



Affordable Rent Tenancy Policy



TWO RIVERS HOUSING
Affordable Rent Tenancy Policy

1.0 Introduction

- 1.1.1 The Tenant Services Authority (TSA) Tenancy Standard requires Registered Providers (RP) to “*issue the most secure form of tenure compatible with the purpose of the housing and the sustainability of the community.*” The provisions within the Localism Bill seek to amend the Tenancy Standard, and from April 2011 RP’s will be able to let existing properties as they become empty at an Affordable Rent, either for life, or a fixed term.
- 1.1.2 The Homes and Communities Agency (HCA) requires, as a condition of its development grant bidding process for the four year programme commencing 2011, that a proportion of empty properties must be relet on fixed term tenancies at rents calculated at 80% of the gross market rent including service charges.
- 1.3 The option to provide fixed term tenancies will only apply to new lettings, with no implications for tenants with existing tenancy agreements. All new Affordable Rent lettings to applicants will be made by the relevant local authority’s Choice Based Lettings Scheme.

2.0 Tenancy Options

- 2.1 With effect from October 2011 Two Rivers Housing (TRH) will have the following tenancy options available for re-letting void properties:

Type of Tenancy	Duration
Contractual Tenancy	1 week (homeless temporary lettings)
Starter Tenancy	12 months
Assured Tenancy	Life
Affordable Rent Fixed Term Tenancy	10 years fixed term

- 2.2 The level of rent charged at letting for each tenure option, and the level of increase will be as follows:

Type of Tenancy	Rent Level at Letting	Increase
Starter Tenancy	Target Rent	RPI+1/2%
Assured Tenancy	Target Rent	RPI+1/2%
Affordable Rent Fixed Term Tenancy	Up to 80% of Market Rent	RPI+1/2%

3.0 Starter tenancies

3.1 Starter tenancies are for a 12 month period and used in conjunction with assured and fixed term tenancies. Provided that the starter period is completed with no breaches of tenancy conditions, an assured or fixed term tenancy will be created.

4.0 Assured Tenancies

4.1 Assured tenancies will be used for all lettings that have not been selected as appropriate for a fixed term tenancy. Where an assured tenancy has been used it will provide security for the 'life' of the tenant, provided there are no tenancy breaches and other issues, such as redevelopment, do not require the tenant to be relocated.

5.0 Fixed Term Tenancies

5.1 Commencing in 2011/12 in conjunction with the HCA development grant bids, TRH has committed to converting 20 properties per annum (total of 80 over a four year period) on re-letting from assured 'tenancies for life' to fixed term tenancies. These properties will all be two or three bedroom houses.

5.2 Fixed term tenancies will be on the basis of a ten year fixed term period with a tenancy review provided nine months before the end of the period.

5.3 Prospective tenants for fixed term tenancy properties will be selected through the Choice Based Lettings (CBL) system. There will be clear information provided covering length of tenancy and rent levels on the CBL system. Prior to allocation an assessment of an applicant's ability to pay will be made (Appendix 1). Affordable rent lettings will be eligible for Housing Benefit in the same way as Assured Tenancy lettings depending on the individual tenant's circumstances.

5.4 Tenants with fixed term tenancies will be visited nine months before the end of their tenancy for the purpose of a tenancy review. Where their circumstances in terms of family size, housing need, or financial status remain compatible with the property they are occupying, a further ten year fixed term tenancy will be issued. The rent level for this further fixed term period will be recalculated at 80% of the current market rent. Other options should be considered where:

Now under occupying the property	Consider offer of smaller accommodation
Now over crowding the property	Consider offer of larger accommodation
Income now significantly increased	*Consider conversion to shared ownership.
Tenancy condition record poor	Consider refuse to re-house.

**Note tenants with a fixed term of two years or above have the 'right to acquire'.*

6.0 Affordable Rent Properties

6.1 TRH will have discretion to identify which properties will be appropriate to be converted from social to affordable rent.

6.2 Properties will not be converted from social to affordable rent where any of the following apply where:

- there is a Section 106 planning agreement or restrictive covenant which is not compatible with the affordable rent model;
- there are local agreements/contracts which are not compatible with the affordable rent model;
- there is a regeneration project/agreement which is incompatible with the affordable rent model;
- 80% of the market rent is below the target social rent plus service charges;
- there are ineligible service charges;
- it is a sheltered housing scheme, i.e. those properties which have a resident or visiting Community Support Worker or emergency community alarm;
- the proposed tenant is a minor; and
- the proposed property has been significantly adapted to meet the needs of a disabled person. An example of this would be if a property had high level adaptations such as full wheelchair access and level access shower.

6.3 TRH will also have the discretion to convert affordable rent properties back to a social rent where a property cannot be let at an affordable rent level. The trigger for this is to be reviewed and will come into affect if the property has been through four bidding cycles and a suitable applicant has not been identified.

7.0 Ending Affordable Rent Tenancies

7.1 The use of the Affordable Rent Tenancies enables TRH to maximise existing stock ensuring that social housing is available to those who need it. TRH will ensure it provides support and advice to those households who are no longer in need of social housing to explore, and move on to, other housing options.

7.2 Within the final year of the ten year period we will carry out a review to assess whether the tenancy should be ended or renewed. This assessment will be completed at least nine months prior to the proposed tenancy end date.

7.3 We will renew all tenancies for a further ten years unless:

- the tenant's capital is sufficient to purchase a property (*assessed against the Communities and Local Government's Lower quartile average house price data*);
- the tenant's income exceeds the income threshold for the area (*calculated against lower quartile average house prices*);
- the household is under-occupying their home by more than one bedroom; and
- there has been a breach of tenancy conditions.

- 7.4 However, in exceptional cases TRH will have the discretion to renew tenancies outside these criteria, or offer alternative suitable accommodation.
- 7.5 Where a review determines that it is not appropriate to renew the tenancy, a “minded to” notice will be served on the tenant confirming that TRH will not renew the tenancy. Advice and support will be offered to help the tenant find alternative accommodation.
- 7.6 The tenant has the right to request a review of the decision in line with the TRH appeal process. The appeal should be received within 21 days from the day the “minded to” notice was served, the decision of which will be final.
- 7.7 Where a tenancy is renewed this will be for a further ten years. We will not end the tenancy during the fixed term unless there is a breach of tenancy condition.
- 7.8 The tenant can end the tenancy at any time by surrender with a notice period agreed with TRH.

8.0 Mutual Exchange

- 8.1 TRH will process mutual exchanges in line with their Mutual Exchange Policy, or until such legislation is subject to change.

9.0 Succession

- 9.1 TRH will grant Affordable Rent fixed term tenancy succession rights in line with the tenant’s statutory rights. Claims for possession will be processed in line with our Successions policy.

10.0 Complaints

- 10.1 If a tenant/applicant is not happy with the service received around fixed term tenancies they will be able to make a formal complaint. The complaint will be dealt with in line with TRH’s Complaints and Compliments policy.

11.0 Equality and Diversity

- 11.1 TRH is committed to the principle of equality of opportunity in the delivery of its services. TRH aims to ensure that all of its customers are dealt with fairly and equitably and, where possible, taking into account the diverse nature of cultures and backgrounds.
- 11.2 TRH will actively work towards promoting good relations, eliminating discrimination and addressing existing disadvantage in relation to different groups on the basis of race, colour, ethnic and national origin, nationality, gender, disability either mental or physical, religion, sexual orientation, marital status, HIV/AIDS, responsibility for dependants, trade union activity, and age.

12.0 Monitoring and Review

- 12.1 TRH will actively promote this policy through its tenant newsletter, website, and housing surgeries.
- 12.2 The Neighbourhood Housing Co-ordinator is responsible for monitoring this policy ensuring it is being correctly applied, and is also responsible for ensuring reviews of this policy are carried out.
- 12.3 TRH will undertake regular reviews of this policy, any procedures related to it and staff training needs, ensuring service improvements are made and implemented.
- 12.4 There will be an automatic review of this policy whenever there is a change of policy from the government, the TSA or change to legislation. In the absence of any other trigger, the policy will be reviewed after one year and at intervals of no more than two years thereafter.