

# ***Building a Housing Ladder of Opportunity***

**Hammersmith & Fulham Council**

# **Tenancy Strategy**

<b>Section</b>	<b>Contents</b>
<b>1.</b>	<b>Summary</b>
<b>2.</b>	<b>Hammersmith &amp; Fulham’s Housing Market</b>
<b>3.</b>	<b>What the Council is Seeking to Achieve</b>
<b>4.</b>	<b>Flexible Tenancies - Our Proposed Approach</b>
<b>5.</b>	<b>Tenancy Renewal – Our Proposed Approach</b>
<b>6.</b>	<b>Working with Private Registered Partners</b>
<b>7.</b>	<b>Other Strategy Documents</b>
<b>8.</b>	<b>Affordable Rent Model</b>
<b>9.</b>	<b>Wider Housing Options</b>

**Annex A – Glossary**

**Annex B – Reference Documents**

**Annex C - Review Procedure relating to Flexible tenancies**

## **1. Summary**

1.1 The 2011 Localism Act places a statutory duty on local authorities to produce a Tenancy Strategy, which should set out the local housing authority's approach to tenure reform in the social housing sector. Section 150 (1) and (2) of the Act states the following:

(1) A local housing authority in England must prepare and publish a strategy (a "tenancy strategy") setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to: –

- (a) the kinds of tenancies they grant,
- (b) the circumstances in which they will grant a tenancy of a certain kind,
- (c) where they grant tenancies for a term certain, the lengths of the terms, and
- (d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy

(2) The tenancy strategy must summarise those policies or explain where they may be found.

1.2 This Tenancy Strategy is intended to meet the legislative requirements set out above. The Council intends to take full advantage of the opportunity to grant fixed term tenancies and expects private registered providers (mainly housing associations) to do the same. However, there may be a few exceptions where secure/assured tenancies (also known as 'lifetime tenancies') will still be granted.

1.3 Private Registered Providers (known as housing associations to most people) are required to have regard to the authority's Tenancy Strategy and the authority expects such landlords to alter their policies over a reasonable timeframe to reflect the Council's position and priorities.

1.4 This document is focused on tenancies that are granted by registered providers – both the council in its landlord role and housing associations as private registered providers - which operate in Hammersmith & Fulham. It is not focused on who will be prioritised for the allocation of affordable homes and other accommodation: this is set out in the Council's Housing Allocation Scheme (October 2012). The authority intends that the Tenancy Strategy will help deliver any revised objectives set out in the new Housing Allocation Scheme.

1.5 It should be noted that the implementation of the Tenancy Strategy will not affect existing tenants housed by Registered Providers, i.e., the Council in its landlord role and housing associations.

- 1.6 On adoption of this Tenancy Strategy, in line with s 150 of the Localism Act, the local housing authority must keep its tenancy strategy under review and may modify or replace it from time to time. In order to ensure the document is up to date and reflects changes in statutory and non-statutory strategy and policy, the Executive Director of Housing and Regeneration in consultation with the Lead Member for Housing will have the authority to review and amend the Tenancy Strategy. The local housing authority will publish the modifications as amended as appropriate, e.g., the Council's website and other means of communication.

## **2. Hammersmith & Fulham's Housing Market**

- 2.1 Hammersmith & Fulham is the second smallest (excluding the City of London) in the capital but has one of the highest population densities in the country. The borough is also one of significant economic and social contrasts. There are approximately 82,000 homes in the borough, nearly a third of which are owned by the Council or other social landlords (c 26,000 homes) with the remaining two thirds (56,000 homes) being in private ownership. House prices as a whole in the borough are the fourth highest in the UK, but only between 1% and 2% of the stock is low cost home ownership housing which the Council is committed to increasing.

## **3. What the Council is seeking to achieve**

- 3.1 Hammersmith & Fulham is a very desirable location, hosting a range of major employers, leisure and retail facilities, underpinned by its growth and wider regeneration agenda. Households may wish to leave the borough for particular reasons. But it is important that the Hammersmith & Fulham housing market is as vibrant, accessible and affordable as possible, offering a range of housing choices, complemented by a wider borough 'offer' featuring schools of choice; quality parks; accessible health facilities and other community infrastructure that make places attractive to live.
- 3.2 The 2007/14 Community Plan sets out in clear terms the Council's and its partners' social, economic and environmental objectives. Who is able to access affordable rented housing has an important bearing on the chances of successfully delivering those objectives. The Housing Allocation Scheme (and associated documents such as Local Lettings Plans) defines the Council's criteria for allocating affordable rented homes in the borough. This document centres on the kinds of tenancies that households who are allocated homes will receive in the future. One of the outcomes sought from the Tenancy Strategy is giving the council in its landlord role the power to grant fixed term tenancies, whilst also giving guidance to Private Registered Providers on what length and on what terms the Council would like them to grant tenancies.

- 3.3 Put simply, the authority believes that registered providers should have the opportunity to periodically review the housing needs of tenants who are granted tenancies. This does not automatically mean that tenants at the end of their fixed term tenancies will not be able to have their tenancies renewed. The rationale for granting fixed term tenancies issued by all registered providers are important for the following reasons:
- 3.4 **Secure Tenancies and Assured Tenancies** - At present, registered providers issue which are either local authority 'secure tenancies' or private registered providers 'assured tenancies'. These are in effect self renewing 'periodic tenancies' where if the rent and service charges are paid and there are no breaches of tenancy conditions, then tenants are likely to have the use of their homes for the rest of their lives.
- 3.5 In each instance household members, e.g., spouses, partners, children, can have succession rights which can mean the tenancies lasting for many decades, even if the household's needs change over that time. The commonly quoted example is the elderly person/couple in a three bedroom property whose children have left home, living in close proximity to a household which is overcrowded. Allowing for financial incentives, there are no sanctions available to the Council to address this situation.
- 3.6 By granting fixed term tenancies, registered providers will be able to regularly review household needs and ensure that the affordable homes that are available are allocated to those households who most need them, making best use of the homes available, meeting the criteria set out in the Housing Allocation Scheme.
- 3.7 **Granting Tenancies to Working Households and those making a community contribution** – The Council intends to give greater priority to working households and other people making community contributions, such as ex armed services personnel in the future. More detail on how this work in practice is set out in the Council's Housing Allocation Scheme.
- 3.8 By granting fixed term tenancies, registered providers would be able to regularly review the status of such households, ensuring that the basis on which the accommodation was allocated still applies, e.g., because the applicant(s) was in training and employment. The Council intends to ensure that tenants who are allocated homes on this (or other community contribution basis) meet any agreed continuing contribution following the grant of a tenancy.
- 3.9 **Creating a Ladder of Opportunity: Connecting Social Housing to the Wider Housing Market** – Social housing has become increasingly 'residualised' due to people in the greatest need having the highest priority for available affordable housing, principally social housing. The authority already makes considerable use of private sector housing

both within the borough and outside and envisages this to continue. However, the Council wishes to see the social housing sector to be one of 'choice' for a wider section of the community rather than 'need'. The Council also want the sector to be perceived as an important segment of the local housing market, which is a platform for progress to other housing options, i.e., a starting point, not a destination, as part of the housing ladder of opportunity approach. More detail on this approach is set out in Section 4 of this document. The Council also wishes future tenants to be making a greater contribution to the community and the economy and fixed term tenancies are potentially an effective means to structuring that arrangement.

- 3.10 By granting fixed term tenancies, registered providers will be able to enable a wider section of the community to occupy social housing to improve its accessibility and its perception to the wider community.
- 3.11 **Anti Social and Criminal Behaviour** - In a small number of instances, some tenants and members of the household are committing anti social and/or criminal behaviour. The Council believes that such behaviour is unacceptable and considers that sanctions should be in place, with the ultimate sanction of eviction if the case demands it. .
- 3.12 By granting fixed term tenancies, all registered providers can review in consultation with housing management and agencies such as the police and anti social behaviour teams whether there is a case for not renewing the tenancy. The Council sees this as an incentive for occupants to be 'good tenants', as criminal and anti-social behaviour spoils the quiet enjoyment of other tenants' lives. Fixed term tenancies should also be seen as an opportunity for tenants and/or household members who have a history of anti social and/or criminal behaviour to rehabilitate themselves. In extreme cases, the Council will seek to exclude such tenants from accessing affordable housing altogether.
- 3.13 **Reducing Fraud** – The Audit Commission in its *Protecting the Public Purse 2009 Report* estimated that social housing tenancy fraud could be as high as 5% in London. The Commission defined tenancy fraud as:
- when people submit false housing applications
  - tenancy succession fraud, where the property is no longer occupied by the original tenant; and
  - the illegal sub-letting of a property for profit
- 3.14 Registered Providers will be given new powers to reduce such incidences, complemented by the Government's stated intention to make tenancy fraud a criminal, rather than civil, offence. The Council fully supports this change and will exercise their new powers where appropriate.

- 3.15 By granting fixed term tenancies, registered providers will be able to regularly review how the properties are being used, ensuring that the tenants who were granted the properties are the ones occupying them.
- 3.16 In **summary**, the authority considers there to be a compelling case for all registered providers to introduce flexible tenancies which in turn has influenced the approach that is set out in the Housing Allocation Scheme. The social housing sector has for many years been seen as a stand-alone part of the housing market with very little relationship to the experience of other residents of housing, particularly working households, who live in the private rented sector. The Council is seeking to redress this position and integrate social housing within the housing market via plans outlined in this Strategy and other documents published in due course.
- 3.17 There is a broader issue of how the passing of the 2011 Localism Act can facilitate a major shift towards ensuring all affordable housing makes a greater contribution to accommodating the needs and aspirations of the borough's current and future residents. The key document to achieve that objective is the Housing Allocation Scheme.

#### **4. Flexible Tenancies - Our Proposed Approach**

- 4.1 In simple terms, the Council in its local housing authority role is recommending to all Registered Providers (i.e., the Council in its landlord role and housing associations) that fixed term tenancies are issued for the large majority of future affordable housing lettings. . All fixed term tenancies will normally be preceded by a one year introductory tenancy (also previously known as a probationary tenancy). This will not apply to transfer cases (including 'decant' cases) eligible for secure or assured tenancies. The fixed terms recommended are as follows:
- Five Year fixed term tenancies for proposed tenants who are nominated from the Council's Housing Register including those who meet the 'reasonable preference' criteria set out in current, relevant legislation
  - Two Year fixed term tenancies where the proposed tenant(s) is aged between 18-25 years old \*
  - Two Year Fixed tenancies where the council is satisfied the proposed tenant (or a member their household) has been guilty of unacceptable behaviour which makes him or her unsuitable to be a tenant. Examples of such behaviour include; persistent failure to pay rent; anti social behaviour which has caused a nuisance; threats or actual violence against neighbours, council staff, managing agents or contractors; obtaining a tenancy by deception and persistent failure to comply with other tenancy conditions.

- Two year fixed tenancy where the Council makes a discretionary offer of a tenancy in accordance with the Housing Allocation Scheme
- Two year fixed term tenancies where the proposed tenant has pleaded guilty or been convicted of a serious offence of violence against a person or against property (including criminal damage and offences such as arson or rioting), committed anywhere in the borough of Hammersmith & Fulham.
- Two Year fixed term tenancies for economically active households of any age where the Council in its Housing Allocation Scheme and/or a Local Lettings Plan has designated a special case for working households. Nominations are intended to be drawn from the Housing Register and/or the Home Buy Register. It is intended the tenancy be a platform for stepping up to low cost home ownership
- Two Year fixed term tenancies where the Registered Provider is seeking an intermediate or market rent
- Two Year fixed term tenancies where the Registered Provider has a regeneration proposal for the property concerned which may require vacant possession in the short term.

\* The reason for setting shorter fixed terms for younger people is to help ensure they are able to take on the responsibilities associated with sustaining a tenancy. Future renewals following a satisfactory tenancy record may be for longer timeframes, e.g., five years.

4.2 All fixed term tenancies should be preceded by a one year introductory tenancy in the case of a secure flexible tenancy, or starter tenancy in the case of a housing association assured flexible tenancy (i.e., an assured shorthold tenancy). Exceptions to the above are set out in Section 4.4 below. The Council may also choose to waive the requirement for an introductory tenancy, such as where a two year tenancy is proposed for a property which is part of a regeneration proposal.

4.3 In the case of tenants transferring from other affordable rented housing (in this instance, a secure or assured tenancy), tenants should be entitled to the granting of a similar tenancy. This will mean an existing secure or assured tenant should be offered a similar periodic tenancy by the recipient landlord. Put simply, a secure or assured tenant should be offered a secure or assured tenancy. But in these circumstances, the Council will discuss other housing options with the applicant including flexible tenancies, private rented, low cost home ownership and other forms of intermediate tenures.

4.4 Exceptions or variations to the fixed term tenancies identified above are as follows:

- Proposed tenants who are over 65 years old and/or wish to access sheltered housing should be granted secure or assured tenancies
- Proposed tenants who have special housing and/or health needs should be granted secure or assured tenancies\*
- Proposed tenants who are aged 18-25 who were previously in the care of the local authority and entitled to receive services under the Leaving Care Act should be granted five year fixed term tenancies (i.e. one year introductory tenancies and five year fixed term tenancies)

\* The Council will convene a Panel of senior housing officers who will have responsibility for designing and implementing the published criteria which will be applied and will consider any appeals that follow.

4.5 Where the Council decides that it wishes to make a discretionary offer where exceptional circumstances apply, the offer of a tenancy will normally be a 2 year tenancy (plus a year's introductory tenancy). In the event the tenant is unable to sustain that tenancy, no further housing accommodation support will be offered. This will not prevent the applicant receiving advice and support as necessary.

#### **Housing for Disabled Persons**

4.6 The Council is committed to retaining where possible housing that has been built and/or adapted for use by disabled tenants. Where a tenancy has been granted for a fixed term and a tenancy renewal is being considered, the Council would wish to ensure that there is a continuing disabled person's (or persons') need for the property. Where the current disabled tenant is no longer resident at that property for whatever reason, and there is a remaining joint tenant and/or household member(s) who are not disabled (and therefore do not need the adapted property), the Council (and where agreed with its Private Registered Partners) will reserve the right to offer alternative (non-adapted) accommodation elsewhere in the borough. Any new tenancy will be granted on similar terms to their original tenancy (i.e., fixed term) and will reflect their housing needs. For example, where the original household need was three bedrooms and the changed housing need is two bedrooms, then the household will be offered a two bedroom property. Any such decision can be the subject of appeal to a panel of senior housing managers.

4.7 The Council's Housing Options team and the Council in its registered provider landlord role will be able to advise tenants on any general or specific tenancy issues (See Section 9 for more information).

## **Council Tenants Affected by Regeneration Schemes**

- 4.8 The Council Tenant Guarantee set out in the Core Strategy (Oct 2011) states the following:

*The Council has given assurance to tenants and leaseholder who might be affected by the regeneration of council housing estates in a statement included in the H&F Homes Magazine of autumn 2009. The assurances are repeated here so they can be read with the Core Strategy proposals and policies:*

*If regeneration proposals come forward on your estate in the next 20 years H&F Council and H&F Homes guarantee:*

- *We would offer a permanent home in the area*
- *Rent levels will continue to be set by Government at a rate which is affordable*
- *The chance to buy a home in any future development at low cost*
- *Full involvement in any future plans or proposals*

Source: LBHF Core Strategy (Oct 2011) - Sections 6.6-6.7

- 4.9 In interpreting a 'permanent home', this would construe a secure or assured tenancy rather than a fixed term tenancy. Local authority rent levels are likely to change following the implementation of the Housing Revenue Account self financing regime.
- 4.10 This Tenancy Strategy and its successor document do not change the commitments to Council tenants affected by regeneration schemes set out in the Council's Core Strategy (Oct 2011).

## **5. Tenancy Renewal – Our Proposed Approach**

- 5.1 The Council is required by the Localism Act legislation to set out the circumstances in which tenancies will be renewed. This section sets out the Council's proposed approach to tenancy renewal. This will apply to accommodation owned and managed by the Council in its landlord role. In addition, the Council in its local housing authority role expects Private Registered Providers (PRPs), principally housing associations, to align their own approaches to that set out in this Tenancy Strategy as soon as reasonably practicable. The Council's proposed approach is straightforward and will take the following sequence.
- 5.2 Put simply, **where the conditions of the tenancy have been complied with and the applicant's (i.e., the tenant's) personal circumstances have not changed, the Council will generally expect to grant a further tenancy in the absence of any exceptional circumstances.** However, there should not be a presumption that a tenancy will be renewed.

Where the conditions of tenancy have **not** been complied with and/or the applicant's personal circumstances have changed, the Council will consider (among other matters) the nature and degree of the breach or change. Such circumstances may include: non-payment or late payment of rent; anti social behaviour; criminal behaviour; failure to keep the premises in good and proper condition; under-occupation; keeping of a dangerous dog; or other breach of the Tenancy Agreement.

5.3 The Council will adopt the following approach to tenancy renewals:

Stage 1 - Nine months before the tenancy is due to expire, write to the tenant(s) concerned asking them to submit a new Housing Register application to continue remaining in the property they occupy. If the tenant(s) does not wish to continue occupying the property, they should let the council know as soon as possible.

Stage 2 - During the six and nine months period before the tenancy is due to expire, the Council will review the tenant(s) housing needs and state before the six months date of expiry whether it is minded to renew the tenancy or not and give appropriate reasons for the latter. Where the tenant does not submit an application form within seven months of the expiry date, the Council will take the view that the tenant(s) does not wish to continue occupying the home.

Stage 3 – The tenant(s) will have the opportunity to ask the Council to review a decision (as set out in the Government Regulations) where a notice of non renewal has been issued. This must be requested by the tenant(s) within 21 days of the notice. The review will consider in particular whether the decision not to renew is in accordance with the Council's policy (as set out in the Tenancy Strategy and the Housing Allocations Scheme).

Stage 4 - In the event that the review process has been unsuccessful for the tenant, a notice will be issued to the tenant(s) giving at least two months notice stating that the Council requires possession. This notice must be issued on or before the fixed term expires.

5.4 As set out in Stage 1, where tenants wish to have their tenancy renewed, they will be invited to submit a fresh housing register application. This will in effect be a consideration of the original application with any updated information (e.g., contact details; ages of children; place of work; disability issues; special considerations, etc). The onus will be on the tenant to ensure that the housing registration form is fully completed and submitted in good time for consideration.

5.5 Where an applicant for housing has been made an allocation of housing from Band 2 of the Housing Allocation Scheme, based on a Community Contribution award and the basis for that award ceases to apply during the term of the tenancy, the Council may seek to provide

opportunities for the tenant to make a community contribution in an alternative way. Non-performance against an award of a community contribution may be one factor taken into account in the consideration of the renewal of a flexible tenancy.

### **Tenancy Succession**

- 5.6 With flexible tenancies (i.e., local authority and private registered providers) there will be no right of succession, apart from the statutory rights of a spouse, civil partners or partner which will not entail the creation of a new tenancy. On the death of a joint tenant, the surviving joint tenant will become the sole tenant and is the successor for the purposes of legislation. Where there is no tenancy succession, the Council will seek possession of the home within a reasonable timeframe, not more than six months. More detail on tenancy succession can be found in the Council's Housing Allocation Scheme.

### **Multiple Needs**

- 5.7 The Council will have due regard to the multiple needs of applicants and will liaise with other departments of the council, principally Children's and Adults' Services. The onus will be on the applicant to inform Housing Options of any needs and existing contact they have with other council officers to ensure the respective needs can be taken into account. The Council understands the scale and scope of some vulnerable households needs. The Council will seek to ensure that necessary advice and support is made available

### **Length of Tenancy Renewals**

- 5.8 Where the Council renews tenancies, these will generally be for the same period that they were originally granted, except in the case of 18-25 year old groups who will move from two year tenancies to five year tenancies, i.e., one year introductory tenancy and four year fixed term (subject to the tenant's/tenants' wishing to renew their tenancy) if the Housing Registration criteria identified above have been met. In exceptional circumstances, a 2 year tenancy may be granted following a 5 year term if there has been a breach of one or more of the conditions of tenancy. There will be no introductory (or probationary) tenancy for renewals unless there are exceptional circumstances which will be considered and approved by the panel of senior housing officers. Such circumstances could include persistent late and/or non-payment of rent and/or service charges; anti-social behaviour including causing loss of other tenants' quiet enjoyment of their home.

### **Review Procedures relating to the Offer of a Flexible Tenancy and Flexible Tenancy Renewals**

- 5.9 An applicant may seek a review of the offer of a flexible tenancy or a decision not to renew a flexible tenancy. He/she has 21 days from

receipt of the notice or decision to request a review. A more detailed approach to how the review process will work in practice is set out in Annex C of this document.

- 5.10 Where tenancies are not renewed for whatever reason, e.g., income and wealth levels above a certain threshold (as set out in the Housing Allocations Scheme) or the household is under-occupying, the Council will offer advice and support on future housing options.

### **Equalities**

- 5.11 Historically, affordable accommodation has been sought and secured by equality groups members, e.g., the elderly; the disabled; lone parents; applicants from black, Asian and minority ethnic backgrounds. The Council expects this trend to continue, notwithstanding its commitment to broadening access to affordable accommodation. The Council in all its work will seek to ensure that the specific needs and aspirations of equality groups relating to tenancy and tenancy renewal matters are in line with its statutory obligations. The Council will also seek to ensure that appropriate reasonable attention is given to specific requirements and needs of specific equality groups as they arise.

## **6. Working with Private Registered Providers**

- 6.1 Section 5 of this document sets out the Council's proposed approach to flexible tenancies, i.e., for future council tenancies. This section focuses on Private Registered Providers (normally housing associations). They are required to have regard to the Council's proposed approach and consider how they intend to take it into account in the operation of their own tenancy regime.

- 6.2 The Council needs to work closely with Private Registered Providers to:

- help the Council develop its overall approach
- take account of the final policies set out in the adopted document, and
- assist the Council in delivering the new approach

- 6.3 In regard to a flexible approach to tenancies, Private Registered Providers have had the freedoms and flexibilities for many years that the Council has not had access to. For example, Private Registered Providers have been able to issue Assured Shorthold Tenancies (ASTs) since the 1988 Housing Act which have been particularly useful for their intermediate housing sub-market rented products.

- 6.4 Private Registered Providers own and manage approximately 13,000 homes in the borough, roughly equivalent to that owned and managed by the Council. They are therefore an important partner with the Council in meeting its affordable housing objectives. They have a

strong record of delivering a wide range of products ranging from delivering supported housing for vulnerable groups; social housing at target and convergent rents; affordable low cost home ownership and sub-market intermediate rents. In the near future, the Council expects Private Registered Providers to be delivering a new kind of affordable housing – Affordable Rent – which will be let at rents (including service charges) at up to 80% of market levels. This will include up to 50% of Private Registered Providers’ re-let homes, e.g., existing homes that become empty and available to let for new households. In effect, the rents charged would convert from ‘target’ social rents to ‘Affordable Rents’

- 6.5 There is strong evidence already that Private Registered Providers are adopting fixed term tenancies for new Affordable Rent products. This is in response to the low level of grant available for the new product; the greater risk associated with collecting a higher rental charge; and, to anticipate the Tenancy Strategies that will be adopted by local housing authorities.
- 6.6 The Council expects Private Registered Providers to change their tenancy policies to reflect the objectives set out in the final Tenancy Strategy, as set out in Section 6.1 of this document. Many Private Registered Providers operate in a number of boroughs and may be under some pressure to adopt different approaches, to reflect differing policy positions. However, notwithstanding the administrative issues, the Council believes that Private Registered Providers can adopt a flexible approach which accommodates the local priorities set out in this Tenancy Strategy.

## **7. Other Strategy Documents**

- 7.1 In preparing this Draft Tenancy Strategy, the local authority is required under Section 151 (3) of the 2011 Localism Act ‘to have regard’ to its:-
- current scheme of allocation
  - homelessness strategy; and,
  - the Mayor’s London Housing Strategy (currently revised edition Dec 2011).
- 7.2 The information set out below, sets out how the Council has had regard to the documents identified and also referenced its approach to the 2010 Equalities Act.
- 7.3 In preparing this Tenancy Strategy, the Council has had regard to the Hammersmith & Fulham Allocation Scheme (July 2009) Second Edition (also known as the Council’s Scheme of Allocation) and the Mayor of London’s Revised London Housing Strategy (Dec 2011).

- 7.4 In tandem with this Tenancy Strategy, the Council has prepared draft documents setting out its approach to its housing strategy; housing allocations scheme; and homelessness.
- 7.5 **2010 Equalities Act** – The Council will need to ensure that the Tenancy Strategy meets equality requirements set out in the Act, ensuring that the nine protected characteristics which cannot be used as a reason to discriminate against people unfairly. The nine characteristics are as follows: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; or sexual orientation. The Council will seek to ensure that this Tenancy Strategy meets the 2010 Act requirements and will publish an equalities impact assessment to set out how it has achieved this objective.

## **8. Affordable Rent Model**

- 8.1 The Council recognises that the Coalition Government has introduced a new Affordable Rent model for some new homes provided by Registered Providers and for up to 50% of re-lets by some providers in the borough. The Council will wish to discuss proactively with providers how these opportunities can be used to meet its key objective of increasing full or part home ownership in the borough, and how resulting proceeds can be both retained locally and recycled for further housing investment in Hammersmith & Fulham.
- 8.2 The rents described above are higher than ‘target rents’ which are charged for mainstream social housing. With the advent of the Government’s wider welfare reforms, particularly the Universal Credit caps identified above, both housing applicants, the Council in its advisory role and registered providers will need to take greater care in understanding whether a proposed tenant(s) is able to sustain the tenancy granted. By this is meant the tenant being able to afford to pay rent and all other associated property costs for the home, with the additional consideration of tenants receiving their universal credit direct and paying their housing costs to the landlord concerned. Prospective tenants may require their own advice to consider affordability issues.
- 8.3 From April 2013, the Council is adopting the following approach to Affordable Rents in the borough: Private Registered Providers (PRPs) will be expected to maximise the rent that can be charged for new affordable rent schemes and for up to 50% of homes that are re-let. In line with the Housing Allocation Scheme, the Council intends to give greater housing priority to working households whilst also encouraging entry to home ownership. In this vein, where Local Lettings Plans are adopted, the Council is likely to give greater preference to working households either from the Housing Register or the HomeBuy Register for Affordable Rent housing, particularly where applicants have expressed a preference to entering home ownership in the future.

- 8.4 The Council recognises that Affordable Rents for new individual property types are likely to involve a degree of scheme-level cross-subsidy, i.e., higher rents on smaller properties supporting lower rents on larger properties. This will provide the basis for Registered Providers to deliver large family accommodation (i.e., three bedrooms or more) with rental and service charge costs that stay within the housing benefit caps and the Universal Credit caps due to be implemented in 2013. At a strategic level, where additional revenues are accrued from the Affordable Rent scheme, the Council would want to see such revenues used for more, innovative low cost home ownership schemes in the borough.
- 8.5 The Council's approach to Affordable Rent levels is straightforward. When setting rents, Private Registered Providers will be expected to review the private sector rents for the relevant Broad Rental Market Area (BRMA); reduce the rent charged at the 30<sup>th</sup> percentile by 20% for the relevant bedroom sizes; ensure that service charges are included within the proposed rent charged; propose a inflation increase based on Retail Price Inflation (RPI) to tie in when the respective homes will be available for letting. In the case of Supported Housing schemes, taking account of increased management costs, the approach to rents will be discussed on a scheme by scheme basis.
- 8.6 The Council will update and publicise on its website every September its guideline Affordable Rents. These guideline rental costs are to include service charges which will be reviewed on an annual basis.

## **9. Wider Housing Options**

- 9.1 The Council's Housing Options Team offers a wide range of advice for people seeking homes in the borough.
- 9.2 For the future, the Council intends to deliver the regeneration of five key opportunity areas in the borough, which can deliver 20,000 additional homes and associated economic and community infrastructure. The Core Strategy target of 40% of additional housing being affordable – principally low cost home ownership and affordable rent housing – will mean more affordable housing to access, but over a twenty year timeframe.

Housing Options Advice can also be downloaded from:  
[http://www.lbhf.gov.uk/Directory/Housing/Housing\\_advice/](http://www.lbhf.gov.uk/Directory/Housing/Housing_advice/)

End

## **Annex A – Glossary**

**Affordable Rent** – “Rented housing provided by registered providers of social housing, that has the same characteristics as social rented housing except that it is outside the national rent regime, but is subject to other rent controls that require it to be offered to eligible households at a rent of up to 80% of local market rents.” Source: CLG. Planning Policy 3: Planning for Housing – Technical change to Annex B, Affordable Housing Definition. CLG, 2011.

**Intermediate Housing** – Affordable housing for rent and/or ownership for working households on low to medium incomes who are ineligible for social housing and unable to afford market housing

**Market Housing** – Housing for sale or for private rent.

**Mayor of London** – The strategic authority for planning and housing in London.

**Private Registered Providers** – For the purposes of this document, the title of Private Registered Providers is used to describe housing associations, also known as Registered Social Landlords.

**Registered Providers** – Generic title given to organizations formerly known as Registered Social Landlords (also known as housing associations) and local authorities who own and manage council housing. In some instances, managers of council housing are arms length management organisations, who are also Registered Providers.

**Social Housing** – Affordable housing provided by local authority landlords (on secure tenancies) or housing associations (on assured tenancies) charged at ‘target’ rent.

## **Annex B – Reference Documents**

1. Audit Commission - Protecting the public purse 2009
2. LBHF Housing Allocation Scheme (July 2009) Second Edition
3. Mayor of London's A Revised London Housing Strategy (Dec 2011)
4. LBHF Core Strategy (October 2011)
5. Hammersmith and Fulham Community Strategy 2007/14 (September 2007)
6. HMG Laying the Foundations: A Housing Strategy for England (Nov 2011)
7. Tenant Services Authority - The regulatory framework for social housing in England from April 2012
8. Statutory Instruments - 2012 No 695 Housing England – The Flexible Tenancies (Review Procedures) Regulations 2012

## **Annex C - Review Procedure relating to Flexible tenancies**

When considering decision reviews, the Council will comply with the provisions of the Flexible Tenancies (Review Procedures) Regulations 2012 (Statutory Instrument 2012/695) which are summarised below:

There are 2 types of statutory review:

- A person who has been offered a flexible tenancy by the Council, or who has been served with a notice stating that they will have a flexible tenancy when their introductory tenancy comes to an end, may seek a review of the decision about the length of the flexible tenancy.
- A tenant may request a review of a decision by the Council not to grant another tenancy on the expiry of a flexible tenancy and to seek possession.

The request for a review must be made within 21 days of the offer or notice and should be sent to the area housing office. A proforma will be made available to the tenant which will enable him/her to make their request which must state:

- The Applicant's name and address
- The date of the offer or notice
- Whether the Applicant requires an Oral hearing
- Whether the Applicant will agree to receive communications about the review by email and if so an email address.

**and**

- If the review is about the length of the flexible tenancy the Applicant must give a statement of the reasons why the applicant considers the length of the tenancy does not accord with the Council's Policy;
- If the review is about a decision to seek possession the Applicant must give a statement of the grounds for the review.

Reviews will be conducted by a senior officer to the housing management officer who made the original decision.

### **Review without a hearing**

The Reviewing Officer will write to the Applicant giving him or her at least 5 working days to make written representations in support of the application.

The Reviewing Officer will make a decision taking into account any representations received from the Applicant and the Council's policy. Notice will be sent to the Applicant within 5 working days confirming the decision. If the decision is to confirm the original decision about the length of the tenancy or to seek possession, the notice will give reasons for the decision

## **Oral Hearings**

The Reviewing Officer will hear the review and will write to the Applicant giving him or her at least 5 working days notice of the hearing.

Any time before the day of the hearing the Applicant may request that the hearing be postponed.

The hearing will be conducted with the minimum amount of formality.

The Officer who made the original decision may attend the hearing and that Officer and the Applicant may:

- (a) make oral representations relevant to the decision to be made on the review.
- (b) be accompanied or represented by another person.
- (c) call persons to give evidence on any matter relevant to the review; and
- (d) put questions to any person who gives evidence at the hearing .

If the Applicant fails to attend the hearing the Reviewing Officer will consider all the circumstances (including any explanation offered for the absence) and decide to proceed with the hearing or give directions about the future conduct of the review.

The Reviewing Officer will make a decision taking into account any representations received from the Applicant and the Council's policy. Notice will be sent to the Applicant within 5 working days confirming the decision. If the decision is to confirm the original decision about the length of the tenancy or to seek possession the Notice will give reasons for the decision

If an Applicant is dissatisfied with the outcome of the review, he/she can appeal to the Director of Housing whose decision will be final. External routes for further appeal will include the Housing Ombudsman.