

Appendix A

Runnymede Borough Council Tenancy Strategy DRAFT

August 2022

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List of Abbreviations

CORE	Continuous Recording of Lettings and Sale in Social Housing
DHP	Discretionary Housing Payment
HRA	Housing Revenue Account
IRL	Independent Retirement Living
LHA	Local Housing Allowance
RP	Registered Provider
SHMA	Strategic Housing Market Assessment
SSSC	Social Sector Size Criteria
UC	Universal Credit

1. Vision and Challenges

Under the terms of the Localism Act, Local authorities must prepare and publish a tenancy strategy which sets out the matters to which the registered providers of social housing in its district are to have regard in formulating policies relating to the kind of tenancies they grant.

As an authority our corporate vision is to be a vibrant borough with a high quality environment, where we want to maximise opportunities with partners to provide services that are highly regarded by local people. For the housing department this vision extends to creating vibrant neighbourhoods, successful and sustainable tenancies and equality of opportunity.

As a borough we have:

- A thriving economy with high earning and low unemployment;
- We are within the top ten per cent of least deprived areas nationally;
- We have a well-managed, high quality housing stock;
- We have responded well to increasing levels of homelessness through developing initiatives with the private sector.

We also need to continue to explore opportunities within the private sector and with Registered Providers (RPs) so we can continue to manage homelessness, develop affordable housing and provide a suite of housing solutions to our customers. We are also committed to continuing to provide opportunities for affordable home ownership in the Borough, including shared ownership.

Whilst there are many positive aspects of living in Runnymede, these need to be balanced against a number of issues and challenges which must be considered in the development of this strategy. These include:

- Addressing areas of deprivation in the Borough where unemployment and unsuitable housing are an issue;
- Limited land for housing development;
- High levels of housing costs in the Borough making some accommodation options increasingly unaffordable;
- Cost of living increases
- Public and health services under strain.

The Council recognises that some Registered Providers have housing stock in multiple local authority areas but encourage policies which reflect local circumstances.

A consultation exercise with prospective tenants, existing tenants and Registered Providers received a limited response.

The three Registered Providers who responded stated that they were ceasing to issue fixed term tenancies in favour of assured tenancies (which are the equivalent of a Local Authority secure tenancy).

2. Context

A national census was carried out in 2021 with initial limited information released in June 2022.

Figures from the 2021 Census show that Runnymede has a population of 88,100, an increase of 9.4% since 2011 which is higher than the overall increase for England of 6.6% over the period. Nearby areas like Spelthorne and Windsor and Maidenhead have seen their populations increase by around 7.7% and 6.2%, respectively, while others such as Surrey Heath saw an increase of 5.1% and Woking saw smaller growth (4.7%).

Initial data was published in June 2022 showing that 16.3% of the population were under 15 years old, 66.3% 15 to 64 and 17.1% were over 65.

The number of households increased from 32,714 in 2011 to 34,800 in 2021, a 6.4% increase. This increase, above the national and regional trend is expected to have an impact on housing need in the Borough.

Council's Housing Stock

The Council is a stock retained authority and currently manages:

- 2626 general needs properties;
- 211 independent retirement living (IRL) properties;
- 172 leasehold properties.

For the period 1st April 2018 to 31st March 2022, the Council let 595 tenancies within its Housing Revenue Account (HRA) stock (includes lets for both general needs and IRL) which equates to an average of 149 lets per year. The majority of these properties were let on social rents, which means the rent is based on a prescribed formula determined by the national rent regime, based on property values and local earnings; rent levels are very low within Runnymede Borough Council's stock and equate to approximately 40% of market rent. The period 2018/2019 saw the first HRA lets at Affordable Rents following completion of new build properties in the north of the Borough; these rents are set at maximum 80% of local market rent, capped at Local Housing Allowance level. A further development in the south of the borough has seen an increase in the number of properties we let at Affordable Rent.

Of the 595 lettings in the period 2018 to 2022, 61% (366) were flexible tenancies with the remainder of lettings being secure tenancies. To date IRL tenancies are let only on secure tenancies. The majority of flexible tenancies being offered are ten year tenancies with less than 6% being offered on a two year flexible tenancy and 9% being offered on a five year tenancy.

The total number of flexible tenancies awarded since April 2012 within the Council's own stock is 649, this represents 23% of our total stock. Opportunities for turnover of stock as a result of the end of fixed term tenancies in the immediate future is therefore small as the majority of our tenants are still secure tenants and it will take many years to alter this balance.

Registered Providers

There are at least 14 other RPs managing social housing in the borough. In addition to the Council's own lettings noted above we achieve a number of lettings to other RPs in the borough each year through nomination rights, as follows:

	2019/20	2020/21	2021/22	Total
RBC (Runnymede Borough Council) Lettings	182	124	147	453
Other RP (Registered Provider) Lettings	65	31	82	178
Total Lettings	247	155	229	631

Research shows that several RPs operating in Runnymede have issued flexible tenancies but many are ceasing the use due to the cost burden and a desire for sustainable communities. There is no evidence that the level of unrenewed tenancies would adversely impact on communities.

Housing Register

The Council operates a choice based lettings scheme with criteria for registration and priority for allocation set out in our Housing Allocation Scheme. Our Allocation Scheme is specifically designed to:

- Reflect the housing options available across the Borough;
- Increase the use of the private sector;
- Make best use of social housing for those most in need;
- Encourage applicants to widen their choice of tenure.

Applicants are disqualified from the Housing Register if they:

- Have savings or capital greater than £16,000; income greater than £30,000 (single persons or couples) or £50,000 (family households);
- Are already suitably housed in social housing;
- Have a history of antisocial behaviour or poor housing related conduct in the last five years;

As of August 2022, there are 1351 applicants on the Council's Housing Register. The scheme is subject to regular review and reapplication, to reflect changes in government legislation or policy, or to reflect changes required for legal reasons.

Under Occupation

Under occupiers are prioritised on the Housing Register and the Council can offer assistance to enable under occupiers to move to maximise the use of our stock. Registered Providers in the Borough offer a variety of packages to encourage downsizing, including through mutual exchanges.

As at May 2022 Runnymede Borough Council had approximately 496 tenants who according to their household survey returns were under occupying their home. At the same time only 32 households were registered to downsize via the Housing Register. Half of the under occupiers have reached stage pension age so are not impacted by the Social Sector Size Criteria (SSSC) and only 12% of households subjected to the SSSC are opting to downsize with the remaining 87% choosing to absorb additional costs not met by housing benefit. The difference between the rent on a one bed and a three bed home is not high enough in most cases to incentivise a move.

Transfers to smaller properties

Year	Total
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2018/19	22
2019/20	23
2020/21	11
2021/22	8

This illustrates that without the use of flexible tenancies there will be very little movement within the housing stock resulting in family homes being occupied by a single person or a couple for up to 4 decades as people live longer.

Those households registered to downsize are tenants with secure tenancies who feel that they can no longer manage their current home or require a level access home.

Strategic Housing Market Assessment

The Strategic Housing Market Assessment (SHMA) was updated in 2018. The Council is currently carrying out a Housing and Economic Development Needs Assessment (HEDNA) but this data is not yet available.

The SHMA shows that:

- Mean incomes have continued to increase;
- Taking into account rent levels and levels of residual income households should spend no more than 35% of total household income on their housing costs to ensure affordability;
- 337 units per year of affordable housing will be needed;
- There is a high demand for one bedroom properties in the borough owing to the needs of an ageing population and downsizing requirements;
- When considering the needs of households owed a statutory housing duty there is high demand for family size homes.
- For applicants on the housing register there is a significant need for two bed homes.

Whilst only indicative, the results of the SHMA need to be considered in terms of our priorities for the use of flexible tenancies in the Borough and the continued need for both social and affordable housing options, with our priority being for housing with social rents.

The Tenancy Standard

The Regulator of Social Housing's Tenancy Standard allows RPs including local authorities to use fixed term or flexible tenancies let on social or affordable rents. The current Tenancy Standard requires that providers grant tenants a tenancy for a minimum fixed term of five years, or exceptionally, a tenancy for a minimum period of no less than two years in addition to any probationary tenancy period. It should be noted that flexible tenancies are always fixed term; a tenancy granted for a fixed period of time.

The Tenancy Standard 2012 further conveys on RPs responsibilities to publish policies which outline their approach to:

- The types of tenancy they will grant;
- The length of any fixed term tenancies they will provide;
- The circumstances in which they will grant particular types of tenancy;
- The exceptional circumstances in which fixed term tenancies of less than five years will be granted;
- The circumstances in which they may not grant another tenancy on the expiry of a fixed term tenancy;
- Providing advice and assistance to households who need to find alternative accommodation in the event that a further fixed term tenancy is not granted.

Runnymede Housing Strategy Statement 2021-2026

We are committed to ensuring good quality affordable housing is available to local people in both the social and private sector

We will do this by;

- Supporting local people to access appropriate housing
- Increasing the provision of affordable housing including low cost home ownership
- Identifying local housing need to plan effectively for the future.

Homelessness & Rough Sleeping Strategy

The purpose of the Homelessness & Rough Sleeping Strategy is to establish the extent of homelessness in the borough, identify future trends and any gaps in the service currently being provided. The strategy outlines;

- The levels and likely future levels of homelessness in the borough
- Activities that are carried out which prevent homelessness, secure accommodation for homeless people and provide support to people who are or may become homeless
- Resources available to carry out these activities

3. Tenure Options

Social and Affordable Rents

Social housing tenancies can be let on either social rents (set through the national rent regime) or, where certain conditions apply, at affordable rents (at up to 80% of market rent, inclusive of service charges).

The use of flexible tenancies and the differing methods of charging rent for social housing means that within the Borough there are a range of secure and assured, lifetime and flexible tenancies, on either affordable or social rents.

CORE data shows that 22% of general needs lettings by RPs in the Borough in 2019/20 were let on affordable rent, and in 2020/21 (April-September only) this figure was 27%.

Despite the fact that affordable rents are lower than market rents, the cost can still be prohibitive for some low-income households given that they are approximately 45% to 60% more expensive than social rents depending on the size of the property.

The Council works proactively with households, particularly those who are homeless or threatened with homelessness, to budget and to prepare for meeting rent in advance and ongoing rent obligations when they achieve a housing solution. Affordability assessments are carried out as part of the letting or nomination process to ensure an offer of housing is suitable.

Given high rent levels in the area and the recommended percentages for the amount of household income deemed affordable to spend on housing, for some low-income working households only social rents are truly affordable, we therefore need to retain the supply of housing at social rents in the Borough. RPs should retain a minimum of 50% of properties let at social rent across the Borough, covering a range of property types and sizes.

Type of Tenancy

Secure tenancies for existing secure or assured tenants who transfer

The Tenancy Standard requires: Registered Providers shall grant those who were social housing tenants on the day on which section 154 of the Localism Act 2011 comes into force, and have remained social housing tenants since that date, a tenancy with no less security where they choose to move to another social rented home, whether with the same or another landlord. (This requirement does not apply where tenants choose to move to accommodation let on Affordable Rent terms).

Introductory or Starter Tenancies

All new tenants will be offered a one year Introductory or Starter Tenancy which on successful completion will be converted to the appropriate Flexible Fixed Term or Secure or Assured tenancy.

Independent Retirement Living (IRL)

Analysis shows that there is lower demand for IRL in the borough compared to our general needs stock. We also know that the Borough's population has an ageing profile, and this will need managing over time in terms of access to suitable housing.

Estimated Population Growth 65+ Runnymede

Age	2020	2030	2040	% increase
over 65 years	15,100	17,300	19,300	27.81%
65 - 79 years	10,500	11,600	12,800	21.90%
80 - 89 years	3,700	4,700	5,000	35.14%
90+ years	900	1,000	1,500	66.67%

Runnymede Population TOTAL Source IPC

Evidence from the Economic and Social Research Council shows that fixed term tenancies can be a source of distress for older households. In addition, our consultation with residents' groups, who are generally more representative of the older population, suggests that older residents value security and stability in retirement. To reflect this, we recommend Secure /lifetime tenancies for specialist housing for older residents such as Independent Retirement Living / Sheltered Housing / Extra care schemes.

Fixed Term Tenancy Provisions

Flexible tenancies are always fixed term tenancies; they offer a tenancy for a fixed period of time. At the end of the fixed term the landlord needs to have a procedure for review, renewal or termination of the fixed term tenancy.

Central government's view on the use of flexible tenancies is that:

- Social housing is a scarce resource that should be focused on those who need it most, for as long as they need it
- Local authorities should decide what form of tenure best meets the needs of local people
- Social housing should be springboard to a better life and aid the tenant's journey towards other tenures.

As an authority our use of flexible tenancies has been concentrated on:

- Making best use of stock within the Borough;

- Managing under occupation;
- Ensuring the changing needs of households are addressed.

Our view is that tenants should be encouraged to pro-actively manage their finances and prepare to move into other tenures if their situation allows, but to have access to support and opportunities to remain in social housing when needed, including upsizing and downsizing to reflect the needs of the household.

With the SMHA in mind, the average number of social housing lettings achieved each year, difficulties with downsizing and the continued concerns about welfare reform, it is appropriate that RPs continue to offer fixed term tenancies across the Borough. Where providers are not currently offering fixed term tenancies, they should review their policies and unless there are sound business reasons or particular risks or ethical reasons for the client group they deal with, they should start to offer fixed term tenancies.

At the end of a fixed term tenancy a review must be undertaken, which may result in one of the follow outcomes:

- Grant of a further fixed term tenancy at the same property;
- Grant of a further fixed term tenancy at an alternative property that better suits the household's needs;
- End of the tenancy with no further grant of a tenancy due to significant changes in the household's circumstances;
- Support to access a new home if the tenancy will not be renewed.

The ability to undertake reviews and manage outcomes allows providers to make best use of stock and this remains the highest priority.

It is acknowledged that the decision to use fixed term tenancies and to what extent, lies with RPs in the Borough. Providers should consult with their tenants on their own tenancy policies and should:

- Keep the use of fixed term tenancies under regular review to ensure best use of stock;
- Assess and record any detrimental impacts on the stability of communities from the use of flexible tenancies.

The Use of Fixed term Tenancies

To encourage best use of stock, ensure affordability and therefore sustainability for certain categories of tenant, and to manage demands on certain types of accommodation in the Borough the Council proposes the use of fixed term tenancies in the following ways:

Five year fixed term tenancies

Recommended for properties with more than one bedroom only where all members of the household are over 16.

Properties with more than one bedroom with significant adaptations

Ten year fixed term tenancies

All other households.

Adaptations

In order to make the best use of adapted or specially designed stock consideration should be given to offering a tenancy of five years where there is a likelihood that there is only a short term need for such specialist housing. Where a potential tenant has a lifelong condition or long-term need then it would be appropriate to offer a longer fixed term tenancy of up to ten years taking into account the makeup of the household so that specially adapted properties are not underoccupied for extended periods of time.

Successions

Due to the high demand for social housing in the Borough we do not support schemes for non-statutory succession to social housing tenancies. Succession rights are set out in the Housing Act 1985, Housing Act 1988 and Localism Act 2011, according to the type of tenancy and start date for that tenancy. To ensure best use of stock and that stock is let to those in the greatest need, those households found to be non-successors should be referred to the council for a full housing options appraisal to determine their ability to fulfil their housing requirements through the private market or any potential priority they may have through our Housing Allocation Scheme.

Mutual Exchanges

The Council will only approve Mutual Exchanges that comply with the current Allocation Scheme in place, RPs are requested not to approve mutual exchanges that allow under occupation of social housing.

Household member(s)	Bedroom need
Single applicant over 18 years of age including pregnant applicants	Bedsit / one bedroom
Couple with pregnant applicant and no other children as permanent members of the household	One bedroom
Every adult couple including married, unmarried, civil partnership	One bedroom
Any other adult, aged 16 or over and a permanent member of the household	One bedroom
Any two children of the same sex aged under 16 (both permanent member of the household)	One bedroom
Any two children of the opposite sex aged under 10 (both permanent members of the household)	One bedroom
A carer (or team of carers) who do not live with the claimant but provide them or their partner with overnight care. Carers who live in need to check with Department for Work and Pensions (DWP) if they meet the required criteria	One bedroom

Disposals

With ongoing pressures on the demand for social housing we would ask that RPs consult with us about the future use and potential options if they are planning on disposing of any of their properties. We would support any disposal and redevelopment in line with our development strategy.

4. Tenancy Sustainment and Affordability

The Council aims to ensure households are 'tenancy ready' regardless of whether they are housed in a council property, with another RP or in the private sector. Pre-tenancy training will help tenants sustain their tenancy from the outset. The training will include guidance on preparing a budget, paying rent in advance, household management and presentation to letting agents. This will be beneficial to all prospective tenants but particularly for

inexperienced tenants. These skills will also assist residents if their circumstances change and they are ready to move into other tenures.

Throughout the life of a tenancy providers should be offering tenancy sustainment services to help vulnerable tenants and any tenants struggling to cope with the management of their tenancy. Sustainment services should include:

- Income maximisation;
- Use of benefit and better-off calculators;
- Budgeting advice;
- Negotiating with lenders on behalf of a tenant;
- Application for charitable assistance;
- Digital inclusion;
- Referral to debt management agencies;
- Referral to other support agencies such as Family Support Programme or Children's Centres.

RPs must consider limitations on providing financial advice to tenants due to Financial Services Authority regulations.

In preparation for the end of flexible tenancies, periodic reviews of circumstances should be undertaken. This will ensure that tenants are:

- Making progress to improve their circumstances throughout the period of the tenancy;
- Managing their tenancy without issues;
- Preparing for the review process at the end of the tenancy.

As demand for tenancy sustainment is likely to increase, providers should be encouraged to risk manage and prioritise cases. However, should a tenancy ultimately fail, even with the provision of sustainment, then early referral to the Council for housing options advice is essential. Providers are encouraged to set up protocols with the Council for making referrals for advice.

End of fixed term tenancy support

At the end of the fixed term Registered Providers are expected to have a clear and transparent review process for fixed term tenancies, which is understood by the tenant from the outset of their tenancy.

We recommend that it is generally not appropriate to renew flexible tenancies in the following circumstances (other circumstances may also apply, this list is not exhaustive):

- The property is adapted and no one at the property requires the adaptations;
- The property is underoccupied or overcrowded
- The financial circumstances of the households have changed and housing needs can be satisfied through other tenures;
- The tenant or their advocate has not engaged in the review process;
- The tenant comes into legal ownership of another home or property.

RPs should provide support to residents should their flexible tenancy not be renewed. This should include:

- Signposting them to alternative tenures;
- Providing financial advice;
- Affordability assessments;
- General support with relocation;
- Adequate time to seek alternative housing;
- Referral to the Council's Housing Solutions Service

The review process must be completed at least six months before the tenancy is due to end and if appropriate RPs should offer short term extensions whilst alternative housing is being sourced. A full affordability assessment should be undertaken in all circumstances.

Providers should also be agreeing protocols with the Council for referring those tenants whose flexible tenancies are not being renewed, so we can offer housing advice in a timely way and offer a Personalised Housing Plan where appropriate.

Providers should maintain records on the impact of fixed term tenancies on households with protected characteristics to ensure there are no negative impacts.

5. Review, Monitoring & Equality

This strategy is intended to provide guidance to RPs and will be reviewed every five years unless legislation or circumstances necessitate an earlier review.

Registered Providers should review and update their tenancy policies in light of this new strategy. Providers should be mindful of their duties under the Equality Act 2010, ensuring that Equality Impact Assessments are undertaken on their own tenancy policies. Providers should also continue to monitor the impacts of those policies on their tenants, stock and communities, ensuring that households with protected characteristics are not discriminated against.

In order to monitor the impact of this Tenancy Strategy and Tenancy Policies within the Borough, RPs are requested to maintain data to assist in analysing:

- The outcomes of fixed term tenancy reviews as the first wave of fixed term tenancies come to an end;
- The percentage of properties available for re-letting following fixed term tenancy reviews;
- The number of appeals and challenges;
- Impact on legal costs associated with the end of fixed term tenancies;
- Impact on homeless applications.