

## Central and North Hampshire Tenancy Strategy Statement

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## 1. Introduction

The Hampshire authorities that have produced this pre-strategy statement recognise the additional local flexibility that fixed term tenancies may provide. This over-arching strategy statement has been produced to set out our initial broad principle in our approach to granting tenancies for affordable housing in Central Hampshire Housing Market Area. For some of the participating local authorities the strategy statement is subject to Cabinet approval.

The Central and North Hampshire Housing Market Area local authorities each intend to produce its own tenancy strategy in due course; there will be one for each of the following areas:

- Basingstoke & Deane
- East Hampshire
- Hart
- Havant
- Rushmoor
- Test Valley
- Winchester



The Government is enabling providers of social housing with the option to use fixed term flexible tenancies, which in most cases will be for a minimum of five years. This recognises that presently tenancies are granted by local authorities or registered housing providers to meet an immediate need, such as overcrowding or homelessness, which may change over time resulting in homes being under-occupied or occupied by tenants who could afford open market accommodation.

We have produced this pre-strategy statement to help provide a consistent approach to Registered Providers as we recognise that many will own housing stock across a number of local authority areas. We also understand that similar trends and housing market features will be present across the central Hampshire local authorities.

Registered Providers are expected to have due regard to local authority's strategies in framing their own policies and we have worked closely with colleagues from housing associations, and other agencies in the development of this strategy statement. We will continue to work in partnership to make sure that Registered Providers tenancy policies and Local Authorities Tenancy Strategies work together to meet housing needs and priorities

The Central and North Hampshire local authorities have adopted a cross authority working arrangement for this strategy statement; wherever possible seeking to harmonise the policies and practices. We are committed to ensuring this approach is applied to the development and implementation of tenancy strategies. This will help to make best use of stock across the whole area and create more sustainable communities, however it is recognised that different approaches may be needed for rural and urban areas and for some considerations between districts to account for local needs.

This strategy statement offers some general principles on how we will address the issues of tenure reform.

There will be detailed local tenancy strategies produced for each local authority area relating to specific local area needs, this will ensure statutory duties required of local authorities are satisfactorily fulfilled.

Although baseline data on rents across the all districts is considered, this strategy does not advise on rent setting. It does not consider tenancy management issues.

The strategy does not detail changes we may make to our Allocations policies or housing registers (where local authorities still hold them), or our choice based lettings arrangements, as we will carry out a separate review of these. It has been suggested that there should be more joint work undertaken in the area of Choice based Lettings.

It is important to note that Registered Providers must 'have regard to' our tenancy strategy in developing their own tenancy policies. In addition, they have already signed their contracts with the Homes and Communities Agency

over the development of the new affordable rent product for the delivery of affordable housing until 2015, which means they will already have plans in place. However, we ask that Registered Providers in Central Hampshire review their own tenancy policies after the publication of this strategy to ensure that, wherever possible, their policies work to compliment the joint aims of our strategy. It has been suggested that Councils and RP's monitor the availability, affordability and turnover in lettings and the impact on these by the implementation of Universal Credits and whether the number of bids are affected, how difficult it is to let an affordable rented property to those who offer flexible tenancies, refusal rates and the potential increase in void times

## **2. Aims**

The Tenancy Strategy is intended to provide broad guidance to Registered Providers operating in the Central Hampshire Housing Market Area, informing their policies and practices to produce lettings for housing applicants that meet local housing need and improve market functioning across the central Hampshire housing market area. It will do this by:

1. Enable the best use of affordable housing across the Central Hampshire Housing Market Area through greater tenancy flexibility, whilst maintaining a reasonable level of security of tenure to tenants.
2. Providing broad guidance and direction to Registered Providers regarding their use of flexible tenancies.
3. Indicating to current and prospective tenants, what they can expect from the tenancies offered by Register Providers in the Central Hampshire Housing Market Area.
4. Support the development and continuation of sustainable mixed communities
5. Address issues of affordability by seeking to maximize the availability of social rented properties and accepting the need for Affordable Rent properties only as a means of securing additional affordable rented homes.
6. Better meet local housing needs

## **3. Strategic Links**

This Tenancy Strategy has a number of really important links to other key national and local documents, strategies and policies, including

- Allocations polices
- Choice based lettings frameworks
- Homelessness strategies
- Use of private rented sector to prevent homelessness
- Housing strategies

Please see the first appendix for full details.

## **4. Summary of Evidence**

The second appendix to this strategy sets out a range of data and information that has been used to inform this Strategy. Key points to note are:

- Approximately 4/5<sup>th</sup> of all stock across North Hampshire is private sector homes (this includes both private rented and owner-occupied).
- Although the net number of homes continues to increase the rate at which new homes are being built has been falling.
- The population has increased and is projected to continue to do so, particularly amongst single person households and older people.
- House prices have more than doubled between 1997 and 2011 with a peak in 2007, as has the volume of sales in the same period.
- The number of people accepted onto social housing waiting lists has increased by three-quarters and rents have almost doubled between 1998 and 2011.
- Homelessness has fallen by 85%; the use of temporary accommodation has dropped by 76% from 2004/5 to 2009/10
- The supply of affordable housing has increased by more than 50% Levels stood at 800 in 2009/10, an increase of 200% on levels in 1991/92 and a decrease of 37% on levels in 1996/97.

The population continues to increase, together with the number of households on housing waiting lists and the number of those in housing need. This is taking place against a backdrop of fewer new dwelling starts and completions, and rising house prices. Consequently, the need to make best use of existing and future social / affordable housing stock is paramount.

## **5. Tenancy Types**

This section sets out the broad approach to fixed term tenancies with regards to procedures, reviews and appeals to meet the overriding objective of maximising the best use of affordable housing stock and taking account of the aims set out in Section 2 above.

### **Use of tenancies**

The Central and North Hampshire area would encourage the use of flexible tenancies where possible, to maximise the best use of affordable housing stock but acknowledges that there may be exceptional circumstances where lifetime tenancies may be granted.

Where Register Providers wish to use flexible tenancies, we would expect them to be granted for a minimum length of 5 years. Those wishing to provide shorter tenancies between 2-5 years will need to demonstrate on what basis this is justified.

The choice of not using flexible tenancies should be recognised in the document and a number of respondent RP's have reiterated that that is their current situation. Some organisations will have chosen for the time being at

least to issue life-time tenancies with a probationary one year at the beginning. This strategy recognises this choice.

### **Tenancy reviews**

We expect that RPs tenancy policies will state that not less than 6 months before a flexible tenancy is due to end, it must be subject to a review.

If it is decided, as a result of the tenancy review, that a tenancy will not be renewed, written notice advising the tenant of such will be served. The notice must contain the reasons for the decision and, at the same time, notify the tenant of their right to appeal. Should a tenant appeal and fail to have the decision overturned, the landlord will be able to seek possession of the property.

We expect that RPs tenancy policies will provide clear criteria setting out the circumstance in which tenancies will not normally be renewed. We expect that these criteria will cover issues such as;

- Under occupation
- Overcrowding
- Properties with adaptations
- Where tenants have sufficient income or assets to meet their own housing needs

The tenancy policy should not seek to address housing management issues that can be dealt with through existing processes.

Registered Providers tenancy policies should make it clear that tenants will be made aware of these criteria when taking their tenancy.

It is recognised that there may be circumstances in which it would be unreasonable to expect someone to move even if the relevant criteria applied, and we would anticipate a Registered Providers Tenancy policy will explain when a tenancy might be allowed to continue:

### **Notice period**

When flexible tenancies are coming to an end, it is essential that Tenancy Policies provide that the tenant is given sufficient notice so that they can seek advice about their options. Accordingly, we expect that notice will be served 6 months before the tenancy is due to end.

Well in advance of a tenancy being terminated (at least six months), we expect that the Registered Providers will work proactively with the Local Authorities and with the tenant, to assist them to explore their options for alternative housing, which could include home ownership, a privately rented home or a more suitable affordable rented home. The Local Authorities expect that the Registered Providers will develop local protocols for dealing with cases where tenancies will not be renewed. There will be some cases where RP's will choose not to use flexible tenancies at all or may choose to run a pilot in a designated area or on a property type.

If the tenant refuses to move when the notice period expires, the normal eviction procedure will take effect.

There is potentially a need to educate tenants and potential tenants on the different tenure types and what it means for them. Leaflets, newsletters and web based information could assist. Similarly landlords could propose to include tenancy conduct as a criteria.

### **Right of appeal**

If a tenant disagrees with the decision reached by their landlord to terminate their tenancy, they may use the appeal process. Each Registered Provider is expected to set out in its Tenancy Policy, the appeal process established, and tenants should be directed to this for guidance.

### **Advice at end of fixed term**

Registered Providers are expected to set out in their Tenancy Policies the arrangements they have in place for the provision of comprehensive housing options advice at the end of a fixed term tenancy. The Central and North Hampshire authorities wish to see a plan for provision of this advice set out clearly in each Tenancy Policy and we expect that Registered Providers will discuss with Local Authorities the most effective means of delivering this Housing Options advice.

## **6. Consultation**

This strategy has been developed with the input from colleagues from Registered Providers through a series of workshops held during late 2011, and facilitated independently. A consultation draft version of this strategy has been circulated to these colleagues, and to other stakeholders during March 2012 and the final version will take on board any comments and views emerging from this.

## **7. Monitoring**

The local authorities and registered providers located within the Central and North Hampshire area will review this document periodically. Particular attention will be paid to the information provided in the Appendix and how this is affected by type of tenancies offered.

It has been suggested that the number of FTT's be monitored, note those that fail at the end of the probationary period, the number ending at the end of the FTT period with reasons and the number of appeals completed and upheld and reasons.

## Appendix 1 – Strategic links

Allocations policy	Information about how applicants are prioritised for social rented housing can be found in each of our own Housing Allocations Schemes. Applicants whom are deemed to be the most vulnerable in the most acute housing circumstances who have been waiting the longest are prioritised for housing. Monitoring the effectiveness of this Tenancy Strategy can help to inform how applicants are prioritised for social and affordable rented housing in the future.
CBL framework	Irrespective of tenure type, all properties will continue to be advertised through our choice based lettings frameworks. Where a property is to be let on a fixed term, this will be clearly indicated on the property advert.
Homelessness strategy	The local authorities most recent Homelessness Strategies, sought to prevent homelessness, help those who are homelessness and support people so they didn't return to homelessness. The levels of homelessness acceptances and households in temporary accommodation fell significantly 2003 – 2010, during the same period the number of households who were prevented from becoming homeless increased. Use of various incentives to help people access accommodation in the private rented sector was the most successful method of finding alternative accommodation before someone became homeless.
Use of private rented sector to resolve homelessness	The Localism Act 2011 allows local authorities to adopt a power so they can end the statutory homelessness duty by using private rented sector accommodation. Those local authorities that intend to make use of this power will help those facing homelessness access private sector accommodation rather than social rented housing to those facing homelessness.
Housing Strategies for each local authority	The individual Housing Strategies for each authority set out the detail of local housing supply, and demand and establish how locally, these two will be matched. Registered Providers should have regard to the relevant Housing Strategy in framing their Tenancy Policies.
Government housing strategy “Laying the Foundations: A Housing Strategy for England”	<p>The Government’s key housing policy goal is to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live. To accomplish this, the Government is seeking to:</p> <ul style="list-style-type: none"> <li>• Achieve a wide choice of high quality homes, both affordable and market housing, to</li> </ul>



	<p>address the requirements of the community</p> <ul style="list-style-type: none"><li>• Widen opportunities for home ownership and ensure high quality housing for those who cannot afford market housing, in particular those who are vulnerable or in need</li><li>• Improve affordability across the housing market, including increasing the supply of housing and;</li><li>• Create sustainable, inclusive, mixed communities in all areas, both urban and rural.</li></ul>
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## Appendix 2 – Housing Needs Evidence<sup>1</sup>

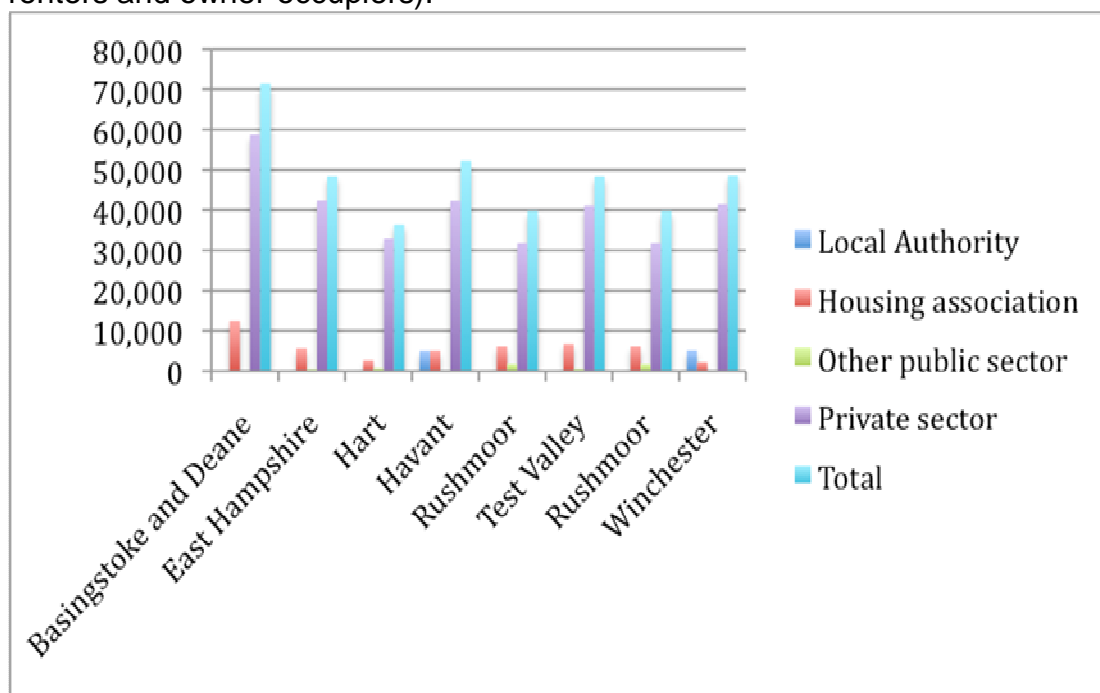
The statistics provided below relate to the following local areas:

- Basingstoke & Deane
- East Hampshire
- Hart
- Havant
- Rushmoor
- Test Valley
- Winchester

Where an overall total is offered is relates to the whole of the Central Hampshire Housing Market Area.

### Dwelling stock

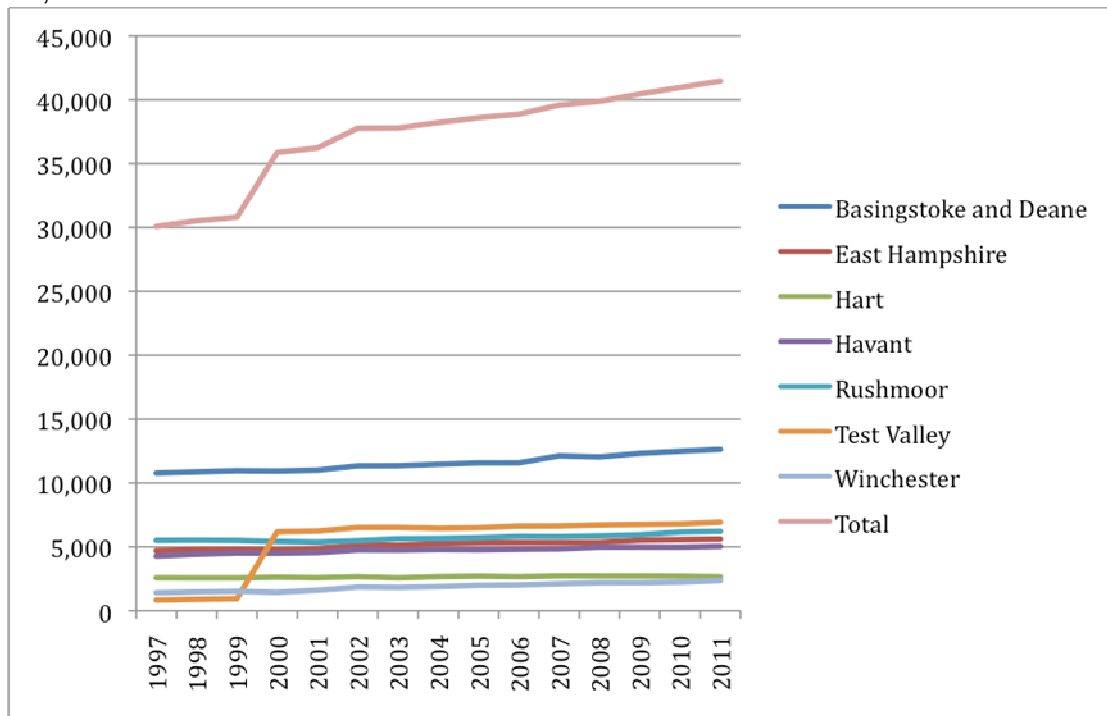
Total dwellings were 385,180 in 2011. 2.5% was local authority dwellings, 12.2% was housing association dwellings, 1.4% was other public sector dwellings, and 83.6% was private sector dwellings (this includes both private renters and owner-occupiers).



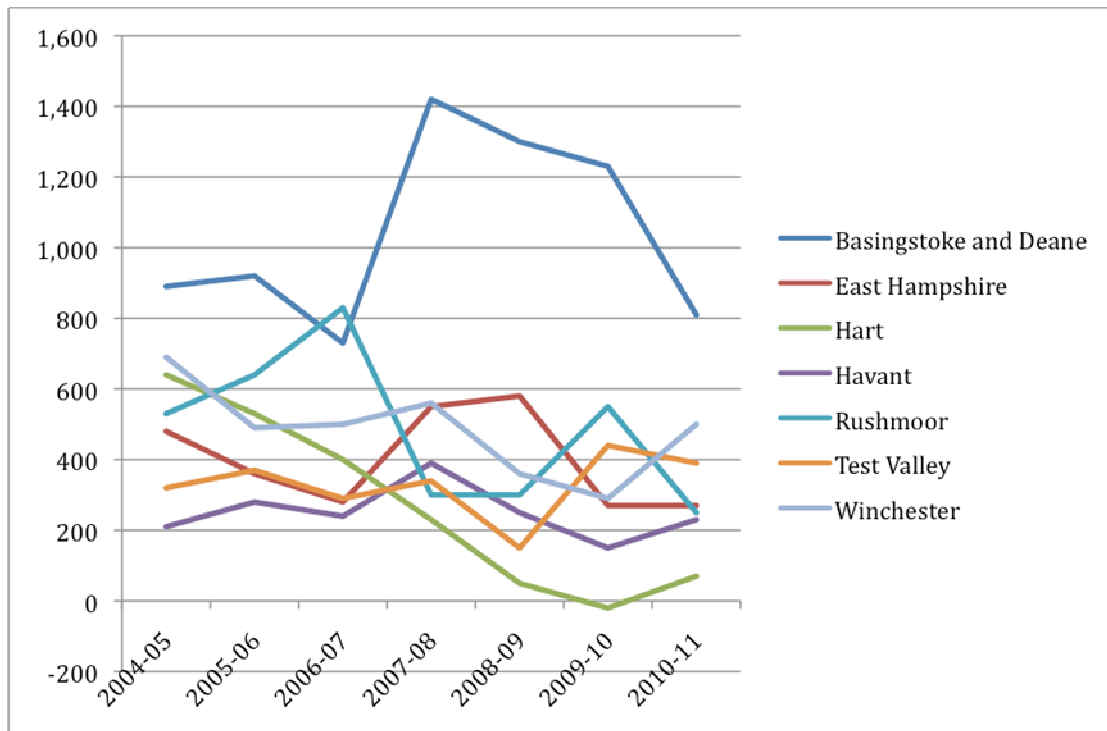
<sup>1</sup> Source:

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/locallevelstatistics/>

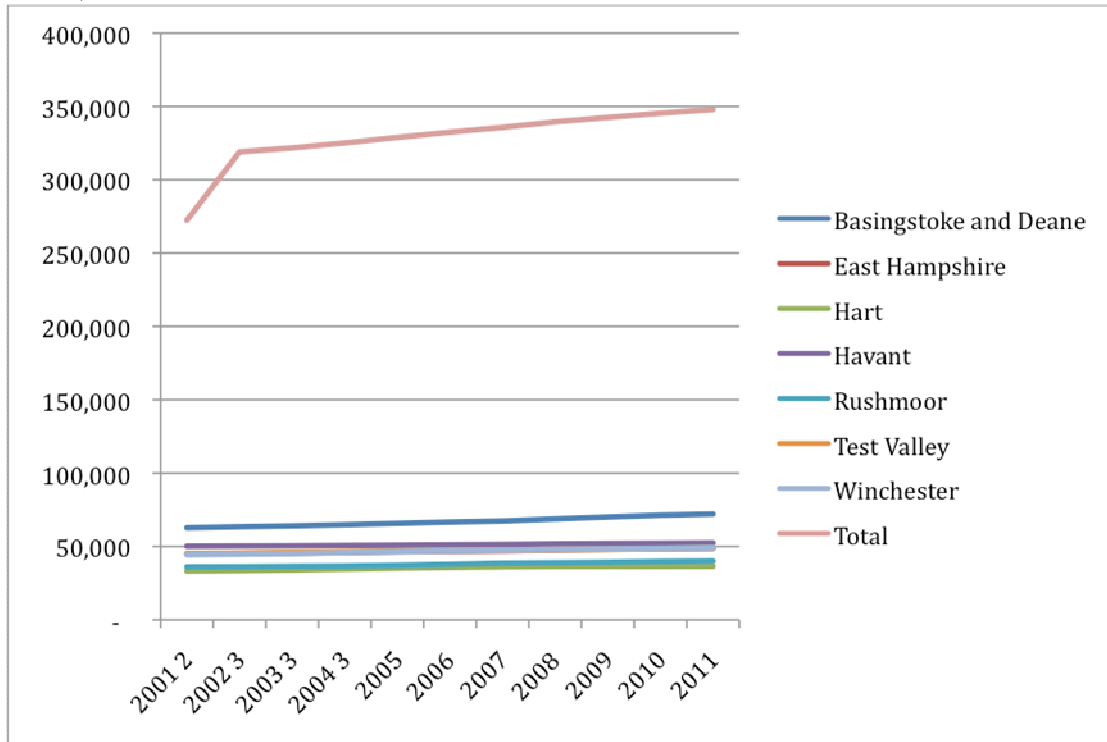
Registered providers owned 41,464 homes in 2011, an increase of 38% from 30,086 since 1997.



Net additional dwellings per year were 3,760 in 2004/05 falling to 2,519 in 2010/11, a reduction of 32%. Levels peaked at 3,790 in 2007/08, this is attributable to an untypically high number of dwellings in Basingstoke & Deane

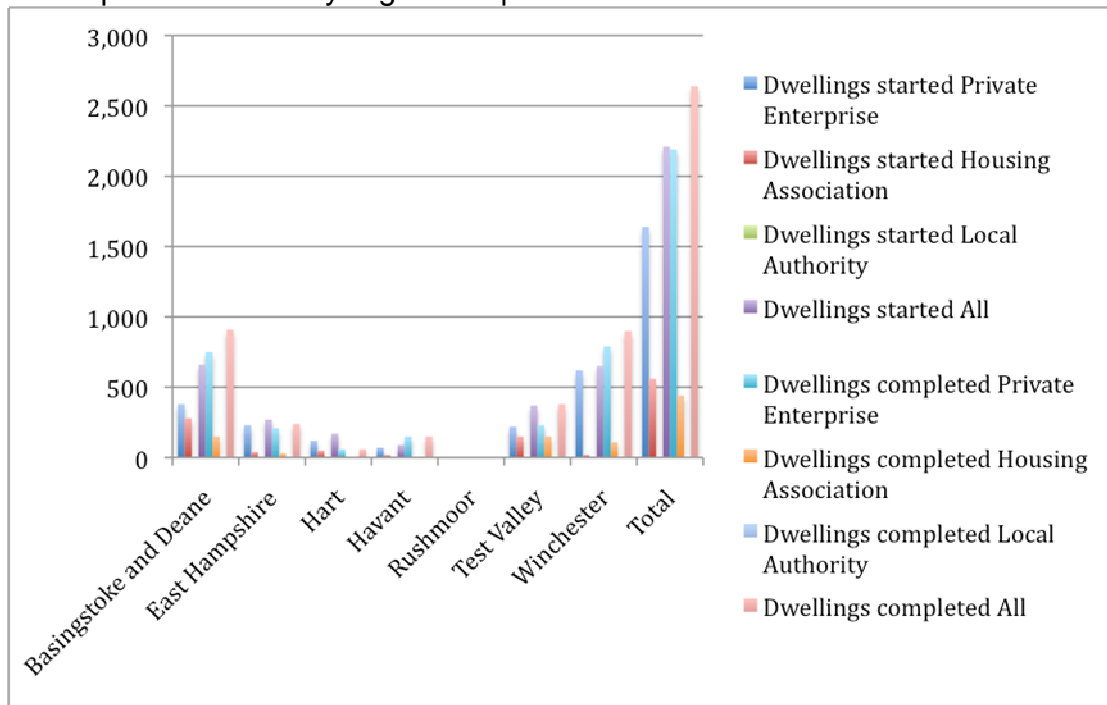


Total dwelling stock has increased from 272,480 in 2001 up to 347,900 in 2011, a rise of 28%.

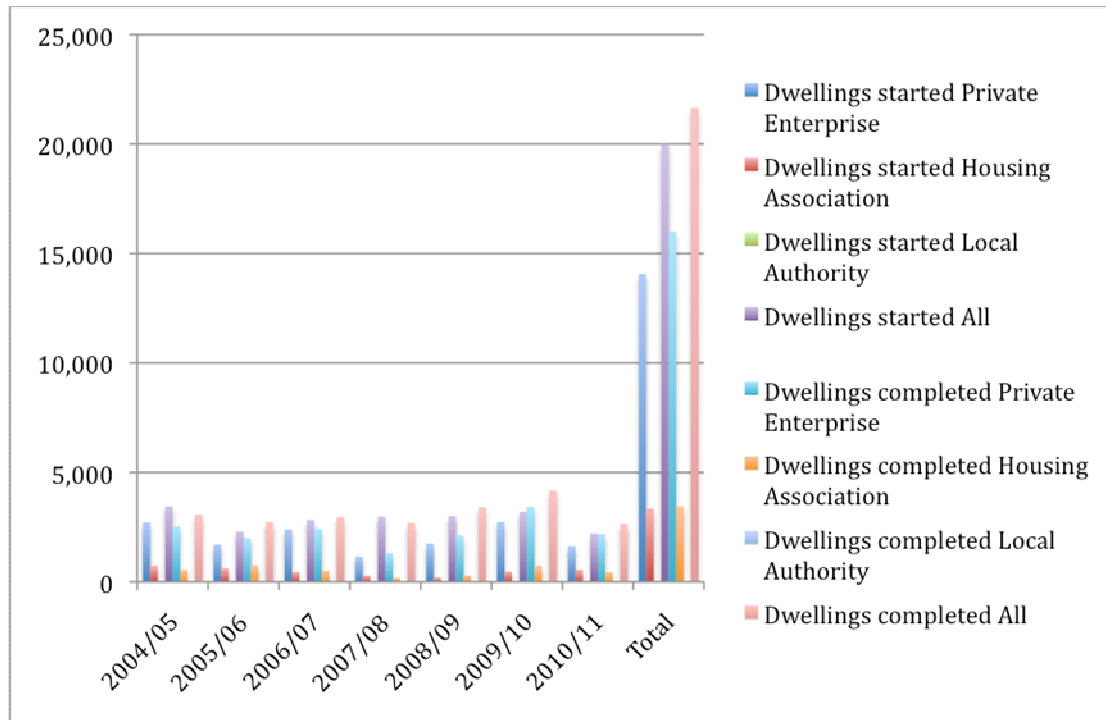


### House building

Permanent dwellings started were 2,640 in 2010/11, of which 75% were by private developers and 25% were by registered providers. Permanent dwellings completed were 2,640 in 2010/11, of which 82% were by private developers and 18% by registered providers.

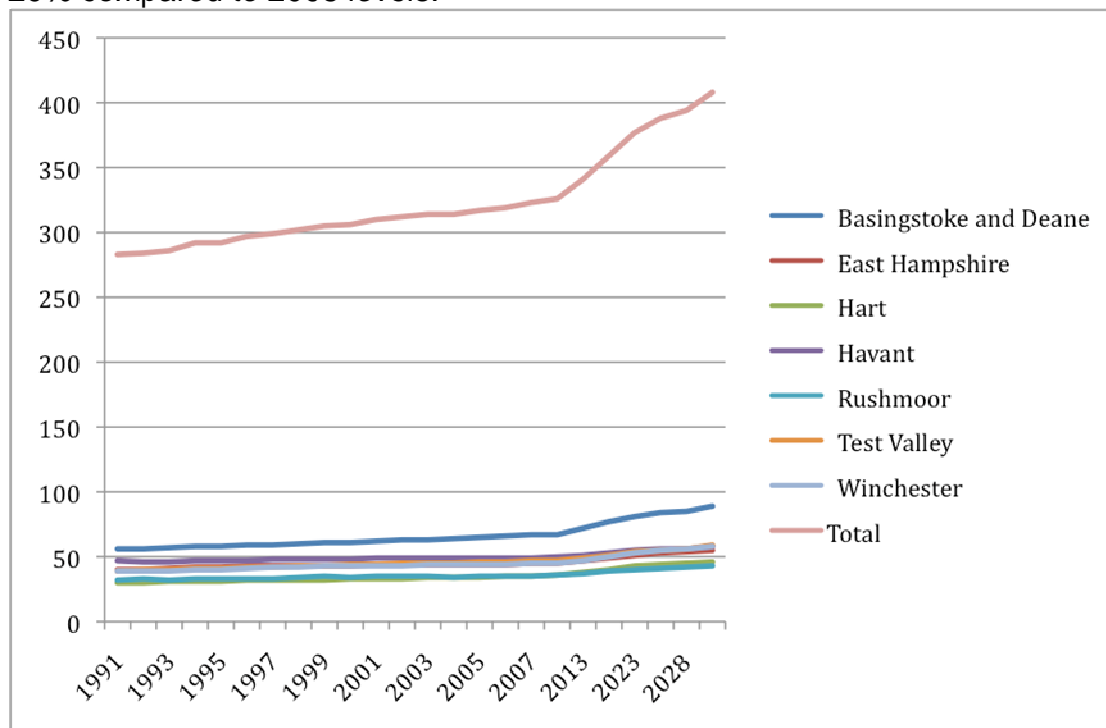


From 2004/05 – 2010/11 a total of 19,970 permanent dwellings have been started, 21,650 have been completed. Starts peaked in 2004/05 at 3,450, by 2010/11 they had fallen to a low of 2,210, a reduction of 36%. Completions peaked in 2009/10 at 4,170, by 2010/11 they had fallen to a low of 2,640, a reduction of 36%.

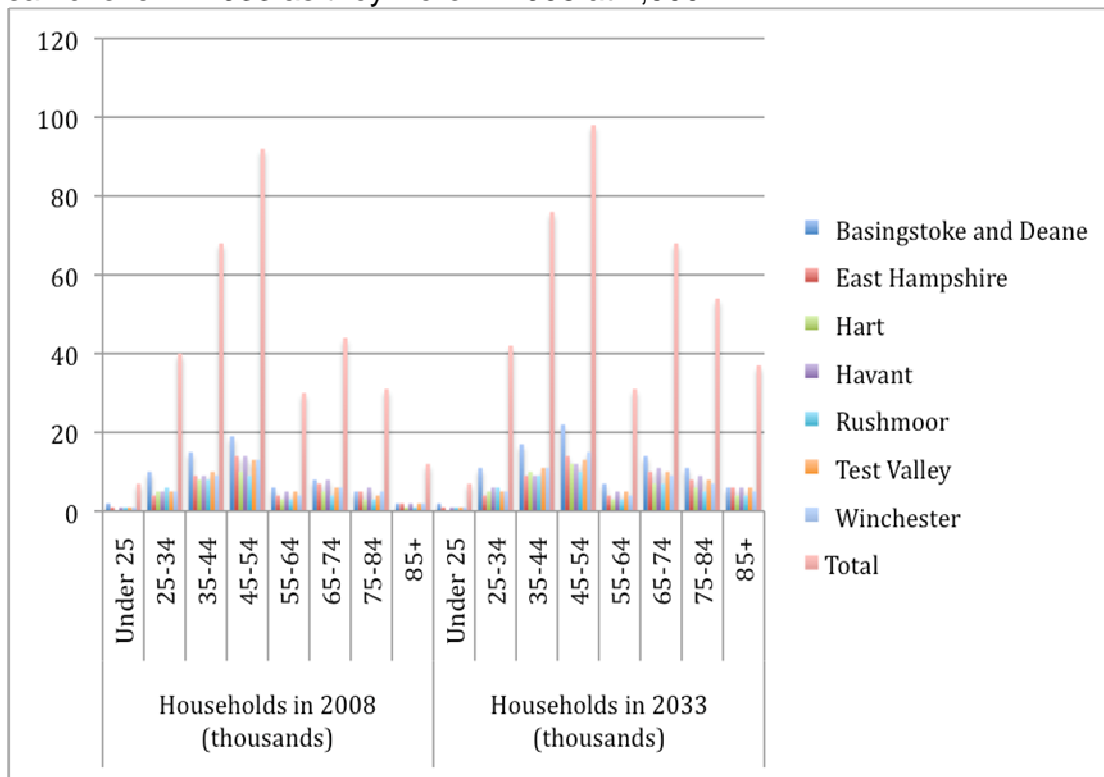


### Household projections

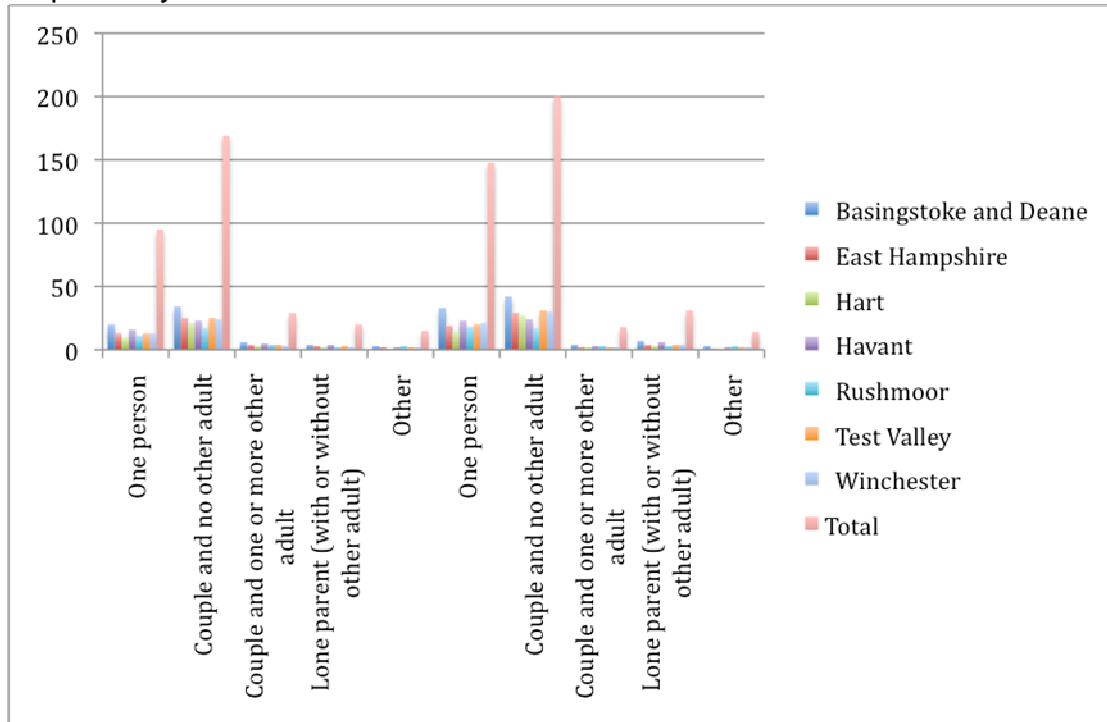
The number of households was 283,000 in 1991 rising to 326,000 by 2008, an increase of 13%. By 2033 there is expected to be 408,000, an increase of 20% compared to 2008 levels.



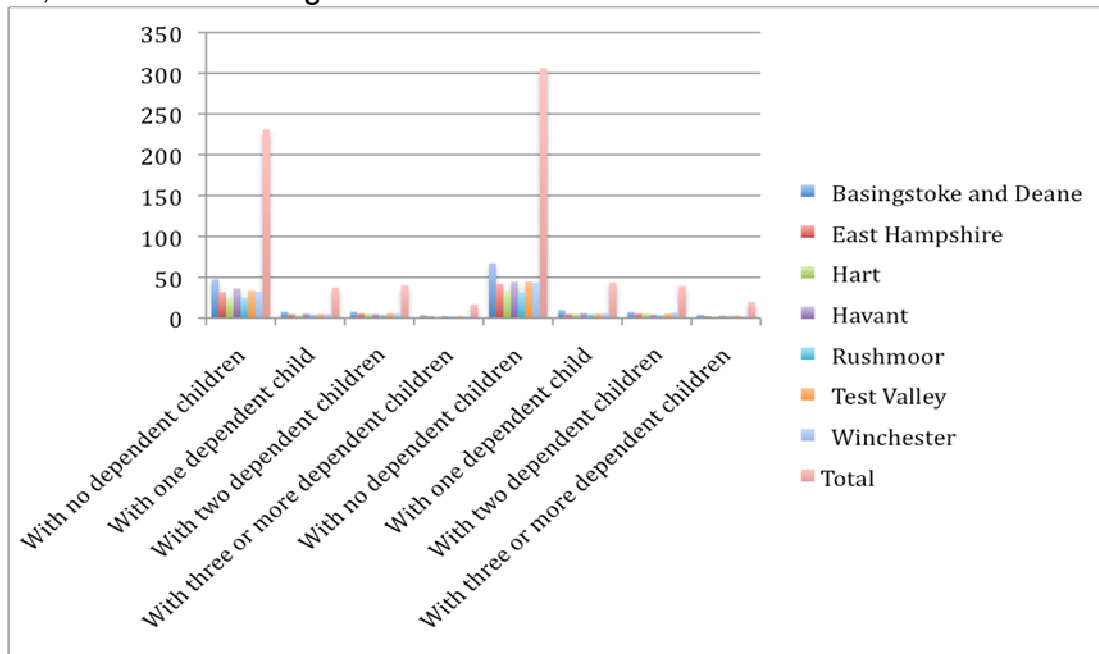
Household aged 45-54 was the most common type in 2008 at 92,000 and is expected to be so in 2033 at 98,000, an increase of 6%. Households aged 85+ are expected to increase the highest by 67% from 12,000 in 2008 up to 37,000 by 2033. Households aged under 25 are expected to remain at the same level in 2033 as they were in 2008 at 7,000.



Couples with no other adults were the most common household type in 2008 at 169,000 and is expected to be so by 2033 at 200,000, an increase of 15%. Couple with one or more other adults is expected to reduce by 37% from 29,000 in 2008 down to 18,000 by 2033. Lone person households and also lone parent households are both projected to increase by 35%, from 95,000 and 20,000 respectively in 2008 up to 148,000 and 31,000 by 2033 respectively.

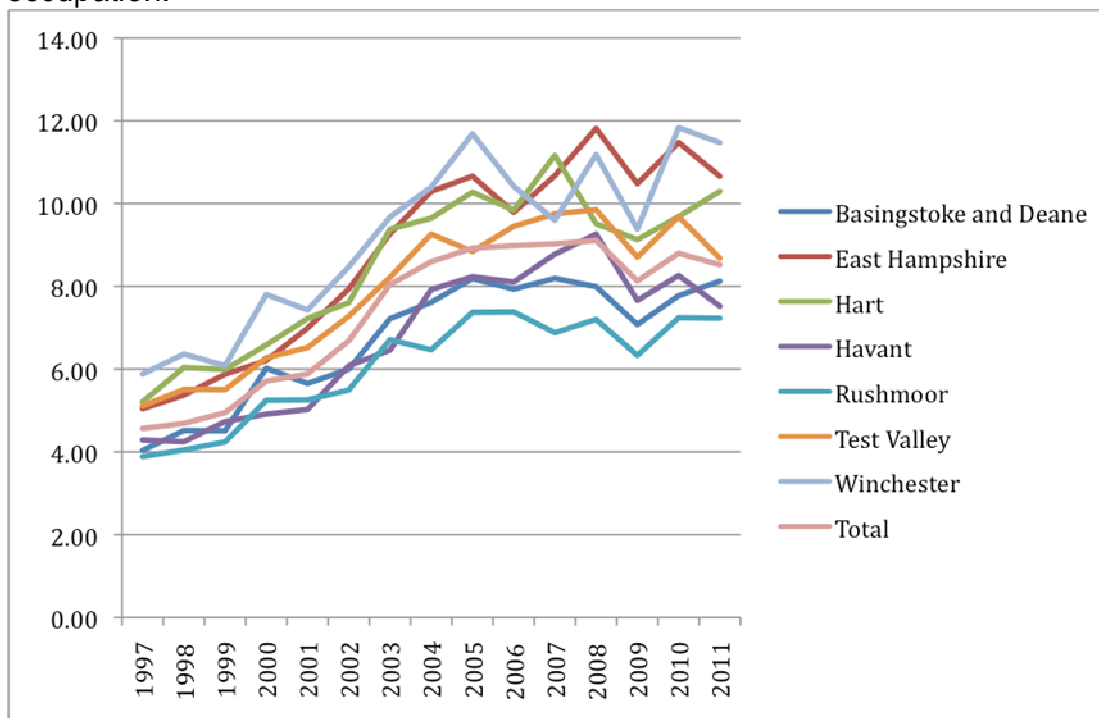


Households with no dependent children were the most common type of household in 2008 at 231,000; they are projected to be so in 2033 at 306,000, the largest projected increase at 24%. Households with three or more dependent children was the least common type of household in 2008 at 17,000, they are projected to be so in 2033 at 20,000, an increase of 15%. Households with two dependant children are expected to remain the same at 40,000 with 0% change.



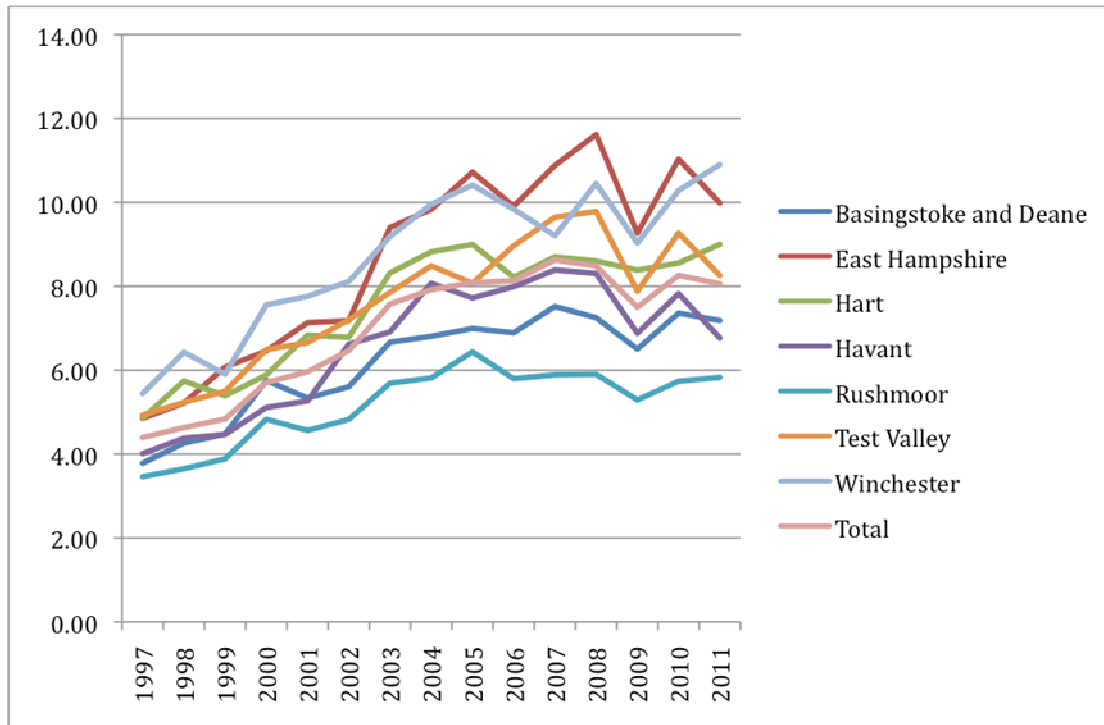
### Housing market and house prices

The ratio of lower quartile house prices to lower quartile earnings has doubled from a low of 4.57 in 1997 up to 8.52 in 2011, peaking at 9.11 in 2008. Lower quartile house prices are usually regarded as the entry point for owner occupation.

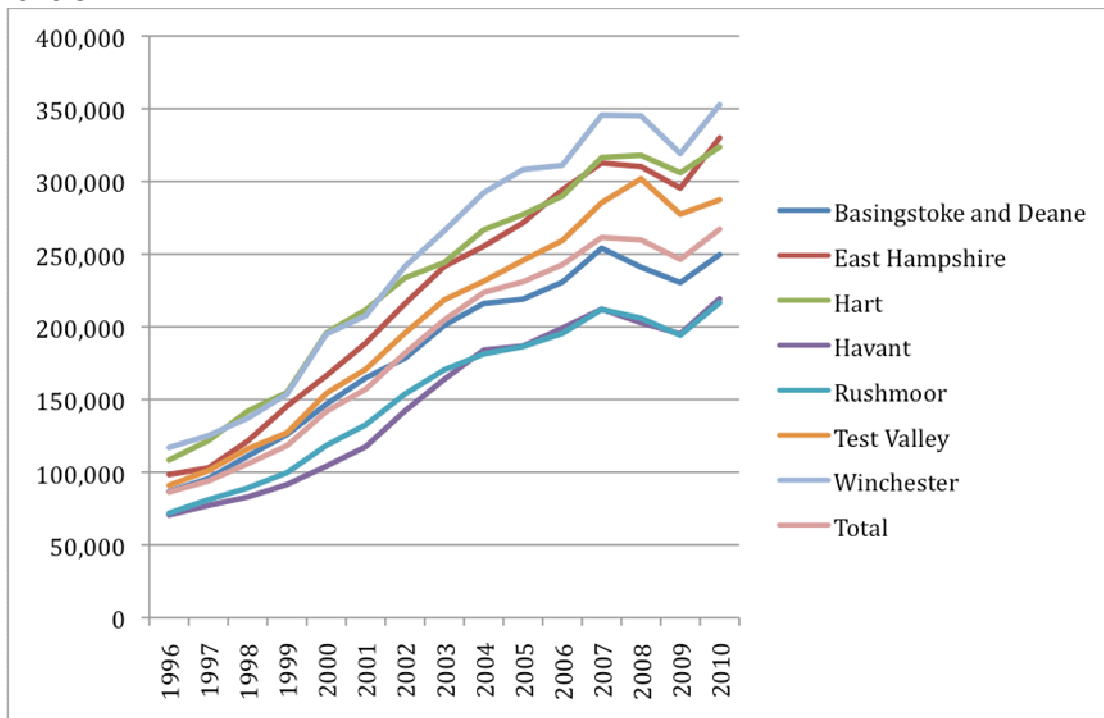




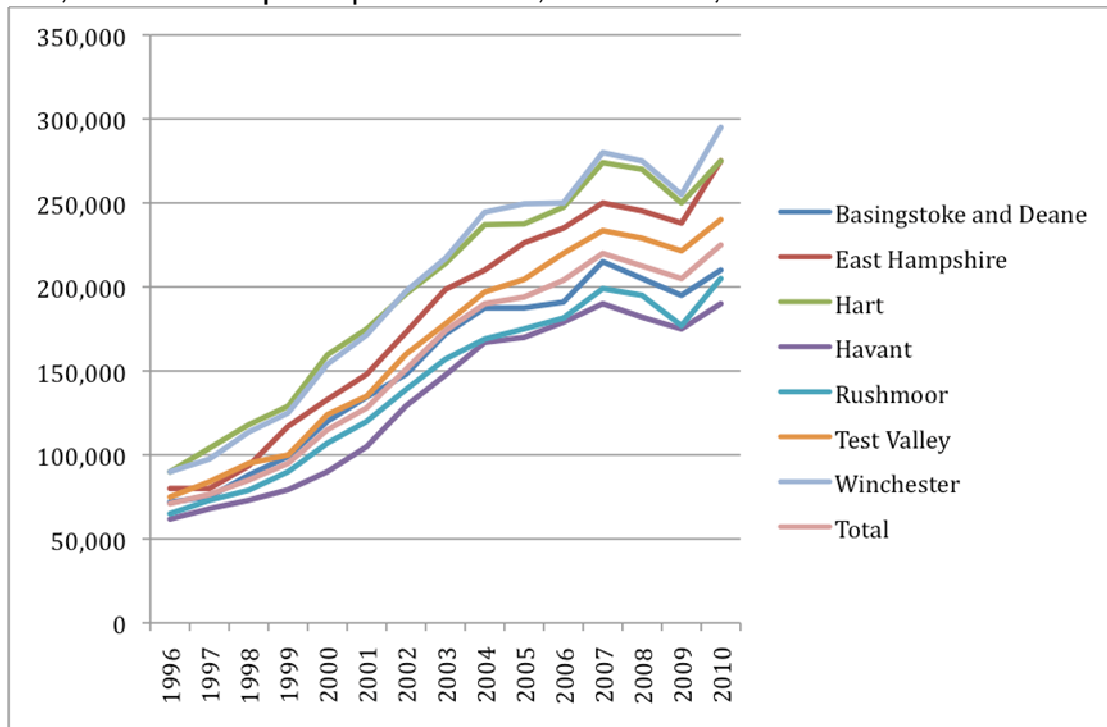
The ratio of median house price to median earnings has doubled from a low of 4.39 in 1997 up to 8.06 in 2011, peaking in 8.63 in 2007. Despite a marginal reduction in 2008/9, house prices have once more returned to pre-recession levels



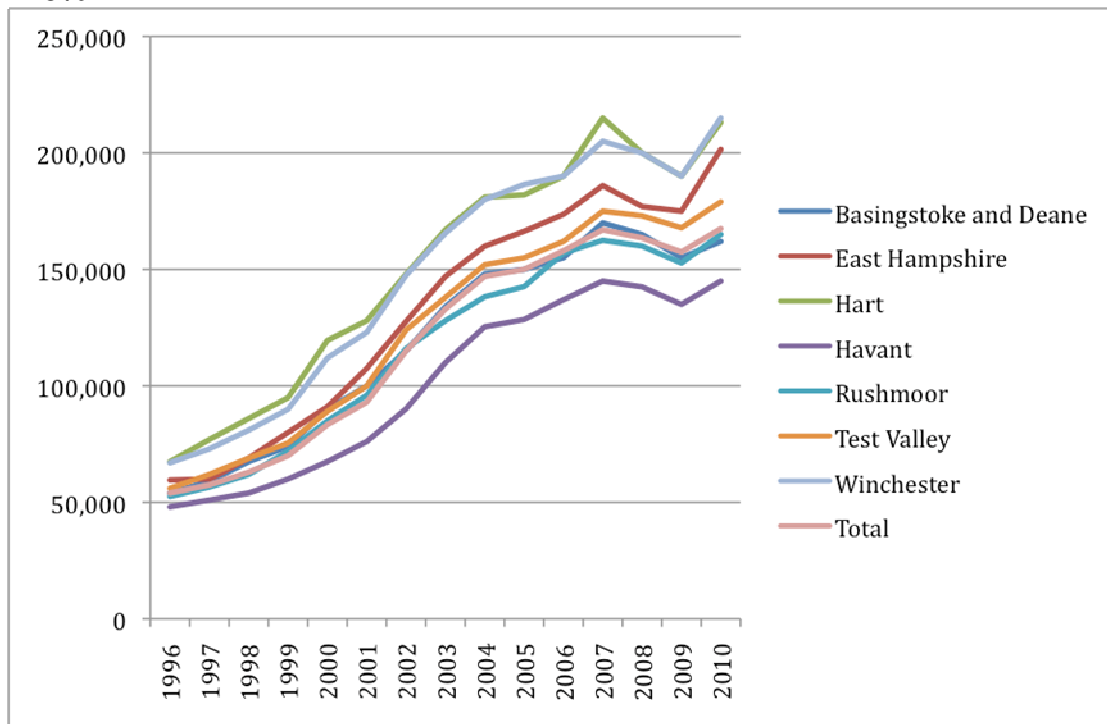
Land Registry data shows that the mean house price has risen from a low of £86,326 in 1996 up to a peak of £267,138 in 2010, an increase of 209%. Despite a marginal reduction in 2008/9, house prices have once more returned to pre-recession levels



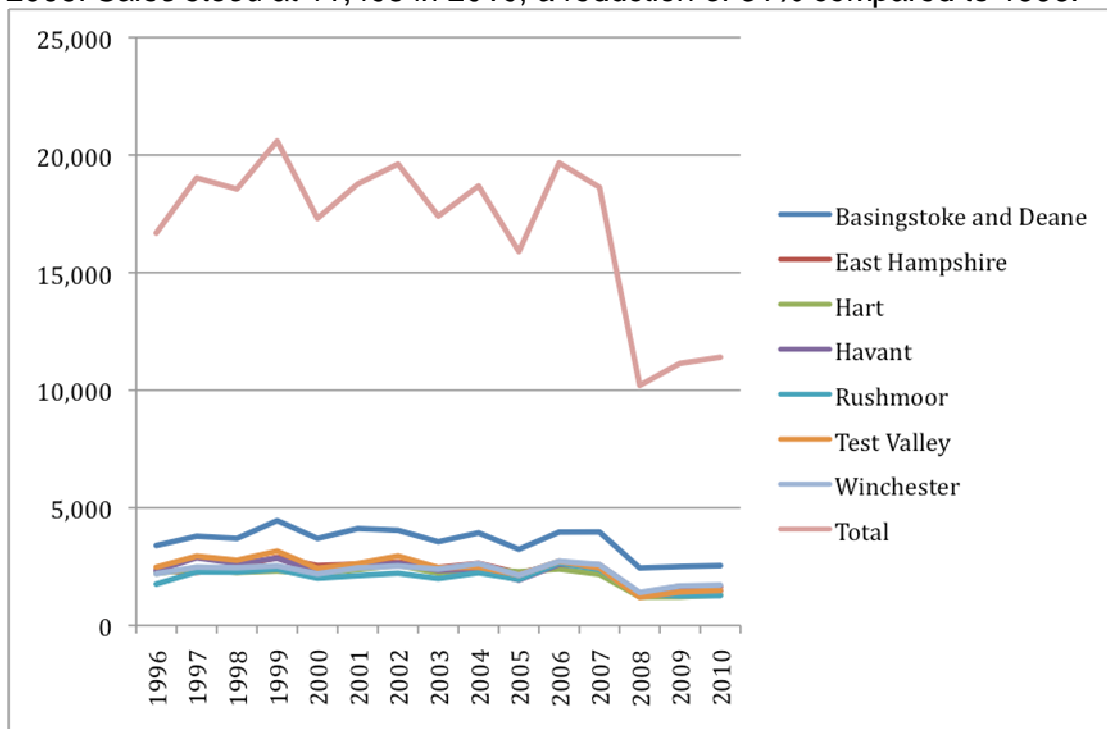
Land Registry data shows that the median house price has risen from a low of £71,000 in 1996 up to a peak of £225,000 in 2010, an increase of 216%.



Land Registry data shows that lower quartile house prices have risen from a low of £54,000 in 1996 up to a peak of £167,500 in 2010, an increase of 210%.

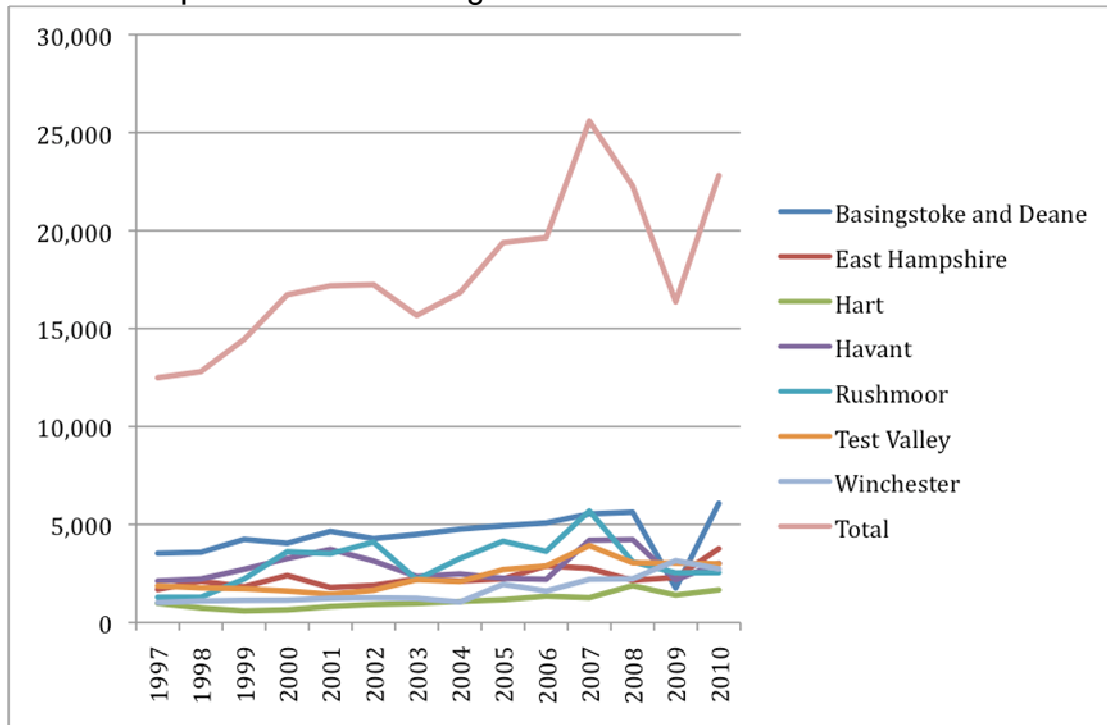


Land Registry data shows there were 16,682 property sales in 1996. Sales increased to a peak of 19,667 in 2006, an increase of 18% compared to 1996. Sales dropped to a low of 10,206 in 2008, a reduction of 48% compared to 2006. Sales stood at 11,403 in 2010, a reduction of 31% compared to 1996.

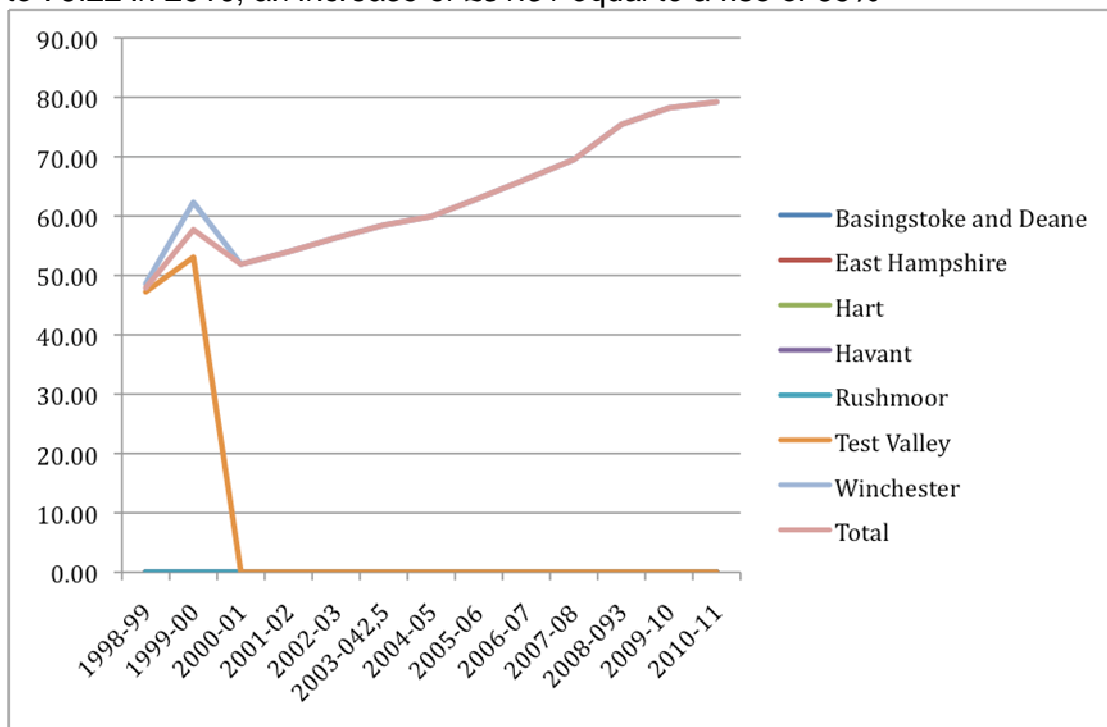


## Lettings and Rents

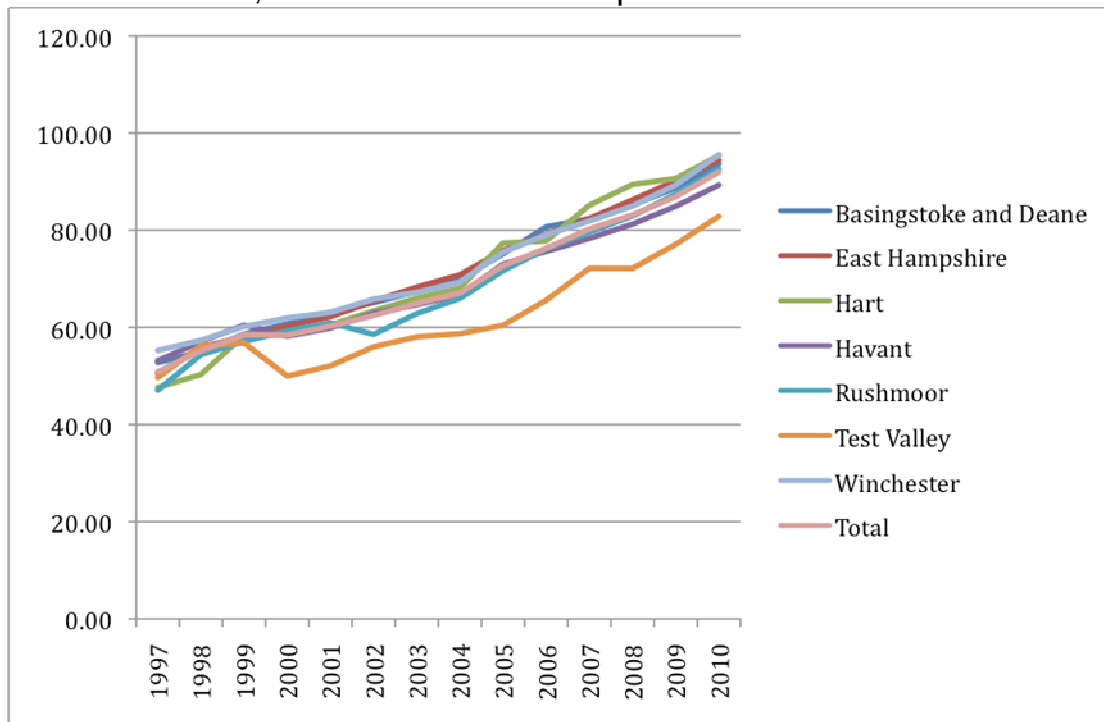
There were at 12,490 households on waiting lists (excluding those waiting for transfers) in 1997. Number peaked in 2007 at 25,594, an increase of 104%. Levels were at 22,807 in 2010, equal to 7% of the population. Six of the seven authorities operate a common register.



Local authority average weekly rents increased from in £47.91 in 1998/99 up to 79.22 in 2010, an increase of £31.31 equal to a rise of 65%

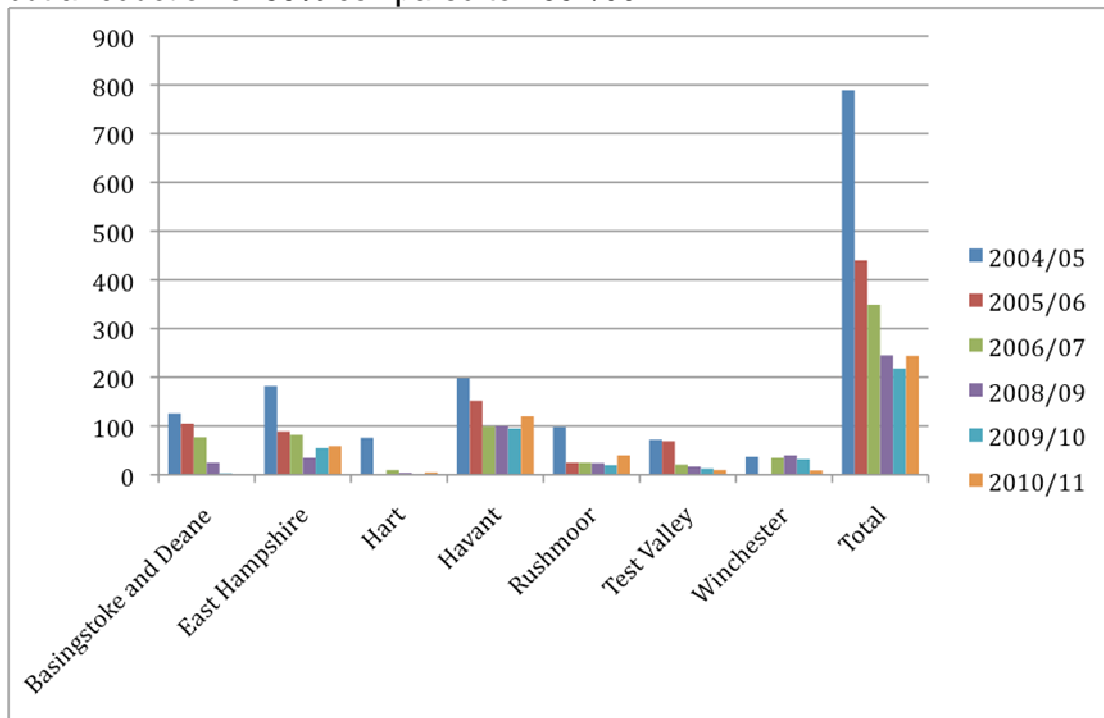


Registered Providers weekly average rents increased from £50.85 in 1997 up to £91.96 in 2010, an increase of £41.11 equal to a rise of 81%.

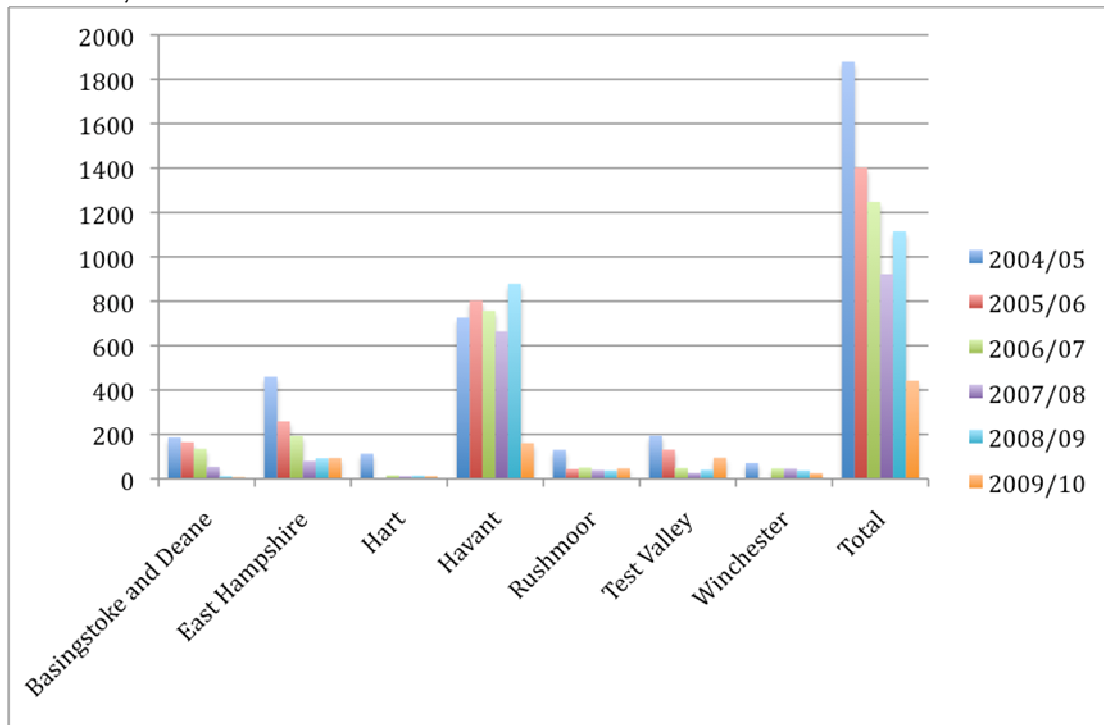


### Homelessness

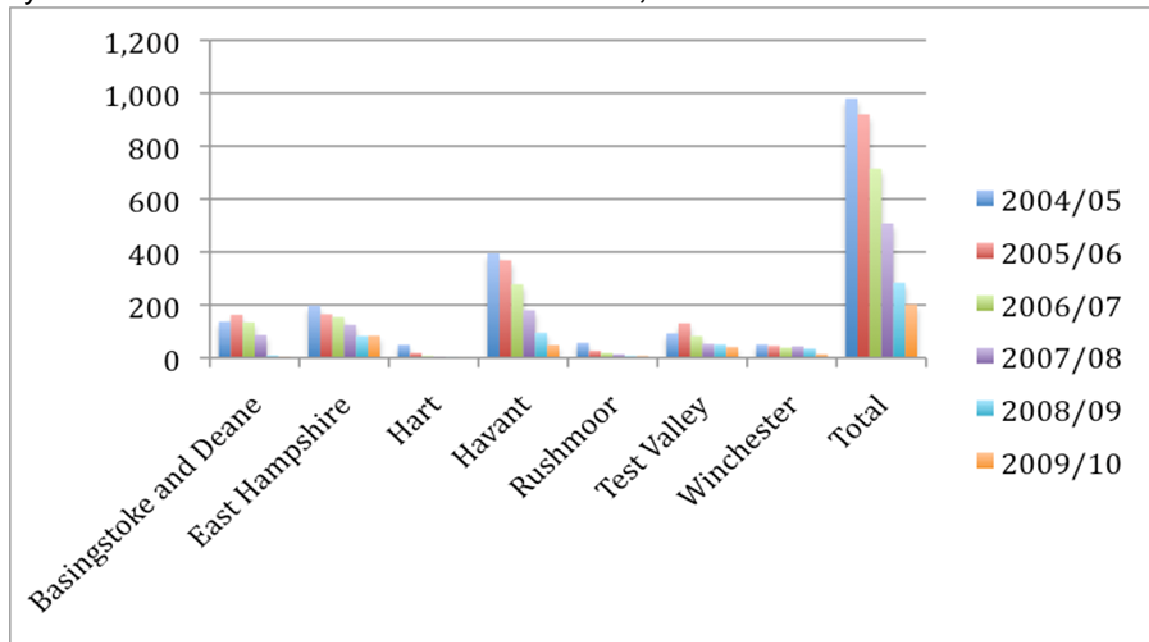
There were 789 households accepted as being homeless and in priority needs in 2004/05, this decreased to a low of 218 in 2009/10, a reduction of 72%. Levels increased in 2010/11 to 244, a rise of 10% compared to 2009/10 but a reduction of 69% compared to 2004/05.



There were 1,880 decisions in 2004/05, this decreased to a low of 442 in 2009/10, a reduction of 76%.

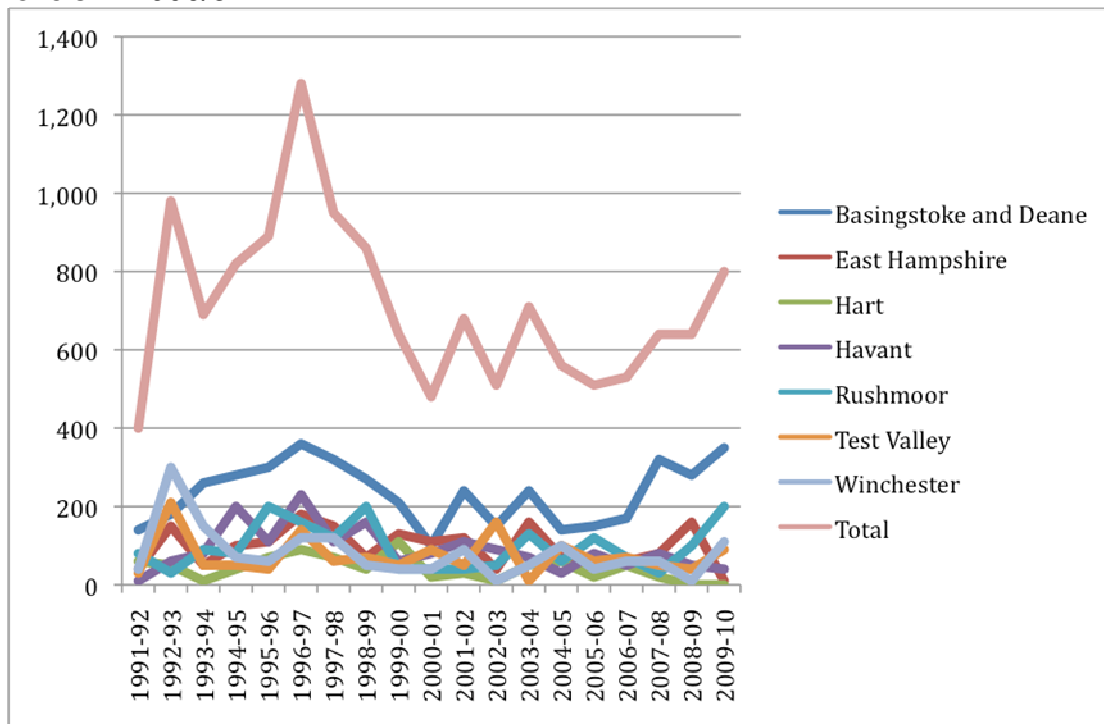


On 31 March 2005 980 households were living in temporary accommodation, by 31 March 2010 levels had reduced to 202, a decrease of 79%.



### Affordable housing supply

The number of additional social rent dwellings increased from 400 in 1991/92 up to a peak of 1,280 in 1996/97, an increase of 220%. Levels stood at 800 in 2009/10, an increase of 200% on levels in 1991/92 and a decrease of 37% on levels in 1996/97.



### **Appendix 3 – Registered Providers operating in the Central and North Hampshire Housing Market Area**

Spectrum Housing Association  
Sanctuary Car Gomm Housing Association  
Aster Housing Association  
A2 Housing Association  
Hanover Housing Association  
Sentinel Housing Association  
Sovereign Housing Association  
Radian Housing Association  
Retirement Lease Housing Association  
Raglan Housing Association  
Housing 21 Housing Association  
Anchor Trust  
Stonham Housing Association  
Sanctuary Shaftesbury Housing Association  
First Wessex Housing Association  
Hyde Martlet Housing Association  
Abbeyfield Housing Association  
Guinness Trust  
Advance Housing Association  
Two Saints Housing Association  
Affinity Sutton Housing Association  
Places for People  
James Butcher Housing Association  
Rural Housing Trust  
English Churches Housing Group  
Holdway Almshouse  
Jephson Housing Association  
Kingsclere Almshouses  
Sir Robert Gefferys Almshouses  
Wessex Housing Partnership  
Thames Valley Housing