



HILLINGDON  
LONDON

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The London Borough of  
Hillingdon's  
Tenancy Strategy

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Draft

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# **1. Introduction**

## **About Hillingdon**

Hillingdon is the second largest of London's Boroughs and covers 42 square miles (11,571 hectares), over half of which is a mixture of countryside including canals, rivers, parks and woodland. The Borough has two airports - Heathrow and RAF Northolt. Hillingdon shares its borders with Hertfordshire and Buckinghamshire to the west and Hounslow, Ealing, and Harrow to the east. The north of the Borough is semi-rural, much of it protected by green belt regulation with Ruislip as the major town centre.

The south of Hillingdon is more densely populated and urban in character, containing the administrative centre of Uxbridge and towns of Hayes and West Drayton.

Heathrow airport is situated in the south of the Borough, and is the largest employer offering a range of relatively well-paid skilled and lower paid unskilled manual jobs.

There are a number of major manufacturing and retail organisations with headquarters and sites in Hillingdon. Stockley Park, to the north of Heathrow, is one of Europe's largest business parks. The Council, RAF Northolt, Brunel University, Harefield and Hillingdon hospitals are major public sector employers in the area.

Hillingdon is a good place to live. There are thriving shopping centres, a variety of job opportunities, excellent parks and green spaces, modern leisure facilities and easy access both to the centre of London and the towns, villages and countryside outside the capital. The supply of affordable housing available to Hillingdon's residents is however a challenge. Despite the successes that Hillingdon has achieved – regularly over-delivering on affordable housing targets – many Hillingdon residents are concerned about the affordability of their own housing and the availability of good quality, affordable housing for their children when they need it.

## **Hillingdon's Housing Market**

Average house prices in the Borough have been rising since mid-2009. According to the Land Registry, in January 2013 the average price of a property in Hillingdon was £264,537. There are wide differences in entry level (lower quartile) prices across the Borough, from £169,000 in Yiewsley to £355,000 in Ickenham.

These average house prices are *seven times* the average household income in Hillingdon. The continuing squeeze on mortgage finance makes home ownership less accessible to residents of the Borough. Mortgages for buy to let property and shared ownership schemes have also been severely affected.

In terms of the people who rent accommodation in the Borough, the majority live in the social rented sector. The greatest concentration of private sector rental property is in the south of the Borough where rent levels are generally lower. However, since there is more demand for rental property because of a decline in home ownership and also because more renters are moving to outer London as central London, becomes unaffordable, private rents in Hillingdon are increasing. The average monthly rent for a two bed property is £994, the lower quartile rent is £875 (Source : Valuation Office). These figures represent an increase of 2.7% and 2.9% respectively on those in 2011. Over a quarter of those households living in the private rented sector rely upon Local Housing Allowance (LHA).

Household numbers in Hillingdon are projected to grow from an estimated 103,000 in 2011 to 118,000 in 2031, an increase of 14.6%. Similarly, the number of households on the Council's housing register has increased during 2010/11 by 31% to 9,800. By 1<sup>st</sup> April 2013 this figure had further increased to 12,112. While many applicants will not have a need for social housing (as defined by the Council's policy), the growth of the housing register is an indication of the increasing number of households who cannot easily afford to buy or rent on the open market.

With this context, it is clear that the need for accessible social housing remains a strong factor in shaping the Council's objectives and actions.

### The Need for Affordable Housing

Hillingdon's most recent Housing Market Assessment (HMA) found that a net additional 2,624 homes a year over five years would be required to meet the current and newly arising need for affordable homes.

<b>Estimated size requirement for additional affordable housing (net)</b>		
	<b>Net annual need</b>	<b>% of annual need</b>
<b>1 bed</b>	174	6.6
<b>2 beds</b>	969	36.9
<b>3 beds</b>	913	34.8
<b>4 or more beds</b>	568	21.7
<b>Total</b>	<b>2,624</b>	<b>100.0</b>

Source : Hillingdon HMA 2009

The assessment also showed that there was a requirement for larger, family sized social rented homes. It also showed that only 22% of the households who required affordable housing could afford low cost home ownership options rather than social rented homes assuming these options were priced at the midpoint between market and social rented prices. However, the current cost of new build low cost home ownership products available in the Borough is closer to that of market housing and therefore only accessible by few local home seekers. In fact, the sites identified for housebuilding in Hillingdon are unlikely to be able to provide this number of affordable homes.

Analysis of local housing need shows that homes required to accommodate most households accepted as homeless need to have one or two bedrooms.

Hillingdon's HMA also showed that some 5.6% of households are overcrowded, compared with the national estimate from the Survey of English Housing of 2.5%. Overcrowding was measured against the national bedroom standard. The assessment suggests that overcrowded households are more likely to be living in the social rented sector – almost 45% of overcrowded households were living in social rented homes.

### The Supply of Social Rented Housing

The total number of social rented homes let in 2011/12 was 765. When compared with the table on page 4 it is easy to see how far the demand for social housing outweighs the supply of this clearly very scarce resource.

There is only a limited supply of the larger family sized homes which overcrowded households need. The majority of social housing in the Borough has 2 bedrooms or fewer. As a result they are more likely to be available to let – 76% of the total in 2011/12.

Between 2008/9 and 2011/12 1,699 affordable homes were completed in the Borough (social rented or intermediate). These were developed by housing associations, by the Council or by private housing developers as a condition of planning permission on larger housing sites. While Hillingdon has been very successful in developing affordable housing above and beyond the targets that have been set for the Borough by the Greater London Authority, supply remains a constant challenge.

In future, most new affordable homes will be financed by charging an Affordable Rent (at up to 80% of market rent) for the property. Government grant funding will be much reduced.

## **2. The Purpose of Tenancy Strategies**

The Localism Act 2011 provides new opportunities for local authorities and registered housing providers to meet housing needs in more flexible ways and together ensure that suitable affordable housing is available to those who need it most.

These new opportunities include the discretion to offer 'fixed term tenancies' for new social housing tenants rather than the 'lifetime' tenancies that are currently offered. At the end of the fixed term, the household's circumstances will be reviewed by the landlord and if they still need the accommodation, their tenancy can be renewed.

The Act also requires local authorities to develop a Tenancy Strategy to guide registered social housing providers, including the London Borough of Hillingdon as a landlord, in developing tenancy policies for their own stock.

Registered social housing providers, including the London Borough of Hillingdon, must publish a tenancy policy before they can use flexible tenancies and in doing so should have regard to this tenancy strategy in respect of:

- the kinds of tenancies they grant;
- the circumstances in which they will grant a tenancy of a particular kind
- where they grant tenancies for a certain 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.

### **3. Hillingdon's Tenancy Strategy**

The London Borough of Hillingdon is committed to putting residents first. Good quality, suitable and affordable housing is needed to support Hillingdon's residents to live independent, healthy lives, improve access to training and employment opportunities to tackle worklessness, provide stability for families, support the education attainment of children and allow residents to build social and support networks.

With this in mind, Hillingdon's tenancy strategy provides guidance to shape social landlords' policies to use these new fixed term tenancies in a positive and constructive way.

This tenancy strategy has been developed working closely with registered providers, care and support providers, voluntary sector organisations and Council social care and housing staff. The strategy has been designed to support Hillingdon's local housing priorities set out within Hillingdon's Housing Strategy and has regard to the London Housing Strategy. Hillingdon's Housing Strategy makes it clear that social and Affordable Rented housing has an important role to play in:

- Enabling people to live productive lives; learning, working and contributing to the community. This includes supporting residents to access work and / or take up training
- Improving health and wellbeing, including people who have care needs, health or mobility issues

The tenancy strategy also presents the Council's position on the use of Affordable Rents as this is an important consideration for housing providers when deciding to introduce Affordable Rents alongside fixed-term tenancies.

It is expected that registered providers will engage and consult with Hillingdon Council to ensure their policies are in line with the principles set out here.

Hillingdon Council's own tenancy policy accompanies this document and sets out the details of how the Council will apply the principles set out in this Strategy to the management of Council tenancies.

While the primary audience for this document is registered providers, including London Borough of Hillingdon as a landlord, it will be of interest to members of the public and other stakeholders in the Borough with an interest in social and affordable rented housing. Each social landlord will have their own tenancy policy and affordable rent policy which will be available from the landlord on request.

Hillingdon's tenancy strategy will be regularly reviewed and updated as required working with partners.

### Objectives of the Tenancy Strategy

Hillingdon's Tenancy Strategy aims to ensure that social housing is targeted to those that need it, for as long as they need it.

It also aims to ensure that:

- Social and affordable housing is used as effectively as possible to meet housing need in the Borough
- The use of social housing reduces reliance on inappropriate and costly forms of temporary accommodation
- Vulnerable people within social housing are provided with stability and support
- The scarce resource of social housing is used flexibly and not provided to those households who do not require it.

Overall, the Tenancy Strategy is designed to influence local decisions so that they contribute to the ambitions for housing described in Hillingdon's housing strategy, particularly our ambition that residents are enabled to live safe, healthy and independent lives.

This document establishes a framework for the use of all social housing in the Borough, helping to ensure that more people can benefit from the affordable, social housing that is available.

## **4. Guidance on Fixed-Term Tenancies**

### 4.1 Considerations in developing the guidance

In establishing Hillingdon's preferences for the use of flexible tenancies, consideration has been given to the benefits of fixed-term tenancies for households in different housing circumstances. A range of different

perspectives have influenced this preference, including that of housing providers, the voluntary sector and other partners.

Consideration has been given to:

- The available supply of social rent and Affordable Rent homes compared with demand
- The health and wellbeing of Hillingdon's residents as well as their economic circumstances
- The role of social and Affordable Rent housing in enabling people to become independent, and the length of time this may take bearing in mind the household may have experienced crisis e.g., homelessness, or have support and/or care needs
- The cost of administering fixed term tenancies to registered providers and to other agencies who may need to be involved in the review process e.g. advocates from the voluntary sector or care workers if the household involves someone with support or care needs
- The need to develop or enable alternative housing options should a fixed term tenancy not be reissued at the end of the term e.g., alternative adapted accommodation should there be a disabled household member, or access to the private rented sector

Hillingdon's tenancy strategy seeks to balance the interests of different needs and consider how these will be met by different housing types. This includes general needs family and non-family housing, accessible and adapted housing and long term specialist housing such as sheltered housing and extra care.

#### 4.2 Using Fixed-Term Tenancies

Hillingdon Council supports the use of fixed term tenancies (following on from introductory or probationary tenancies if appropriate) as they provide a clear way of making the best use of the limited resource of social housing. It would be preferable if all new social tenancies across the Borough were on similar fixed terms in order to provide a clear and straight-forward offer to those seeking to access social housing.

Existing social tenancies will be protected and remain unchanged from their current status.

Registered providers may choose to introduce different types of tenancy agreement for new tenants that last for fixed periods of time, for example five years. The provider can choose for these to be longer, or shorter in exceptional circumstances.

However, if registered providers decide to use fixed term tenancies, the Council would expect the following guidance to be followed:



- A minimum of a five year fixed term tenancy should be offered for most households (1). There are some exceptional (2) circumstances where the Council would be prepared to accept a shorter term (these are described later). Where a term of less than five years is proposed in the tenancy policy registered housing providers need to give the Council an opportunity to comment. Ultimately the decision on tenancy lengths should be based on making the best use of available housing, although we recognise that fixed term tenancies provide registered providers with an opportunity to rebase Affordable Rents (these can go up or down).
- Fixed term tenancies may be re-issued at the end of the term, following a full review, unless there is a significant change of circumstance. We want to work with providers to establish the criteria they use to inform this decision. Registered providers should take the opportunity to consider all of the tenant's housing options at the review at the end of the tenancy. For most household groups changes in circumstances are likely to include:
  - Financial i.e., the household can afford to live in another tenure
  - Household composition i.e., the household size no longer matches the number of bedrooms in the home
  - Housing need related to health and wellbeing needs e.g., the home does not provide the right level of accessibility, or additional support/care is needed that can be better provided elsewhere
- In designing the tenancy policy and fixed term tenancy review process the registered housing provider should give consideration to how the tenant's quality of life can be improved, and the role of agencies that can enable this e.g. employment, health, care and support.
- Registered providers will continue to use housing need criteria (as defined by the Priority need categories and Reasonable Preference criteria established within the Council's Allocations Policy) when assessing whether to re-issue a tenancy at the end of a fixed term period
- The use of fixed-term tenancies as a management tool is inappropriate particularly in relation to addressing concerns about housing management tenancy issues or neighbourhood issues. Existing tools are available to social landlords (e.g. probationary tenancies) to manage risk. Social landlords are expected to clearly indicate whether they intend to use probationary or starter tenancies in their tenancy policy and the circumstances in which these would be extended, as required by the Homes and Communities Agency's (HCA) regulatory framework.
- "Lifetime" tenancies should be considered for households whose circumstances are unlikely to change over time e.g. people with serious

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<sup>1</sup> This is in line with the government's preferred minimum tenancy length

<sup>2</sup> Exceptional is defined as not typical or usual. Therefore issuing a shorter tenancy in order to deliver the provider's asset management strategy, for example, is not considered to be exceptional as asset disposal and management is usual practice.

long term health conditions. The use of the term “lifetime” relates to the length of an individual’s social housing tenancy rather a specific property.

- 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 short-hold tenancy)
- Registered providers will continue to use the nomination agreement with the Council
- Registered housing providers will need to consider the impact of their tenancy policies and keep their policies under review.

#### 4.3 Managing Fixed Term Tenancies

There are a number of factors which are critical in managing fixed term tenancies as well as the Affordable Rent product. Registered providers are asked to bear the following factors in mind:

- A higher level of awareness is needed amongst the public and existing tenants in social housing of the range of housing options available in Hillingdon and what these have to offer. Social and Affordable Rent homes should not be seen as the default solution. For example, options in the private rented sector may offer a better opportunity for a household to access schools and employment.
- Timely information and advice services will help people to understand their options which should include, where appropriate, opportunities to move within and outside the social and Affordable Rent sectors e.g. into market rent or low cost home ownership where these are affordable.
- Advice and follow up action should be provided by registered providers to enable new tenants to access education, training and employment
- There should be clear criteria against which the decision to re-issue a tenancy is made
- A clear and transparent review process should be in place which is understood by the tenant at the time of tenancy sign up. This should ensure that, during the 6-9 month period before the tenancy is due to expire, the landlord reviews the tenant’s housing needs and states before the six month date of expiry whether it intends to renew the tenancy or not, giving appropriate reasons where the latter applies. The review policy should be accessible and easily available i.e. published on websites and available in local offices.
- An appeals process for tenants must be clearly communicated in the event that the tenants disagree with the decision or the way in which it

has been made. Again this should be published and as available as the review process referred to above.

- Information sharing will be required between registered providers and the Council when the decision not to re-issue a tenancy has been taken – 6 months prior to the end of a tenancy in order to avoid homelessness
- While there should not be a presumption that a tenancy will be renewed, the Council expects a large proportion of tenancies to be renewed where tenancy conditions have been met and the tenant's (or tenants') circumstances have not substantially changed.

#### 4.4 Preferences for Minimum Tenancy Periods

This section of the tenancy strategy recommends the Council's preferences for households in specific circumstances. The following four groups account for all the different household types accessing social housing.

- Households with a disabled household member (adult or child)
- Families with children
- Single person households and childless couples of working age
- Older people (people over working age)

Register housing providers must have regard to these preferences when designing their tenancy policy.

##### **a) Households with a disabled household member (adult or child)**

In establishing our preferences, consideration has been given to:

- The health, care and support needs that a disabled person may have (e.g. mental ill health or learning disabilities) in addition to their housing need
- The likelihood that the disabled person will progress towards greater independent living over time, for example a disabled child may eventually leave the family home
- The very limited supply of accessible or adapted homes, and the cost associated with adaptations
- The length of time needed to establish good support mechanisms around the disabled person when they become a tenant
- The risk of vulnerable people 'falling through the net' if they become disconnected from their support networks as a result of a tenancy not being re-issued
- The involvement of health, care and support providers and advocates in the process of reviewing fixed tenancies bearing in mind limited resources for these organisations

**The Council's preferred minimum tenancy lengths are:**

- Five year fixed term tenancies for disabled adults with health and/or care needs e.g. mental ill health or a physical or learning disability.
- For people with serious and enduring long term conditions i.e. where there is no likelihood that housing circumstances or other needs will change, living in appropriately adapted or supported accommodation, a lifetime tenancy will be granted if they previously resided in residential care.
- For other people with serious and enduring long term conditions the expectation is that the fixed term tenancy would be renewed, provided the property still meets the needs of that person.

It would be reasonable for fixed term tenancies to not be re-issued where:

- The disabled person's needs are no longer being met by the accommodation or the support provided in this accommodation (specialist schemes)
- The disabled person no longer lives in the property
- The household's income has increased and other housing options are now accessible e.g. home ownership

It is important that the following things are in place in order for fixed term tenancies to be used:

- A person-centred approach to the review process, involving agencies that are working with the disabled person and the individual's family, carer and/or advocate as appropriate
- Suitable move-on accommodation, with and without support

**b) Families with children**

In establishing our preferences, consideration has been given to:

- The housing needs typically presented by families with children, and the circumstances that have contributed to these needs e.g. homelessness and experience of living in hostel accommodation
- The health, care and support needs that the family may have
- The importance of a stable education to children who have experienced instability in the past
- The time needed for a household to establish links in the community

**The Council's preferred minimum tenancy lengths are:**

- Five year fixed term tenancies for all families, including those where children are of school age or younger

- Shorter fixed term tenancies (e.g. two years) would be acceptable in circumstances where fostering or adoption is the main reason for a social tenancy being allocated

It would be reasonable for fixed term tenancies to not be re-issued where:

- The home is under-occupied because a member of the household has left
- The household's income has increased and they can afford alternative options

It is important that the following things are in place in order for fixed term tenancies to be used:

- Alternative housing options for households to move into should the tenancy not be re-issued
- Support to families to enable them to progress towards different housing options in the future, for example by enabling access to education and employment opportunities, supporting families to manage their household budget
- Good quality information and advice about housing options
- Opportunities for customers – existing and prospective – to have a voice, particularly to shape policies, plans and procedures that may have an impact on their tenancy agreement and how this is managed

### **c) Single person households and childless couples of working age**

In establishing our preferences, consideration has been given to:

- The health, care and support needs that an individual or couple household may have
- The local authority's role as a parent to young people in care, and the possibility that the current duty may be extended to over the age of 25
- High rates of unemployment, particularly for people over the age of 55
- High demand for accommodation from this household group but limited alternative and affordable options

#### **The Council's preferred minimum tenancy lengths are:**

- Five year fixed term tenancies for most single people (including young people leaving care) or couple households
- Shorter fixed term tenancies e.g. two years, are recommended where it is felt that this will contribute towards enabling the individual to work towards greater independence and other positive outcomes, for example specialist housing schemes for young people

It is important that the following things are in place in order for fixed term tenancies to be used:

- Sufficient supply of floating support as needed (and the tenant's engagement with this)
- The review process must be holistic, taking all relevant needs into consideration and involving appropriate agencies where necessary (including, for care leavers, the Leaving Care 16+ Team)
- Where a tenancy will not be re-issued the registered provider should make appropriate referrals to organisations that can assist the household to progress to another housing option
- Alternative housing options for households to move on to, for example accommodation in the private rented sector facilitated by a rent deposit scheme, or shared ownership

#### **d) Older people (over working age)**

In establishing our preferences, consideration has been given to:

- The health, care and support needs that an individual may have, and how these may change over time
- The need to prevent further under-occupation of family homes by people over working age in the future
- The need to attract appropriate older people to sheltered and extra care accommodation, freeing up much needed family size social housing
- The cost implications that could arise from not re-issuing a tenancy where the home has been adapted to meet specific needs

<p><b>The Council's preferred minimum tenancy lengths are:</b></p> <ul style="list-style-type: none"> <li>• Five year fixed term tenancies for general needs accommodation</li> <li>• "Lifetime" tenancies for sheltered and extra care accommodation</li> </ul>
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It would be reasonable to not renew fixed term tenancies where the health and care needs of a member of the household have changed (increased or decreased) and these would be better met in different accommodation, for example a household in general needs housing may benefit from a move to sheltered or extra care accommodation.

It is important that the following things are in place in order for fixed term tenancies to be used:

- A person-centred approach to the review process, involving agencies that are working with the older person and the individual's family, carer and/or advocate as appropriate

### **e) Other circumstances**

- Secure tenants moving to an Affordable Rent property could be offered an appropriate incentive to move. This could be in the form of a “life-time” tenancy. This should be advertised through the Locata process
- Secure tenants under-occupying their property and who are willing to moving to a smaller property could be offered an appropriate incentive to move
- Supported housing tenancies will require a more tailored approach, depending upon the nature of the scheme. It will remain important to ensure that throughput is enabled within supported housing schemes by enabling tenants to move on at the appropriate time. This may be after a very short period (e.g. for a refuge), after 6 months, two years or longer.

## **5. Affordable Rent**

86% of homeless households for which the Council accepted a duty in 2011 were dependent solely on income from benefits. They will be affected by the proposed Universal Credit cap introduced in 2013. This will restrict weekly income from all benefits to £350 for a non working single person and £500 for a non working family. The household cap has been set at a level to reflect an average household income of £35,000 before tax, and has been used in researching the effects of different income proportions to define Affordable Rents in the Borough.

In future, most new affordable homes will be financed by charging an Affordable Rent (at up to 80% of market rent) for the property. Government grant funding will be much reduced. Boroughs in west London, including Hillingdon, have assumed that it is reasonable to expect a household to spend up to 40% of income on rent<sup>3</sup> based on available evidence.

With the income proportion set at 40% our research indicates that at average private sector rent levels in the south of the Borough:

- if housing providers set rents at 80% of average market rents (or below), then only homes with one or two bedrooms are affordable
- if housing providers set rents at 67% of average market rents (or below), then one, two and three bedroom homes would be affordable, but those with four or more bedrooms would not.

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<sup>3</sup> Most West London authorities have adopted a 40% net income threshold; this is the maximum that a household should spend on rent. The Council has been advised that if the threshold was set below this it would make viability of affordable housing development too difficult to achieve.

Accommodation at an Affordable Rent may therefore not address the needs of some of the high priority households on the Council's housing register unless rents are reduced sufficiently to reflect their incomes.

With this in mind, the Council is working to ensure that all forms of "affordable" housing remain truly affordable to local people. In relation to Affordable Rent homes the Council expects:

- Affordable Rent levels to be within affordable levels for local people. This means that no more than 40% of income should be spent on housing costs – that is rent and service charges.
- Larger homes (three beds or more) at near<sup>4</sup> social rent levels continue to be developed in Hillingdon.
- Only one and two bed social rent homes to be converted to Affordable Rent, where this is required by the provider's business plan
- Revenue generated from converting existing social rent properties to Affordable Rent levels to be used only for development in Hillingdon;
- All new affordable general needs (including Affordable Rent) homes built by providers in Hillingdon to be let for the first time to households on the Council's housing register, and that 75% of subsequent lets are undertaken in this manner

To support the development of homes that are affordable for local people the Council will:

- Explore through HRA business plan modelling the potential to generate capacity for developing additional homes at rent levels that are affordable in Hillingdon
- Explore the potential to set aside a proportion of relets for intermediate renting at full Affordable Rent levels (80% of market rent), to generate capacity for additional homes to be developed.
- On sites with a capacity of ten or more homes, ensure that at least 35% of all new homes are affordable, with a tenure mix of 70% housing for social rent and 30% intermediate housing
- Include sites in Hillingdon's Site Allocations Development Plan Document from which a percentage of affordable housing will be delivered

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<sup>4</sup> Near social rent levels are defined as 55 – 60% of market rent, compared to social rent levels at 45 – 50% market rent



## **Appendix 1**

### **Changes to how affordable housing is accessed and managed**

The government, through the Localism Act 2011, has enabled the Council and registered providers to make choices about how they manage social and affordable housing. Changes have been introduced because it would like affordable housing to:

- Be targeted at those in greatest housing need
- Offer value for money and not cost the public purse more than it needs to
- Not be seen as somewhere where only people without work are able to live
- Be used fairly, for those people who need it most, when they need it.

In summary:

1. Registered providers may choose to introduce different types of tenancy agreement for new tenants that last for fixed periods of time, for example five years (existing tenancies are protected).
2. New 'Affordable Rent' housing is likely to be more expensive than existing social rent housing. Social rents have historically been between 45% and 50% of a market rent whereas the new 'Affordable Rent' can be up to 80% of market rent. For example a new two bed affordable home could cost £184 per week, compared to £113 per week for an existing two bed social rented home managed by the same registered provider in the same area. New 'Affordable Rent' homes must be let through the same mechanism as social rent homes<sup>5</sup>.
3. Registered providers who are developing new Affordable Rent homes can 'convert' a number of their existing social rented homes to a higher 'Affordable Rent' when they become available to let. The number of these conversions to Affordable Rent is critical to the financial viability of providing new Affordable Rent homes. Conversions to Affordable Rent may take place in local authority areas other than those where the new Affordable Rent homes will be built but this is how new homes have been funded in the past.
4. Registered providers operate as not-for-profit organisations. Many of them are charitable organisations. To build new homes and/or so they can focus their resources on managing the rest of their homes to a high standard, providers may now need to sell some of their homes. They may also decide to 'swap' homes with other providers, where it makes more sense for them to manage these.
5. The Council could change who can access social and Affordable Rent homes – they can decide to limit access to the housing register to those

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<sup>5</sup> This is stipulated by the Government in its revised Planning Policy Statement 3 definitions of Affordable Rent

who have a defined housing need<sup>6</sup>, and/or reflect that there are local priorities such as enabling under-occupiers to move home. The Council will also be able to use the private rented sector more to meet housing needs.

There are other things that are also likely to affect the supply of affordable housing in the Borough in the future, and the need and demand for these homes:

6. The Council has been able to decide how to spend all the rent from their homes from April 2012. The 30 year business plan (drafted for Members approval) centres on maintaining existing homes to an acceptable standard expected from a responsible landlord and the development of supported housing units to improve the lives of people who would otherwise have to be placed in more costly residential care accommodation.
7. Registered providers may be planning to offer an alternative to social rent and Affordable Rent homes. Low cost home ownership may meet some household needs, whilst market rent might generate income for more affordable homes.
8. There is a greater Right-to-Buy discount for people wishing to buy their social rented home. This might reduce the number of social rent homes available to others in housing need.
9. People who have a low or no income and receive benefits may receive less money in the future as a result of changes to the welfare system. People living in the private rented sector may have less to spend on their housing costs and may need to move to more affordable housing.
10. Welfare reform will also affect existing, working age, tenants in social housing who are under-occupying their home by one bedroom or more; demand for smaller homes may rise, as might rent arrears from those who can't move.

## **Appendix 2**

### **Equality and comprehensive impact assessments**

It is important that local authorities, as public bodies, pay real attention to the provisions of the Equality Act 2010, and are able to demonstrate that the process of developing the tenancy strategy has paid due regard to the need to:

- Eliminate unlawful discrimination
- Advance equality of opportunity between people who share a protected characteristic and people who do not share it
- Foster good relations between people who share a protected characteristic and people who do not share it

The HCA's 'Regulatory framework for social housing in England from April 2012' also reminds providers that it is essential to understand tenants' needs, including those within the equality strands<sup>7</sup>.

The process of developing this strategy has considered equality in relation to our expressed preferences, and what the Council knows about housing need. This will not be sufficient to inform other providers' tenancy policies; registered providers need to undertake equality impact assessments with consideration to local London Borough of Hillingdon characteristics, including of those in housing need (prospective tenants).

It will be important to consider the impact of the Affordable Rent and fixed term tenancies on communities if introduced 'en-masse' in an area.

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<sup>7</sup> The Equality Act 2010 gives public bodies responsibilities in relation to: race, age, gender reassignment, pregnancy and maternity, religion or belief, sex, sexual orientation, disability and marriage and civil partnership; in policy making, delivery of services and public sector employment.

**Appendix 3**  
**Housing Tenancy and Ownership Definitions**

This section briefly describes the different types of home ownership and tenancy types that exist and the new ones that are being created.

Tenure	Key Features
Leasehold Home Ownership	The occupier owns a lease of a flat or maisonette for a fixed term with the freehold owned by another party. The fixed terms for a lease granted by a local authority in a right to buy context is normally 125 years. In this instance, the tenant effectively buys the use of the property concerned with associated access rights to and from the property through the freeholder's common and environmental areas, for which they will be expected to pay a service charge. In addition, contributions will be expected from time to time for works required to elements of the building such as the roof, windows, communal heating, lift systems, etc. These same rules generally apply to home owners who purchase leasehold homes in the market sector.
Shared Ownership & Shared Equity	Created as a response to a gap in the market where potential purchasers were unable to afford a home to buy on the open market, but were not eligible for social housing. Purchasers in tandem pay both a mortgage to a financial institution and a below market rent and service charge to a private registered provider. This will be based on the 'tranche' that the purchaser has bought which will normally start at 25%-40%. Purchasers generally have the opportunity to 'staircase up' which enables them to purchase the property outright on a leasehold ownership basis as described above. Shared Equity is where another party, usually through a Government sponsored scheme, offers a discounted interest loan to buy part of the property in addition to that finance raised by the purchaser.
Secure Tenancy	These are tenancies granted by local authority registered providers. Created under the 1985 Housing Act, consolidating previous legislation on public sector tenancies these are 'periodic tenancies' by which is meant they are self renewing provided that the rent and service charges are paid and no conditions of tenancy are breached. Eligible tenants have the right buy.

Tenure	Key Features
Flexible Tenancy	The new flexible tenancies for local authorities will be to all intents and purposes the same as secure tenancies as described above, but will have fixed terms. Eligible tenants have the right to buy.
Assured Tenancy	Similar to secure tenancies, these are also periodic tenancies granted by housing association private registered providers. Created under the 1988 Housing Act, consolidating legislation on (what were then) generally called housing associations, but for the purposes of the legislation called registered social landlords. Eligible tenants often have the right to acquire, but the charitable status of some private registered providers does not allow for this right.
Probationary Tenancy	In Hillingdon, these are granted by the Council to new tenants for one year before a 'secure tenancy' is granted.
Assured Shorthold Tenancy	Created under the 1989 Housing Act, to all intents and purposes these tenancies are similar to Assured Tenancies, but are for fixed terms of a minimum of six months but are often granted for one year; rents are not controlled by government regulations; and there are no rights to buy or tenancy succession. These are used by Private Registered Providers for intermediate housing purposes (e.g. sub market rented housing) and extensively by private landlords.
Licensee	Licences have been used for 'short life' housing purposes where demolition or major refurbishment is planned for the homes, but the timeframes are either long or uncertain. A licence gives very few rights to licensees which can be summarised as a 'bare permission to occupy'.

For Private Registered Providers, flexible tenancies will be Assured Shorthold Tenancies instead of Assured Tenancies.