

City of York Council

Tenancy Strategy 2012-2017

Final draft

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Foreword

City of York Council is committed to improving the health and well-being of its residents and ensuring access to decent, safe and affordable homes. Good progress has been made to date, with many residents reporting high levels of satisfaction with their homes and neighbourhoods. But we know there is more to do to achieve a more balanced housing market that offers choice and opportunity to everyone.

This strategy concerns the management of social and affordable¹ rented homes in York. It looks at how local registered social housing providers² might best use this important but limited resource to meet the needs of households that find it difficult to compete in the open market.

The strategy represents the council's considered response to the new freedoms provided within the Localism Act 2011 and sets out the extent to which we think these freedoms should be used to address the challenges we know exist.

¹ Social rents are ones charged at levels well below private sector rents. They have been the usual basis on which social landlords have let their homes. The new 'affordable' rents regime was introduced more recently by the coalition government and these can be anything up to 80% of market rents.

² Registered providers of social housing are ones registered with and regulated by the Homes and Communities Agency. They include City of York Council and a range of private registered providers (PRPs) sometimes known as housing associations.

It provides the basis for changes we will make in the management of our own stock, and gives guidance to other housing providers active within the city when formulating their own tenancy policies.

Tenancy strategy consultation

Between June and August 2012 we consulted a wide range of people and organisations on what they thought this tenancy strategy should contain. These included:

- Members of the general public
- Private Registered Providers (Housing associations)
- Local councillors
- Charities and non-statutory agencies involved in the provision of housing or housing related support
- Resident and tenants' groups
- Households currently awaiting accommodation from the housing register
- Private sector landlords

We used the comments we received to write the final draft of this document.

Whilst the strategy is intended to cover the period 2012 to 2017, we plan to review the strategy on a regular basis to ensure it remains relevant and fit for purpose.

We are always eager to know what you think about the issues covered in this document. You can submit comments or ideas to us at any time and we will use these in the review process. You can do this in several ways:

- Email us at: yourservice.yoursay@york.gov.uk
- Phone us on: 01904 554379
- Write to us at: City of York Council, Housing Services, 10-12 George Hudson Street, **FREEPOST** NEA 13348 York YO16ZZ
- Go on line at: www.york.gov.uk/housing

1. Introduction

There are few things more important to a person's well being than a decent, safe, affordable home. Inappropriate and unaffordable housing can give rise to a wide range of problems that severely limit a person's life chances.

In York, we face some particularly difficult housing challenges. High house prices and high rents mean many households look to the social rented sector to meet their housing needs. But the proportion of social rented homes in York is relatively small meaning not everyone who needs an affordable home can get one. In this context it is vital landlords work together to make best use of this important but limited resource.

There is a wide range of providers working to address York's housing needs. These include City of York Council, which owns 7,900 properties and private registered providers (generally known as housing associations) that together own around 4,500 homes.

Together these providers address the needs of many different households, from general needs to more specialist ones such as those of older people, homeless households and those with disabilities. An overarching goal is to ensure policies remain attuned to the diverse and pressing needs of local residents, particularly the most vulnerable and those least able to access the private housing market.

Housing providers have generally let homes on the basis of a secure tenancy, giving tenants a long term stable base with social rents that are significantly below market levels.

Who gets access to social and affordable rented homes is a hotly debated topic. So too are questions about how long tenancies should be for and the role housing providers play in creating mixed, sustainable and safe communities.

The revised Regulatory Framework for Social Housing requires providers to publish clear and accessible policies that outline their approach to tenancy management. We hope this tenancy strategy provides a useful framework within which the key decisions underlying these policies can be taken.

1.1 National policy context

The Government's overall housing policy goal is to '*ensure everyone has an opportunity of living in a decent home, which they can afford, in a community where they want to live*³. It identified several issues it believes are standing in the way of achieving this goal and has put a programme of social housing reform in place to address them.

Many of the measures to help deliver these reforms form part of the Decentralisation and Localism Act 2011 (henceforth termed the 'Localism Act'), which received Royal Assent on 15 November 2011. The measures;

- allow for the use of a wider range of tenancies in social housing, including new fixed-term tenancies⁴ to be used alongside traditional long term secure tenancies
- allow local authorities to move away from 'open' housing registers with more powers to decide who can apply for social housing in their areas and what priority they should be given
- enable authorities to discharge their homelessness duty through the private rented sector without needing the applicant's consent
- enable greater mobility within the social rented sector
- enable the use of new 'affordable rents' that can be up to 80 per cent of market rents to help fund new homes

The Act places a new duty on local authorities to publish a tenancy strategy, which all providers in the area must have regard to when formulating their individual tenancy policies. Tenancy strategies are expected to be in place by 15 January 2013.

1.2 What is a Tenancy Strategy?

Tenancy strategies aim to inform a number of decisions that affect the supply of social and affordable rent housing in

³ Laying the Foundations – National Housing Strategy 2011

⁴ To be known as Flexible Tenancies for local authority housing and Fixed Term Tenancies for PRP (housing association) housing.

York. They are developed in cooperation with local partners and reviewed at least every five years.

This strategy sets out guidelines that providers in York should take into account when developing their individual tenancy policies. In doing so it seeks to support the strategic aims and objectives of the York Housing Strategy and, by implication, the Older People's Housing Strategy, Homelessness Strategy and sub-regional allocations policy.

Tenancy policies will outline, amongst other things, the kind of tenancies to be granted, the length of tenancy terms and the circumstances in which tenancies will be renewed.

This tenancy strategy covers five specific topic areas:

- Tenancies
- The affordable housing register and the allocation of homes
- Homelessness and use of the private rented sector
- Mobility within the social rented sector
- Affordable rents

1.3 The York housing market and agreed housing priorities

The extent to which we will utilise the new powers provided by the Localism Act depends on the nature of the local housing market and particular housing needs in York. Whilst housing providers in the city have made great progress over many years we know that demand for housing and related support continues to grow.

Population and household growth

York's population currently stands at 202,400, an increase of 13 per cent since 2000 and double the national rate. According to the Centre for Cities, York is one of the fastest growing cities in the country⁵.

Within this overall growth we know there is a significant rise in the number of households as more people live alone and people live longer. The population is also becoming more diverse, with a significant rise in black and minority ethnic households from 4.6 per cent of the population in 2001 to an estimated 11.4 per cent today. There are now thought to be around 78 different first languages spoken within the city.

This increasing population translates into significant extra demand for housing and related services.

⁵ Centre for Cities – Cities outlook 2011

Housing need and supply

York has a buoyant economy, good schools and relatively low levels of crime. As a consequence, it is a place people like to live. This popularity places significant pressure on the housing market, but not everyone is able to compete as house prices and rents move beyond their reach. Those unable to afford market housing often look to the council and other social housing providers to meet their housing needs.

There are around 12,500 social rented homes within the city. Just less than 8,000 of these are owned by the council with the remainder owned by 22 individual private registered providers.

The York Housing Register (or 'waiting list') through which people apply for much of this housing shows over 4,700 households awaiting an affordable home in York.⁶ This high level of demand has persisted for many years.

Within the council's housing stock around 700 vacancies arise each year, nowhere near enough to meet the demand expressed through the housing register. Around 2,500 new

households apply each year and we expect this to increase in coming years.

Applicants are assessed in order of priority bands of gold, silver and bronze⁷ with those in gold having the highest need for a home. Around 92 per cent of households on the register are in either silver or bronze band and average waiting times for a home are around two years. Realistically many households on the list will never be offered a home due to the shortage of properties.

An independent assessment of housing need was undertaken in 2011. This established that York needs 792 new affordable homes each year on top of current supply to meet current and projected need. However, since 2008 our annual increase in affordable housing provision has been considerably less than this.

Year	2008-9	2009-10	2010-11	2011-12
Dwellings	167	130	282	151

Figure 1: Affordable housing new-builds, 2008-2012

When we consider these outputs were achieved under a far more generous funding regime than is in place now we can see the scale of the challenge that lies ahead. In the three

⁶ At Nov 2012

⁷ There is also a small 'emergency' band that has the very highest priority.

year period 2008-11, the Homes and Communities Agency support for affordable housing was £8.4 billion nationally but in the current four year period 2011-15 this support has dropped to £4.5 billion.

Problems of affordable housing supply are exacerbated by the well documented downturn in new house building which has affected the private housing sector. The general lack of credit and mortgage availability has been a key factor. Consequently, owner occupation has become an unaffordable option for a large portion of households seeking to enter that tenure.

The private rented sector represents over 15 per cent of all homes in York. The sector offers choice and flexibility for many households and has grown significantly over the past decade. It is expected to play a key role in meeting future housing needs. However, not everyone finds the sector easy to access with vulnerable households and those on low incomes experiencing particular difficulties. Welfare reform changes that are aimed at reducing the financial support people receive for housing are set to make access even harder (see below).

Sustainable communities

York is widely regarded as a thriving, attractive city providing a good quality of life for local residents. The results of the last Place Survey⁸ were very positive. A majority of those responding had a strong sense of belonging both to the city and their local neighbourhood.

Whilst the overall picture is positive, we know this is not everyone's experience. When we look at deprivation we can see that eight areas of the city are in the most deprived 20 per cent in England. These areas are home to around 13,000 people and there is a high correlation between these areas and areas of social rented housing.

National estimates tell us that over 60 per cent of council tenants are on some form of benefit, including in-work benefits, and local data tells us that average income for tenant households in York is around £11,700 per year a.⁹

Secure tenancies (sometimes referred to as 'lifetime tenancies') have enabled people to put down firm roots in their community and develop and sustain important social networks.

Since 1980, many social housing tenants have had the right to buy their home so long as they meet certain qualifying

⁸ The Place Survey 2008

⁹ York Strategic Housing Market Assessment 2011

criteria. Since then, over 4,950 council homes have been sold across the city. This process has contributed to diluting the old pattern of mono-tenure social housing neighbourhoods and these areas are now much more mixed.

The government has recently increased the Right to Buy discounts to encourage more tenants to buy their home. Increased sales will further reduce the pool of available social rented homes over time and this looks set to be a key challenge for social housing providers in the future.

Empty properties, under occupation and overcrowding

One response to high housing demand and a low supply of new homes is to make sure we make best use of the homes we already have.

York has a very low proportion of long term empty properties and, within the social rented sector, void¹⁰ times are kept to a minimum. Far more problematic is the proportion of homes that are under occupied.

Around 40 per cent of homes in the city are under occupied. By far the greatest numbers are in the owner occupied

¹⁰ A 'void' is what we call a property that is empty and in the process of being re-let to another tenant.

sector, with a lower but still significant proportion in the social rented sector.

Current estimates suggest around 1,000 council owned homes are under occupied at any one time. Currently 190 household are seeking a transfer due to overcrowding and 160 tenants seeking a transfer to smaller accommodation. Tenants have the opportunity to transfer or exchange their home when it no longer meets their needs and also have opportunities to downsize as developments become available.

Under occupation of social rented homes is clearly an issue social housing providers can influence and indeed many housing providers already have policies in place to encourage and enable this. City of York Council supports transfers and mutual exchange between tenants and has developed a package of further incentives for tenants to downsize in an effort to free up family homes.

Homelessness

The demand for housing advice and homelessness services continues to rise. This is evidenced by the increasing numbers of households threatened with homelessness that the council's housing service works to prevent.

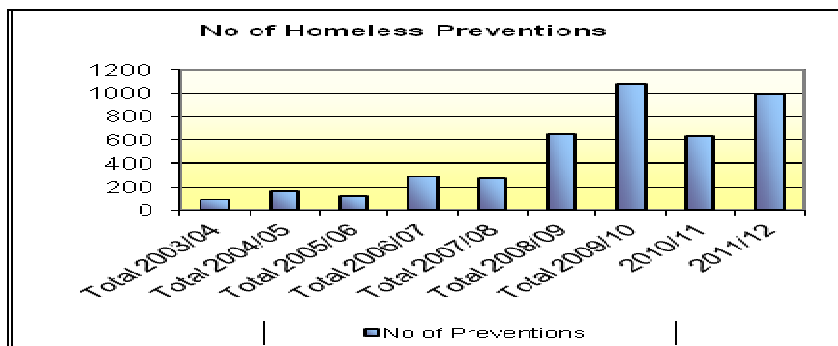


Fig 2: Homelessness preventions 2003-2012

Alongside this is the number of households we place in temporary accommodation each year due to the lack of affordable homes.

Year	2006-7	2007-8	2008-9	2009-10	2011-12
Households	56	51	151	79	94

Fig 3: Households placed into temporary accommodation

Vulnerable households

The Supporting People programme provides housing related support to a broad range of groups such as teenage parents, vulnerable older people, people with learning disabilities, ex-offenders, single homeless people, people with mental health support needs and people who misuse drugs and alcohol.

As with most areas of funding at present there are huge pressures on the limited funds available. Ongoing reductions in funding will inevitably have a knock-on effect on service provision elsewhere, with increasing demands for housing advice and support and greater risk of homelessness.

The provision of sufficient and suitably adapted properties for disabled people is an area of concern. At present over 3,000 households in private sector housing require adaptations and demand for adaptations in social housing continues to rise. Given the ageing population noted above demand is expected to increase further.

Welfare Reform

The government says its welfare reform programme is aimed at reducing the overall benefits bill and making work pay. It is the biggest shake up of the welfare system since its inception.

Although these changes will be implemented nationally, the extent of their impacts will vary according to local circumstances. The key changes include:

- Caps to the maximum Local Housing Allowance (LHA) payable
- Increases in non-dependant deductions

- Calculating LHA rates using the 30th percentile of market rents rather than the 50th percentile and indexed to the Consumer Price Index from April 2013
- Limiting housing benefit for working age social housing tenants so it only covers the size of property they are judged to need
- Raising the shared accommodation rate age limit from 25 years to 35 years
- Changes in council tax benefit, impacting on working age claimants
- Housing Benefit rolled up into a single 'Universal Credit' and payable directly to claimants

We anticipate these measures will have a significant impact on the local housing market and people's ability to afford their home. Residents on lower incomes will face additional financial and housing pressures, which in turn will lead to greater demands for housing advice and information, including debt services. Balancing the needs of existing tenants requiring a move for affordability reasons against the needs of homeless households will be an emerging challenge.

We could see increased over-crowding, increased rent arrears and more private landlords unwilling to let to benefit claimants. We also anticipate rising demand for smaller accommodation between now and the end of this strategy in

2017 as the impact of benefit changes on under-occupying council tenants takes hold¹¹.

Our modelling of impacts locally suggests that claimants (including and increasing number of in-work claimants) in York will be around £2.9 million per year worse off as a result of the changes.

Local housing priorities

In developing the York Housing Strategy 2011-2015, housing providers and other stakeholders came together and agreed a set of strategic priorities. These are based around what we know about housing need in York and future challenges:

- We must build on our work **creating mixed, sustainable communities**
- We must **make best use of the existing housing stock**, by addressing things like empty homes, under-occupation and overcrowding
- We must **meet a diverse range of housing needs, whilst ensuring the needs of the most vulnerable remain a priority**

¹¹ We must ensure development strategies reflect this anticipated shift in demand for smaller accommodation.

- We must **prevent homelessness** happening and, when it does occur, ensure the right mix of support and advice.

2. Tenancy strategy guidelines

2.1 Tenancies

To date, most social housing tenants have been offered a secure tenancy, which grants them a home for life. The Localism Act gives landlords more flexibility to decide what length of tenancy they offer, based on levels of housing stock and the needs of individual tenants.

Housing providers no longer have to issue lifetime tenancies and are able to offer fixed term tenancies¹² for a minimum period of five years, but with longer terms if they wish.

With a fixed term tenancy, the household's circumstances would be reviewed at least six months before the end of the tenancy period to assess if the tenancy should be re-issued. The Act says the reasons for termination are up to the housing provider, but could include, for example, if the tenant was able to move to a different housing tenure; if

their income has increased and they are able to buy or part own their home; if they could rent in the private sector or if they are under-occupying.

This tenancy strategy sets out our position on the use of a wider range of tenancies in York, including the minimum tenancy term we would expect landlords to grant. It explains in what situations we would expect longer tenancies to be used to protect vulnerable tenants.

In formulating our strategy guidelines we considered in what circumstances the use of a wider range of tenancies would help meet our strategic housing objectives. In particular we considered the following key points:

- York has a range of successful and sustainable neighbourhoods. The 2008 Place Survey showed the vast majority of people were satisfied with the area in which they lived. Within this, we know there are some neighbourhoods that display ongoing disadvantage and that these often correlate with areas of social housing.
- There is insufficient new supply and turnover of social housing stock to meet current needs as expressed through the Housing Register. The strategic housing market assessment shows that owner occupation and

¹² The government will allow fixed term tenancies of only two years but has made it clear these should only be used in exceptional circumstances

private renting are beyond the reach of young families on average local incomes and many of these households look to social housing providers for permanent and affordable family homes.

- Shorter tenancies can discourage tenants from investing in the upkeep of their homes which can increase maintenance costs for providers. Higher turnover of stock will increase the number of vacant stock at any one time resulting in loss of income¹³.
- The under occupation of homes is an issue for York and in the context of high housing demand and low supply it must be something we focus on. Many social rented homes remain under occupied. There are a range of measures in place to enable and support downsizing within the sector and these need developing further. Whilst new fixed term tenancies would not address existing under occupation¹⁴ they could have a role in reducing under-occupation in the future.

- There is a need to make better use of adapted properties to meet these needs of more vulnerable customers. We are establishing an adapted property register of social rented homes to enable a greater match between properties that are adapted and those that need them.

Strategy guidelines:

- On balance, and in light of the points noted above, we advocate a cautious approach to the use of flexible and fixed term tenancies in York. Secure tenancies have played a key role in creating many of the strong communities we see around us. Housing providers should continue to offer the most secure form of tenure compatible with the purposes of the accommodation, the needs of the individual households, the sustainability of the community and the efficient use of the housing stock.
- Whilst we would not wish to see the general application of fixed term tenancies, there could be benefits from their selective use, such as to prevent future under occupation. As a council we already offer additional priority to those seeking to downsize and there are a range of other measures available, such as improved transfer and exchange arrangements,

¹³ Research suggests the cost to a local authority of re-letting a property is on average £2,787. Shelter July 2012

¹⁴ Fixed term tenancies do not apply to existing tenants and can only be offered to new ones.

ongoing downsizing initiatives and later in 2012 a package of wider incentives.

- Similarly, we advocate a more efficient use of adapted properties through property registers and better matching through the North Yorkshire HomeChoice system, rather than wholesale adoption of fixed term tenancies.
- The council does not see a role for fixed term tenancies to address rent arrears or anti social behaviour as there are already enough measures available to deal with these issues, such as introductory/probationary tenancies and the new three stage approach to the allocation of accommodation.¹⁵
- In deciding about the use of fixed term tenancies, Registered Providers are advised to consider the potential administrative burdens and additional costs¹⁶ that would be created around reviews, appeals and possible legal challenges.

- Where Registered Providers chose to use fixed term tenancies, we would not wish to see them used for vulnerable households where the intention is to provide a secure long term home or for households whose situation is unlikely to change, such as those containing someone over 60 years of age.
- Where fixed term tenancies are used they should be for a minimum of five years, (or two years in exceptional circumstances only). There should be a review no later than six months before the tenancy is due to end so that the right amount of notice can be given should the decision be not to re-issue.
- Where providers use fixed term tenancies we would expect a presumption in favour of re-issue on the same basis as before unless the household falls outside clearly defined and published criteria. This will give tenants greater clarity and protection, especially at the end of their tenancy. Providers should not allow fixed term tenancies to run into insecure periodic tenancies.
- Providers using fixed term tenancies must clearly set out in their respective Tenancy Policy the procedure for appeal and/or complaint against a tenancy review decision.

¹⁵ Stage 1 of the new allocation process is qualification to join the register and rent arrears/anti-social behaviour criteria can be factored in here.

¹⁶ The full cost of an eviction from a local authority property is estimated to be £1,119 Shelter July 2012

- Households refused a re-issue of the tenancy must be provided with reasonable advice and assistance in finding alternative accommodation so they are able to make informed and suitable choices in relation to their housing options. Providers should consider the additional cost of delivering this advice before issuing fixed term tenancies. We would expect providers to avoid placing additional demands on the local authority homelessness service as a result of a decision not to re-issue.

2.2 The affordable housing register and allocation of homes

The housing reforms within the Localism Act allow greater scope for housing providers to set their own rules for allocations and determine who is eligible to join the register based on the needs of their area. It allows providers to determine who gets priority with their allocation scheme, though they must continue to include certain 'reasonable preference categories' as set out in government guidance.¹⁷

¹⁷ Code of guidance on allocations Allocation of accommodation: Guidance for local housing authorities in England June 2012

City of York Council works with neighbouring authorities and private registered providers with stock across North Yorkshire on a joint housing register and allocations scheme known as North Yorkshire HomeChoice. In 2012 the HomeChoice partnership formally reviewed its approach in light of the Localism Act. In doing so it considered how well the existing framework was working and how new powers to decide who could apply to be on the register could help meet local housing needs more effectively. In particular it considered the following points:

- There continues to be a large number of people on the housing register, the majority of who have little realistic chance of being housed due to the high level of demand and shortage of available properties. The administrative cost of maintaining such a system is considerable, though it does provide an ongoing picture of housing need in the city.
- The waiting times for households allocated properties via the HomeChoice system can be considerable. Those allocated a two bed property wait an average of one year and households wanting four bedrooms wait almost two years
- York's various neighbourhoods are well liked and relatively mixed, though we know some areas are

characterised by sustained disadvantage. Allocations policies can play a key role in creating mixed, sustainable communities.

Strategy guidelines:

- Providers should be mindful of welfare reform measures limiting housing benefit to household need, when developing their allocations policies and also the need to make best use of the limited affordable housing stock.
- Households applying through North Yorkshire HomeChoice must demonstrate a local connection with the partnership area before being allowed to join the housing register. Members or ex-members of the armed forces will be exempt from this requirement so in line with the government's guidance on allocations and our commitment to the Military Covenant.
- Eligibility requirements will include sufficient scope for local flexibility on allocations to address particular localised needs
- A Housing Options approach should be taken to ensure best use of existing stock is taken and where appropriate households that could be reasonably

expected to find a market solution to their housing need will be supported to do so.

- Providers should consider giving additional priority within the allocations process to statutory homeless and potentially homeless households under Part 7 of the 1996 Housing Act who are owed the full housing duty, households going through a recognised resettlement process, care leavers, under and over occupiers and those with a serious enduring illness. Consideration should also be given to those who can prove significant hardship.
- Providers may wish to give some preference to tenants who have an exemplary tenancy record to encourage customers to maintain their tenancies in line with their tenancy agreement.
- In recognition of increasing number of children in care providers should consider additional priority for approved foster carers.
- In the longer term, there is scope for a wider strategic review of the choice based lettings (HomeChoice) framework to explore if a more efficient approach to allocating homes could be found.

2.3 Homeless households and the use of private rented accommodation

Local authorities have a duty to provide accommodation for certain people who are homeless or about to become homeless through no fault of their own. Before the Localism Act, we were able to offer homeless people accommodation in the private rented sector (PRS) but they were under no obligation to accept it.

Once the relevant section of the Act is commenced, local authorities will be able to house homeless households in the PRS, without needing the households' consent to do so. The Act recognises not all local authorities will need to make use of this new power.

In formulating our approach on this issue we considered the following key points:

- We anticipate growing demand on homelessness services as funding cuts, pressures on household incomes and welfare reform measures take hold.
- There is already a shortage of affordable accommodation for those in the most urgent need. Whilst the number of households placed in temporary

accommodation has gradually reduced from a high of 296 in 2003 we are seeing a recent reversal of this trend.

- The cost of placing households in temporary accommodation is high. Some households have not voluntarily accepted an offer of private rented accommodation, even when this has meant them staying in expensive and sometimes inappropriate temporary accommodation.
- The PRS can offer households a wider choice of locations. The degree to which we will be able place households in the PRS will be dependent on its availability in the local market. York has a buoyant PRS and access for vulnerable or low income households can be difficult.
- The relatively high level of private sector rents could affect tenants' ability to move from benefits into work, and place households in a 'poverty trap'.
- Some sections of the PRS suffer poor standards.

Strategy guidelines:

- Considering the above points, City of York Council broadly welcomes the freedom to place homeless households in private rented accommodation. We think this is a useful additional tool to prevent and tackle homelessness.
- Whilst the number of households entering the PRS through the homeless route may increase, this will not become the 'default' position. Rather, offers will continue to be based primarily on the suitability of the property, with tenure considerations immaterial. Suitability criteria will include size; condition; accessibility; location; and cost of the accommodation, together with the household's financial resources¹⁸.
- The minimum length of a private rented tenancy considered suitable for a homeless household is 12 months.
- If the household becomes homeless again within two years, through no fault of their own, the main

homelessness duty will automatically re-occur (even if the household's circumstances have changed and they would otherwise not be owed a duty).

- We will continue to work with landlords across the city to improve standards and develop further our social lettings agency (YorHome) and bond guarantee scheme to improve the availability of, and access to, the PRS for claimant households.

2.4 Enabling greater mobility

City of York Council recognises the need for tenants to be able to move to be closer to work opportunities, family networks or for a host of other reasons. This strategy sets out the thinking behind our approach to household mobility and the measures through which tenant's can be helped to move should they want to.

Greater opportunity to move within the sector helps to meet the personal needs of individual households as well as bring some wider community benefits. These include, amongst other things; better access to employment and training opportunities; access to support services for health reasons; reducing over-crowding and making best use of the housing stock by addressing under-occupation.

¹⁸Our criteria will be consistent with that set out in the Homelessness (Suitability of Accommodation) (England) Order 2012 - Consultation

We acknowledge greater mobility can increase turnover and voids within the sector but feel, so long as this is well managed, the wider benefits to our customers far outweigh this consideration.

There are a number of ways for tenants to move home within the social housing sector. These include requesting a formal transfer within the North Yorkshire HomeChoice framework (the combined Housing Register described earlier), exploring opportunities within the mutual exchange framework known as Homeswapper or through downsizing initiatives as they become available. The council is currently developing a package of wider support and incentives for those that want to downsize.

In formulating our approach to mobility we considered the following key points:

- Promoting and facilitating mobility within the sector provides a range of benefits both for the individual household and use of the housing stock as a whole. The ability to move home can sometimes be a key decision when looking for and taking up employment or being closer to health or support services.

- Within the council's own housing stock there are 801 households awaiting a transfer.¹⁹ Around 190 wish to move to a larger property and 162 to a smaller one. There are around 1,000 council homes under occupied and possibly similar proportions in some sections of the private registered providers sector.
- Welfare reform measures such as Housing Benefit linked to household need could mean more households seeking a transfer through economic necessity.²⁰

Strategy guidelines:

- The council supports greater mobility within the sector and measures designed to facilitate this as set out in the Localism Act. We expect the Tenancy Policies of registered providers in York to clearly embrace this aim and actively encourage and support mobility.
- We will continue to support mobility within our own stock through the transfer and mutual exchange frameworks and expect providers in the area to do likewise.

¹⁹ At 02/04/2012

²⁰ From April 2013 tenants deemed to have 'spare' bedrooms will see a reduction in the benefit they receive. Tenants will have a choice of either making up the shortfall from other income or moving to smaller accommodation.

- We expect all providers operating within York to be signed up to a national housing mobility scheme.
- We expect that, wherever possible, tenants moving through such a scheme would be able to enjoy the same security of tenure and rent model in their new property than in their previous one. However, we also recognise this will not be possible in all cases, particularly where voluntary moves are made to housing that has been designated as 'affordable rent' as part of a contract with the Homes and Communities Agency (HCA).
- The council has developed a package of additional downsizing incentives to help free up larger properties within its own stock and we look to other providers to develop similar approaches where these are not in place already.

2.5 Affordable rents

This section sets out our thinking on the use of affordable rents in York.

In October 2010 the coalition government announced a £4 billion²¹ reduction in capital grant for new affordable housing and the replacement of social rents with 'Affordable Rents' for new tenants that can be up to 80 per cent of market rents.

This new rent applies to all new homes built with the assistance of grant funding from the HCA and on an agreed number of re-lets within housing providers' existing stock. The additional capital raised through higher rents is to be reinvested to make up funding shortfalls.

In January 2012, the council adopted a policy on the use of Affordable Rents on developments where it is able to exercise some control – namely on affordable homes negotiated as part of a planning consent on private developments.

It also covers the re-letting of existing affordable homes on these sites. The policy covers developments where the council sells land to private registered providers under long leasehold agreements for the purpose of providing affordable housing. The policy position is that:

²¹ Amounting to a budget cut of around 60 per cent

- On existing planning and lease agreements there would be no change to current policy for social rented homes to remain on re-let as social rented.
- On new planning and lease agreements, Affordable Rent levels are to be capped at no more than 60 per cent of market rents for one bedroom homes and 55 per cent of market rents for two, three and four bedroom homes.

The council adopted a policy on affordable rents in advance of the Tenancy Strategy to give guidance to providers on the offers they make to developers for affordable housing and in their negotiations with the HCA on the definition of 'affordable rent' they would use for their grant-funded new build programme.

The policy took into account the evidence of a new Strategic Housing Market Assessment (SHMA) 2011, the views of registered providers working in the city and the reality of reduced grant funding for new development.

The SHMA shows if Affordable Rents are set at 80 per cent of market rents they are not genuinely affordable to most households in housing need²².

By limiting Affordable Rent levels to 60 and 55 per cent of market rents they remain higher than existing social rents but are affordable to a greater number of households²³.

In arriving at this policy we have tried to balance the reality of the new affordable housing funding regime, with the need to avoid supporting affordable homes that are not meaningfully affordable to low income households without the support of housing benefit.

We therefore considered the following key issues for York:

- A pressing need for additional affordable housing supply in York, amounting to 790 new homes per year.
- The reality of significantly reduced grant funding for new affordable housing meaning ways must be found to make up funding shortfalls to support development of new homes

²² For example, only 12 per cent of households needing a three bedroom home can afford rents at 80 per cent of market value. The number is only marginally higher for those needing a two bedroom home (18 per cent) and increases to 35 per cent for those needing a one bedroom home.

²³ Approximately 27 per cent could afford a three bedroom home, 35 per cent a two bedroom and 46 per cent a one bedroom.

- The fact that Affordable Rents could better help meet the needs of those able to afford a sub market ('intermediate') rent, providing more housing choice/options.
- Acknowledgement that selective use of Affordable Rents could contribute towards mixed tenure and sustainable communities but their widespread use would further reduce the availability of genuinely affordable social rents at a time when demand for such rents is increasing.
- Affordable rents push additional costs onto the Housing Benefit bill and could trap people into benefit dependency. High rents can act as a disincentive or barrier to employment.

Strategy guidelines:

- We would not wish to see wholesale application of affordable rents in the York area as this will further deplete the supply of genuinely affordable social rented homes.

- Given current funding shortfalls, we recognise a role for some affordable rents to support the supply of new affordable homes in York, especially where this forms part of a funding agreement with the Homes and Communities Agency.
- We would not wish to see the application of affordable rents on an area wide basis as this would undermine efforts to create mixed sustainable communities.
- Affordable rent levels must not prohibit or prevent tenants or household members from looking for work by creating a 'benefits' trap'.
- Where affordable rents are used we expect these not to exceed the current agreements that housing associations have with the Homes and Communities Agency for the affordable homes programme 2011-15. These were agreed in consultation with the council and reflect the different stock profile, policies and priorities of each of the associations. We expect any proposed changes to those policies to be agreed with the council.

3. Implementing the strategy

3.1 Monitoring, review and governance

City of York Council coordinates a housing provider steering group to oversee the development of tenancy issues in York. This group will support the council in its role of monitoring and reviewing the effectiveness of the strategy. We will strive to secure representation from private sector landlords and those who represent vulnerable or marginalised groups. We will publish the outcome of our reviews and open them up to customer challenge.

Monitoring and review will need to consider two main areas:

- 1) The effectiveness and extent to which the new measures are implemented:

This will include measuring the number of fixed term tenancies issued, the number of affordable rent properties, changes to allocations processes and homelessness placements in the private sector.

- 2) The changing market conditions and their likely impact on the demand for service provision. It will therefore also monitor housing need, affordability, homelessness, new

homes built, rent levels and the changing trends in welfare benefits, particularly housing benefit.

Monitoring these activities will inform future changes to the strategy and enable our services to remain appropriate and relevant to changing circumstances. The first review will take place in June 2014 and annually thereafter.

We will publish the findings of each review on City of York Council's website. Go to www.york.gov.uk/housing

3.2 Equalities and diversity

We are committed to ensuring this strategy does not impact disproportionately on different equality groups. This strategy has been subject to an Equalities Impact Assessment (EIA) and this can be found on the council's website at www.york.gov.uk/housing

We would expect all RPs to undertake and publish an EIA of their own tenancy policies.

Appendix 1: Glossary of terms

AR	Affordable rent – rents charged to local authority or PRP tenants that can be up to 80% of market rents in that area
ASB	Anti-social behaviour
AST	Assured short hold tenancy
CBL	Choice based lettings – This is the framework through which most social rented homes are allocated in York and North Yorkshire
DCLG	Department for Communities and Local Government
FTT	Fixed term tenancy – a form of tenancy that can be offered by Private Registered Providers
FT	Flexible tenancy – a form of tenancy that can be offered by local authority housing providers
HCA	Homes and Communities Agency
HB	Housing Benefit
HOS	Housing Options Service – The council’s Housing advice and support service
LA	Local authority – The city council
LHA	Local housing allowance – Housing Benefit for private sector tenants
NAHP	National affordable homes programme – The programme through which government fund the provision of new affordable homes
PRS	Private rented sector

RP	Registered Provider – of housing. Usually refers to a housing association (or <i>Private Registered Provider</i>) though local authorities that own stock are also included
SHMA	Strategic Housing Market Assessment
ST	Secure tenancy – a form of tenancy that gives long term security of tenure
SR	Social Rent – rents charged to local authority or PRP tenants at levels well below market rents
SP	Supporting People – A local team that administers funding for housing related support services
SRR	Single room rate (of Housing Benefit). People aged under 35 are only entitled to housing benefit based on the cost of a single room with shared use living room, kitchen and bathroom and WC
TA	Temporary accommodation – what some homeless households are placed into when there is no alternative secure accommodation available

Appendix 2: Schedule of Registered Providers’ tenancy policies and where they can be found

A schedule detailing where the policies of all RPs active in the York area can be accessed will be published in the final strategy, in line with the requirements of the Localism Act.

Appendix 3: Main tenancy types currently offered in York

The main types of tenancy currently used by providers are as follows:

- **Assured Short hold Tenancies (ASTs)** – These are in common use in the private sector and by some Housing Associations with their market rented stock. The key feature is that the tenancy lasts for a fixed term following which the landlord is entitled to possession of the property.
- **Assured Tenancies** - These provide similar legal rights to ASTs, but the tenant can stay in the property for an unspecified period of time. There is no automatic right for the landlord to repossess the property at the end of the tenancy.
- **Regulated Tenancies** – These provide the same security of tenure as assured tenancies but also provide a legal right to apply for a fair rent to be registered. Automatic succession rights apply to a spouse or another qualifying family member in the event of the death of the tenancy holder.
- **Introductory Tenancy** - An introductory tenancy is a one-year ‘trial’ council tenancy. As long as the terms of the tenancy agreement are met it will automatically be followed up with a secure tenancy or can be extended.
- **Probationary Tenancy (or starter tenancy)** is similar to an introductory tenancy but used by Housing Associations. It will generally last for up to 12 months before converting to an assured tenancy or alternatively can be extended.
- **Shared Ownership** – This scheme is a combination of renting and buying. Between 12.5% and 75% of the value of the property is purchased, usually supported by a mortgage, with a monthly rent being paid on the remaining share.