirect impacts.

					What will the impact be? If the impact is negative how can it be mitigated?(action) e.g. details of consultations/consideration of data, indirect/direct discrimination. What can be done to reduce/remove impact. How will you monitor? do you have an action plan?
		Positive impact	Negative impact	No specific impact	
Religion & Belief					The strategy does not direct providers to differentiate on the issue of religion and belief when considering tenancy types and nor do we consider that there will be any indirect impacts.
Pregnancy & maternity					The strategy does not direct providers to differentiate on the issue of pregnancy and maternity when considering tenancy types and nor do we consider that there will be any indirect impacts.
Marriage or Civil Partnership					The strategy does not direct providers to differentiate on the issue of marriage and civil partnership when considering tenancy types and nor do we consider that there will be any indirect impacts.