

Hammersmith & Fulham Council

Tenancy Strategy

DRAFT

June 2015

Tenancy Strategy Consultation

The Council is seeking your views on what you think of this Tenancy Strategy .

What is the Tenancy Strategy

The council is required by law to produce a Tenancy Strategy. This document sets out what kinds of affordable housing tenancies the local authority grant; the circumstances in which they will grant a tenancy of a certain kind; where they grant tenancies for a fixed term; the lengths of the terms, and the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

To access this Draft Tenancy Strategy electronically, go to www.lbhf.gov.uk/housingconsultation

If you:

- Want a paper copy of the Draft Tenancy Strategy document
- Have any questions about this Draft Tenancy Strategy document and would like to discuss them
- Want a clearer explanation of what we are proposing
- Want to meet someone from the Council to discuss the Draft Strategy or would like someone to attend a meeting
- Want to send a response

please contact Aaron Cahill, Interim Housing Strategy Manager on 020 8753 1649 or email housingconsultation@lbhf.gov.uk and we will respond as soon as we can. You can also write to us at the office address below.

The Council will collate responses from:

- Consultation survey responses (written and electronically)
- Interviews and discussions with individuals and group meetings
- Written submissions received from individuals and organisations
- Notes from consultation meetings

If you want a paper copy of the Draft Tenancy Strategy document, call or email us using the contact details above.

If you want to submit a paper copy of any response you want to make, please send it to:

Housing Strategy Team
Housing Department
First Floor, 145 King St
London W6 9XY

Submissions in response to this consultation process must be made by **Wednesday 16 September 2015**.

Housing Strategy Consultation Process January - March 2015

We consulted with interested parties during early 2015 on the Housing Strategy, seeking views on the 'direction of travel' that we wanted to take. We have now adopted our Housing Strategy and have undertaken to consult further on the detail of individual documents. The other documents we are consulting on are the Housing Allocation Scheme and the Home Buy Allocation Scheme. People took some time and effort to respond to what we published and we have set out below some of what they said. The comments below relate to the Council's proposed approach to the Tenancy Strategy.

We asked you two questions:

The First Survey Question was: To what extent do you agree that the council should return from fixed term tenancies to lifetime tenancies?

Responses to the Survey: 42% of the respondents agreed with the proposal while 40% disagreed.

Comments Included:

"Security of tenure is important to invest in establishing a strong community. It helps local people to have security, towards employment, education and having strong family ties." – *male, council tenant, unable to work, W12*

"Fixed term tenancies (other than probationary tenancies) are an administrative nightmare as they effectively mean reassessing every tenant every few years. Much better to have good incentives for people to (for example) move to low cost home ownership if their income rises."

"What if a person's circumstances change during this time?" – *female, shared ownership, full-time work, SW6*

"Tenants would have a greater stake in their area and communities more stable and settled. After all, owner occupiers (by and large) enjoy a more settled. I do think it should be easier for tenants to be able to move if necessary for work, or retirement, etc." – *female, owner outright, retired, W12*

"People need security for their home." – *female, council tenant, part-time work, W12*

"Helps build community and give people a sense of security." – *female, council tenant, full-time work, W12*

"Again, a very nuanced issue. Under-occupation should be avoided of course. We also want to prevent encouraging a culture in which more occupants = larger, more valuable homes so larger families becomes a perceive path to a better life for those most at risk in society." – *male, owner with a mortgage or loan, full-time work, SW6*

“People should have an expectation that if their and the borough's circumstances do not change materially they will be able to retain their existing housing and policies should be operated to enable this, to avoid unnecessary upheaval and encourage people to invest in their homes, but there should be no right to remain if circumstances change.” – *owner with a mortgage or loan, full-time work*

“I believe in the principle of life time tenancies but I also think there needs to be an element of a probationary period initially where by the council can work with new tenants to ensure they can manage their tenancy and respect the local community. Greater emphasis needs to be placed on releasing properties that are under occupied. This might include grants to move on to smaller properties.” – *male, owner outright, retired, W12*

“For example a 3 bedroom flat might be necessary when children are young but as they grow up and leave home the housing needs of a retired couple are different.” – *female, owner with a mortgage or loan, part-time work, W12*

“Lifetime tenancies are not a good idea; they could lead to complacency with some tenants and remove the incentive to improve their housing situation in their own initiative.” – *owner with a mortgage or loan, full-time work*

“Council tenancies should be for life to give security for the family to know they have a home for life if you are living in a council property you are usually on a low income to start with and very difficult to move from that bracket to next.” – *female, owner with a mortgage or loan, full-time work, W12*

“I think security in housing is very important to people's quality of life; especially for families.” – *female, private rented, full-time work, W6*

“Tenants should be able to feel secure in their tenancy and consequently they will feel more attached and look after the property and surrounding environment better. But in certain cases a renegotiation and downsizing might be encouraged” – *female, owner outright, retired, W12*

“It is disruptive to move people just because their tenancy has ended. If they pay their rent and are not anti-social they should stay” – *female, council tenant, full-time work, SW6*

“The way to rebuild communities is to give tenants life security” – *female, owner outright, part-time work, SW6*

“If a purely commercial view is taken of the efficient occupation of the affordable housing stock and the need to move people on as soon as or if their financial circumstances improve it pushes against the need to foster social cohesion. If people can't call somewhere home it is unsettling that they might have to move their children from existing schools if they are asked to surrender their tenancy because they have secured stable employment and a good income.” – *male, owner outright, full-time work, W10*

“Especially sensible for tenants who are unlikely to ever be able to access other forms of housing, i.e. disabled tenants, tenants who work in lower paid jobs, such as nurses, teachers etc.” – *housing association tenant, part-time work, W12*

“Security of tenure increases the health and wellbeing of individuals and communities.” – *female, council tenant, full-time work, W6*

“People occupying properties at least one bedroom bigger than their needs should be moved into more suitable homes. They should be given a choice of homes and not just put somewhere, but at the same time should not be allowed to stay in 3 bedroomed and larger homes. When the tenancy is signed this should be a condition of the tenancy, but as long as they require the size of home they should be allowed to live there. There should also be a condition regarding income. People who can afford to purchase or rent privately should lose their entitlement to social housing.” – *male, private rented, unable to work, SW6*

“Helps to create sustainable communities and allow people to put down roots in the community.” – *male, housing association tenant, full-time work*

“Lifetime tenancies offer security which a lot of people need. However, people with a history of anti-social behaviour could be offered a fixed term tenancy and closely monitored.”

“Everyone wants secure longer term tenancies particularly if extended family are included in childcare, looking after disabled and vulnerable relatives. Care in the community, means care in the home and you can't do it very easily if you have to worry about what happens when you die/ fall ill. Who actually is going to look after your disabled child or elderly parent.” – *female, council tenant, unable to work, W12*

“Security for the family. You cannot put a price on that. In terms of things I own, the secure tenancy is the most precious by a long, long way. For those who aren't millionaires, it is the most precious thing you have in London. Build more social housing so you can hand more out. It's a great bargaining chip to get antisocial folk to behave. Also return rights to succession.” – *female, owner with a mortgage or loan, full-time work, W12*

“Security of tenure is essential to allow families to plan their lives.” – *Hammersmith & Fulham Law Centre, SW6*

The Second Survey Question was: To what extent do you agree that the council should keep fixed-term tenancies for certain categories of applicant?

Responses to the Survey: 69% of the respondents agreed with the proposal while 19% disagreed.

Comments Included:

“If someone continues to prove antisocial. It's a balance between a 'right and a responsibility.” – *male, council rented, unable to work, SW6*

“Again, this enables the council to create preferred classes of society, which is wrong.” – *private rented, full-time work*

"If they have bad behaviour their tenancy should be reviewed more often. These people are being provided with a benefit and they should respect that benefit being provided to them."
– *female, private rented, full-time work, SW6*

"People with a history of anti-social behaviour should always have their behaviour left under scrutiny."

"Giving them access to permanent residency is inviting them to return to anti-social behaviour." – *male, owner with a mortgage or loan, full-time work, W12*

"People with a record of anti-social behaviour, with rent arrears or similar criteria obviously seem to struggle with the responsibilities of life in general. While I do not condone their behaviour I think these people should be supported and helped rather than punished." –
female, private rented, full-time work, W6

"I thought, though, that a tenancy could be taken away because of anti-social behaviour anyway. I know it would be a long process, but life tenancies have to be conditional on basic respect for neighbours." – *female, owner outright, part-time work, SW6*

"Lifetime tenancies should be for senior people only however, those who have shown that they have possessed a good record of behaviour may also be offered this." – *male, private rented, unemployed, W6*

"Every tenant with anti-social behaviour should always be able to be evicted from their homes what-ever kind of tenancy they have. It is grossly unfair for decent quiet people to be disturbed by others period!" – *male, private rented, unable to work, SW6*

"I think that is simple common sense. If you make things hopeless for people they will behave hopelessly. So offer a light at the end of a tunnel. Certainly, don't bar people just because they have a criminal record etc." – *male, council rented, unable to work, W14*

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1. What is the Tenancy Strategy and why have one?

1.1 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 authority's approach to tenure reform in the social housing sector. Section 150 (1) and (2) 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 In this document, we describe the current 'state of play' in respect to the Council's own stock as Registered Provider for its own stock and that owned and managed by housing associations (also known as Private Registered Providers) partners, for the purposes of this document described as Housing Associations.

1.3 This Tenancy Strategy will replace the Tenancy Strategy adopted in October 2012.

2. Hammersmith & Fulham's Tenancy Strategy Approach

2.1 A key theme of the administration's manifesto commitments was to improve security of tenants and also help ensure housing costs could remain affordable.

2.2 Historically, tenancies issued by local authority registered providers and housing association registered providers are broadly similar, inasmuch they are 'lifetime' tenancies. This means that tenants have the right to stay in the property unless the landlord can convince the court that there are special reasons to evict them, for example, the tenant has not paid the rent and service charges, is not living at the property, has sublet or has broken another condition of the tenancy. All new Hammersmith and Fulham tenants will be introductory tenants for the first 12 months of the tenancy.

2.3 There are opportunities for succeeding the tenancy if the tenant dies, principally spouses/partners/civil partners and/or household members who have resided at the property for at least 12 months. Succession rules changed for tenancies granted after 1 April 2012 and individual tenants should check their tenancies as to what rules apply to them. The policy position on discretionary succession will also be set

out in the latest Council Housing Allocation Scheme document which sets out the 'rules' by which affordable rented accommodation is allocated.

- 2.4 On security of tenure, the Council intends to return to issuing 'lifetime' secure tenancies for its council tenancies. But the Council is seeking views on whether certain categories of applicant (e.g., those with a record of anti-social behaviour) should have fixed term tenancies granted in the first instance. We also recommend to our housing association partners that their equivalent tenancy, the Assured Tenancy, should be adopted rather than adopting Assured Shorthold Tenancies. However, we recognise under the funding regime adopted by the Mayor of London and that policies adopted by both the Council and housing associations must be in 'general conformity' with his Housing Strategy, housing associations have changed their approach to both tenancies and rents. Some housing associations are now issuing five year fixed term Assured Shorthold Tenancies and are charging affordable rents that can be twice what they are charging their existing tenants. The Council recognises that the Affordable Rent regime and the more commonplace adoption of Assured Shorthold Tenancies is a result of a change in national policy, but nonetheless consider that some local discretion can be applied to improve affordability and security of tenure.
- 2.5 The Council has relatively limited powers to exert change on our housing association partners' work, but where the Council provides funding or land for development or other tangible support, in the absence of any GLA funding, it will seek additional value – through lower rents and lifetime tenancies - where appropriate.
- 2.6 For housing associations, the Council expects them to have regard to this Tenancy Strategy when developing tenancy policies and granting tenancies in Hammersmith & Fulham area. These decisions may be impacted by GLA grant conditions for new affordable housing broader changes applied following the 2011 Localism Act. Where the Council directly or indirectly facilitates the delivery of new housing through use of public land; commuted sums; or other intervention, then the Council would seek to ensure that the housing association concerned delivers rents and tenancies that broadly conforms with this Tenancy Strategy, namely Assured Tenancies, charged at target rents.

3. Use of Fixed Term Tenancies (also known as Flexible Tenancies)

- 3.1 The Council in its Housing Strategy states that it will use fixed term tenancies for "certain categories of applicant". This section sets out the categories of applicant and what types of tenancy will be granted. There are two categories of applicant that the Council may grant fixed term tenancies for:

3.1.1 Where the Council adopts a Local Lettings Plan which will involve varying the 'rules' of the Housing Allocation Scheme which enables applicants to access the Housing Register. The Council will consult with tenants who are affected by the change in policy. Such a change in policy may involve giving allocations priority to certain categories of applicant from the Housing Register or the Home Buy Register. Where the Council proposes a Local Lettings Plan, it will publish a draft document and undertake a consultation process, which sets out what kinds of tenancies are going to be proposed. These will either be 2 year or 5 year fixed term tenancies

which can be renewed, both of which will be preceded by a 1 year introductory tenancy.

3.1.2 The Council is retaining discretion to grant fixed term tenancies for applicants who have a history of anti-social behaviour; unspent criminal convictions; or any other reason that the Director of Housing responsible for Housing Options considers necessary to warrant the grant of a fixed term tenancy.

3.1.3 In both instances set out above, the basis for renewal of such a tenancy will be raised with the tenant when the renewal process is due to begin, approximately 9 months before the tenancy is due to expire.

4. Affordable Rents

- 4.1 One of the objectives of the National Government through its *Future for Social Housing* consultation paper and the 2011 Localism Act that followed it was to generate additional revenue from the rental stream of new affordable housing, with the intention of alleviating the capital cost of housing development. This meant rather than adopting rents which were generated from individual housing associations' policies – mostly 'target rents' - the intention was to link affordable rents to those of the local housing market.
- 4.2 The Council is not seeking to set a local affordable rent policy which all Registered Providers should adhere to. The Council's preference is that rents should be aligned as close as possible to 'target rents' for individual Registered Providers and be affordable to people on low incomes in the Borough. The Council recognises that where schemes are funded by the Greater London Authority, rents charged may be either Discounted Rent (up to 80% of local market rents) or Capped Rent (up to 50% of local market rents), both inclusive of service charges. Where new social or affordable rented homes are proposed, 'in year' indicative rents and service charges for comparative purposes should be set out. In calculating social and affordable rents, developers should have regard to the Mayor of London's *London Rents Map* (which uses up to date housing costs information from the Valuation Office Agency) for comparative purposes. Any increases in rent between the proposal and completion should be based on an annual Consumer Price Index (CPI) + 1% projection.
- 4.3 For guidance purposes, the Council will publish 'indicative rents' on its website based on affordable rents charged for that financial year in the borough that will give residents, housing associations and developers to 'benchmark' the level of rents the Council would expect to see charged. Our preference remains to support the delivery of rented homes charged at 'target rents' but we are also aware of the impact of service charges (which are excluded from the 'target rent' regime), particularly in high density developments. The Council would not expect target rents plus service charges to exceed Capped Rents described above and will expect service charges to be kept to an affordable minimum. The Council believes careful consideration to the design of new homes can help minimise costs derived from service charges.

June 2015