

**South Hams District Council & West
Devon Borough Council**

Tenancy Strategy

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Tenancy Strategy

- 1. Introduction**
- 2. Devon Wide Framework**
- 3. The Local Housing Market**
- 4. Affordable Rent**
- 5. Types of Tenancy**
- 6. Disposal of Affordable Housing**
- 7. Registered Providers Tenancy Policies**
- 8. Monitoring and Review**

Appendix 1 Local Housing Allowance Rates

Appendix 2 Registered Providers Tenancy Policies

1. Introduction

- 1.1 The Localism Act 2011 places a duty on all local authorities to produce a Tenancy Strategy that sits alongside its Housing Strategy and Allocations Policy. The strategy is required to set out what Registered Providers of Social Housing should take into consideration when making decisions about their individual tenancy policies. As the Council no longer has any housing stock, this strategy sets out how we expect Registered Providers with affordable housing in the area to respond to the relevant changes introduced by the Act.

In accordance with the Localism Act, this strategy sets out:

- The kind of tenancies Providers should offer.
- The circumstances in which Providers should grant a tenancy of a particular kind.
- Where the tenancy is for a fixed term, the recommended length of the term.
- Circumstances in which the Provider should grant a further tenancy on the ending of the existing tenancy.

In addition to these, the strategy also outlines the Council's position on the new 'affordable rent' product.

2. Devon Wide Framework

This local tenancy strategy has been developed taking account of the Devon Wide Tenancy Framework. The framework highlights those areas of tenancy policy where broad principles are shared by some or all of the Local Housing Authorities in Devon. The purpose of the Devon wide framework is to provide more consistency for partners and customers.

3. The Local Housing Market

- 3.1 Affordability is a key issue for South Hams and West Devon and the demand for affordable homes continues to increase. It is essential therefore that that the existing housing stock is used in the most effective way.

Affordable Housing Stock

- 3.2 South Hams affordable housing stock comprises just over 4,600 homes. West Devon's affordable housing stock comprises just over 2,400 homes.

Income and Affordability

- 3.3 The affordability of the housing market is one of the key issues facing the area. An income of approximately £40,000 is required to purchase a lower quartile property in the area. There is a clear disparity between this and local household incomes. Data from the Office of National Statistics indicates that median earnings are approximately £23,795. The average house price in the South Hams is £331,625 and in West Devon it is £239,160.

Housing Need

- 3.5 The combination of high house prices and low incomes creates significant demand for affordable rented homes. The number of applicants registered for affordable housing with Devon Home Choice is set out in the table below.

	Number of Applicants in bands A-D
South Hams	1139
West Devon	374

Data source : Devon Homechoice - October 2016

4. Affordable Rent

Background

- 4.1 As well as tenure reform, the Government has reformed the way in which affordable homes are funded and has introduced the 'Affordable Rent' product as its preferred model for new social housing. Registered Providers now have the flexibility to charge rents of up to 80% of local market rents to enable Registered Providers to secure additional financial capacity for new homes. This applies to new homes and a proportion of re-lets, but only where this is part of their agreement with government to build new homes. The ceiling of 80% is inclusive of service charges.
- 4.2 Affordability and rents are a major issue locally as a result of high house prices and low incomes. In addition, affordability has an important link to the local economy, particularly for low paid workers. Whilst both South Hams and West Devon formally support Affordable Rent, it is important that rent levels are set having regard to specific local issues.

Our expectations on Affordable Rent

- 4.3 When developing their tenancy policies we expect Registered Providers to have regard to the following:

- The Council recognises that developing associations will be charging affordable rents on new developments and on a proportion of re-lets.
- The maximum rent charged for affordable housing should be no greater than the Local Housing Allowance.
- The Council would also like to see Registered Providers carrying out an affordability assessment when letting properties at rents which are close to the current Local Housing Allowance, to ensure that the tenancy will be sustainable over time

5. Types of Tenancy

Background

5.1 Historically, social housing tenants have been offered an assured or secure tenancy which granted them a home for life. Fixed term tenancies were introduced as part of the Localism Act with the aim of helping Registered Providers to offer more flexible tenancies that would enable them to make the best use of their housing stock and to better meet local housing needs.

5.2 Registered Providers are able to offer fixed term tenancies on a minimum fixed term of five years, however in exceptional circumstances flexible tenancies can be for as little as two years. Social landlords will still be able to offer the types of tenancies they currently use, for example secure, assured and introductory tenancies. The new fixed term tenancies are in addition to those currently available and social landlords do not have to use them. Existing secure and assured tenants cannot have their tenancies converted to a fixed term tenancy and many are offered special protections if they transfer to another home.

Our expectations on the Type of Tenancies

5.3 When developing their tenancy policies we expect Registered Providers to have regard to the following:

- To use five years as the minimum term for all fixed term tenancies. In exceptional circumstances Registered Providers may set out shorter fixed term tenancies of a minimum of two years. Such exceptional circumstances should be set out and justified in the provider's tenancy policy. We expect Registered Providers to discuss with us the schemes where tenancies of less than 5 years are being considered;
- To take into consideration recommendations from the Council and other partner organisations regarding the use of lifetime or longer term fixed tenancies for

specific vulnerable households to ensure that they are not adversely disadvantaged;

- We strongly recommend that Registered Providers actively encourage tenants to downsize to smaller accommodation where appropriate.

Our expectations on Tenancy Renewal

When developing their tenancy policies we expect Registered Providers to have regard to the following:

- Circumstances in which the Council expects that the tenancies are not renewed but an alternative offer should be made:
 - Size - Tenancies should not normally be granted for properties that are significantly larger than the household requires unless set out in Local Lettings Policies. Exceptions might include examples such as 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: Tenancies should not be renewed if the properties include the provision of extensive adaptations that are no longer required by anyone living in the household
- Circumstances in which the Council expects the tenancy not to be renewed and no offer of alternative accommodation to be made are:
 - Income: Tenancies should not be granted if the income of the household is above the income limit as set out in Devon Home Choice policy, or a local limit set by the Local Housing Authority. The Registered Provider may choose to encourage the household to remain in the property but on different terms e.g. paying full market rent, part or full owner
 - Possession Proceedings: If breach of tenancy conditions is to be used as a ground for non-renewal of the tenancy it is expected that Registered Providers will have already started possession proceedings. This will help demonstrate that the Registered Providers believe that the decision not to renew is proportionate and in pursuit of a legitimate claim. We expect Registered Providers to have looked at all the options i.e. exhausted other remedies before withholding the renewal of a tenancy on these grounds.
- DSHG is currently working towards a 'common standard of advice and assistance' and 'notification of tenancy end'. We expect Registered Providers

to adopt any common procedures and/or policies with regard to advice and assistance at the end of a tenancy.

6. Disposal of Affordable Housing

Background

- 6.1 Given the high level of need for affordable housing, the Council would not generally wish to see the disposal of affordable housing stock. It is recognised however that disposals may be appropriate in certain circumstances. This may for example include property which is uneconomic to maintain, or is not of a type or in a location which meets housing need.
- 6.2 There is a very limited amount of supported housing for vulnerable people in the area. Therefore where possible, it is preferable that such accommodation is retained. If schemes become unviable to run, the Council will need to be assured that adequate alternative provision has been made for residents. Any Registered Provider will need to explore with the Council any opportunities to use these properties or retain the land for the purpose of delivering additional affordable housing in the future.
- 6.3 There is an acute need for larger affordable family homes. Registered Providers should not dispose of accommodation that has four or more bedrooms unless exceptional circumstances can be demonstrated.

Our expectations on Disposal of Affordable Housing

- 6.4 When considering the disposal of affordable housing stock we expect Registered Providers to have regard to the following:

- The Council will not generally support the disposal of the following types of housing without a very strong case being made to the Local Housing Authority;
 - Larger homes, which are defined as three bedroom houses with potential for use as 4 bedroom homes. For example they may have a dining room and living room or they may have three double bedrooms,
 - Larger homes capable of accommodating 6 people or more.
 - Properties that may be suitable for 'downsizing' initiatives.
 - Homes in smaller, rural settlements i.e. as defined in Statutory Instrument 1997 No 621.

- The Council may support disposals in certain circumstances. This may include property which is uneconomic to maintain, or is not of a type or in a location which meets housing need.

7. Registered Providers Tenancy Policies

The Localism Act requires local authorities to signpost people to where Registered Providers' tenancy policies can be found. A list of Registered Providers with Stock in our local authority area can be found at Appendix 2.

8. Monitoring and Review

We will monitor this Tenancy Strategy through annual updates and, where necessary, meetings with individual Registered Providers and/or key stakeholders.

Appendix 1 - Local Housing Allowance Rates

The table below shows the weekly Local Housing Allowance rates for the West Devon area

Number of bedrooms	Exeter weekly	Plymouth weekly	North Cornwall and Devon Borders
Shared accommodation rate	£74.34	£71.21	£66.70
1 bedroom	£ 116.52	£ 94.16	£93.23
2 bedrooms	£ 141.24	£ 122.36	£120.06
3 bedrooms	£ 164.79	£ 145.43	£139.84
4 bedrooms	£ 218.63	£ 182.45	£168.00

The table below shows the weekly Local Housing Allowance rates for the South Hams area.

Number of bedrooms	Devon South Weekly
Shared accommodation rate	£ 63.50
1 bedroom	£ 96.91
2 bedrooms	£ 128.19
3 bedrooms	£ 153.02
4 bedrooms	£ 192.24

Appendix 2 - Registered Providers Tenancy Policies

The following provides the contact details of Registered Providers with stock in South Hams and West Devon. Providers will be able to provide details of their tenancy policies.

Registered Provider	Contact Number	Website
DCH	0300 123 8080	www.dchgroup.com
Westward Housing Group	0300 100 1011	www.westwardhousing.org.uk
South Devon Rural Housing Association	01803 863550	www.southdevonrural.co.uk
Guinness Hermitage	0303 123 1890	www.guinnesspartnership.com
Sanctuary Housing	0800 131 3348	www.sanctuary-housing.co.uk
Spectrum Housing	0300 111 3600	www.spectrumhousing.co.uk
South Western Housing Society	0844 915 0025	www.swhs.org.uk
Tamar Housing Society	01752 250902	www.tamarhs.org
Anchor	0808 278 7275	www.anchor.org.uk
Sovereign South & West	0800 587 2325	www.sovereign.org.uk
Hastoe Housing Association	0300 123 2250	www.hastoe.com
Magna	01305 216000	www.magnaha.org.uk
Housing 21	0370 192 4000	www.housingandcare21.co.uk
Aster	0333 400 8222	www.astercommunities.co.uk

