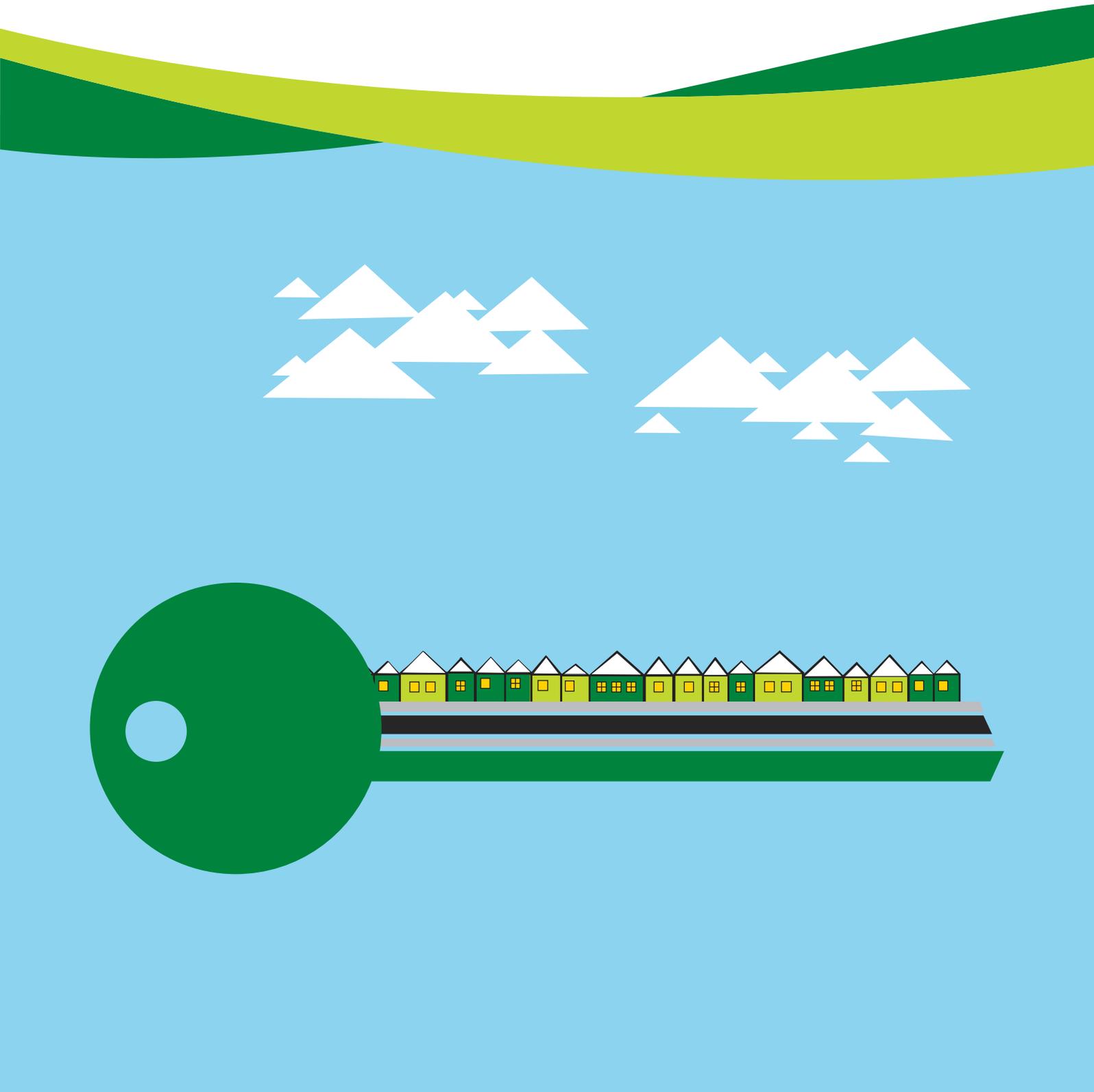


# Islington Tenancy Strategy 2012



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# Introduction

The Localism Act 2011 ('the Act') contains a range of housing reforms, which were initially set out in the Comprehensive Spending Review of 2010 and the white paper, Local Decisions, published later the same year. Together with welfare reform, the proposals mark a shift in the way that social housing is developed, let and managed.

Chapter 2 requires that local authorities publish a tenancy strategy, setting out how they will respond to the flexibilities on tenure introduced by the Act.

The tenancy strategy should have regard to the council's own approach (including our Homelessness Strategy and Allocations Scheme) and the issues that it expects registered providers to take account of as they develop and implement their own policies on tenure. An important principle enshrined within the legislation is localism, giving local authorities considerable flexibilities and freedoms rather than requiring them to operate in a particular way.

In Islington our key aim is to ensure that the council and its partners make use of the opportunities offered by the changes in a way that helps address the housing needs of the borough and is in line with the priorities of the council as identified by the Fairness Commission and set out in the corporate plan 2012-15.

Islington Council has recently published its third Prevention of Homelessness Strategy, and is consulting on changes to the Allocations Scheme.

This Tenancy Strategy fulfils our statutory duty under the Localism Act by providing a broad strategic framework for social housing providers operating in the borough as follows:

- The type of tenancies that should be offered by social housing in the borough
- The circumstances in which social landlords could grant a tenancy of a particular kind
- The length of any fixed-term tenancies
- The circumstances in which a fixed term tenancy should be renewed
- The local approach to rent levels and our position with regard to the new Affordable Rent product
- Our approach to working with our partners to use the new freedoms to help meet the housing needs of local people.

The Tenancy Strategy will be kept under review so that it remains responsive to changing needs and to enable the impact of the strategy to be actively monitored and managed in consultation with key stakeholders, including Registered Providers.

It is important to note that social housing providers are obliged to have regard to all matters the council sets out in its tenancy strategy in setting their own landlord policies on tenure and rents.



# National Tenancy Framework

National policy allows new homes built under the Affordable Rent regime to be let on fixed-term tenancies and while the Act sets out two years as the minimum term, the government has indicated that five years will be the expected minimum fixed term in most cases.

From April 2012 local authorities and Registered Providers (RPs) have been able to offer fixed term tenancies to new tenants, provided the tenancy strategy has been adopted following consultation with key stakeholders, including RPs.

New tenants may be offered fixed term tenancies or Affordable Rent (AR) tenancies, while existing tenants may remain secure (council) or assured (RP) tenants. Social landlords will still be able to offer secure or assured tenancies if they wish to do so, but such new tenants will not automatically enjoy the same protection if they subsequently move home, depending on local policy.

Fixed term tenancies will not necessarily mirror the rights of secure tenancies but the following minimum rights will remain:

- right to exchange
- right to take in lodgers (with consent)
- right to sub-let part of the property
- right to repair
- rights to consultation and involvement
- right to buy.

The Act allows for one statutory right of succession by a spouse or partner of a deceased tenant, although local authorities will have flexibility to extend these rights within locally agreed tenancy agreements. RPs will be given the same flexibility over succession rights as local authorities.

Normal rules will apply to termination of a tenancy during any fixed term – for example evictions for rent arrears. What happens after that will depend on local policy. Local authorities and RPs will be required to serve notice six months before the end of a fixed term if they are not minded to reissue the tenancy, setting out the reasons for the decision, which should reflect local policy.

# Affordable Rent

The 2010 spending review introduced Affordable Rent (AR), changing the way in which new social housing is funded through the Homes and Communities Agency (HCA) and, from April 2012, the Greater London Authority (GLA) in London. Levels of grant have been substantially reduced with the remaining funding required to deliver new affordable homes coming from borrowing and the higher rents that can be generated from AR, at up to 80 per cent of local market rents. RPs will also be able to convert a proportion of re-lets of existing homes to AR to help fund new homes. Affordable Rents will qualify for Housing Benefit (HB) and local authorities will be able to discharge their homelessness duty through an offer of a home let at AR.

Existing tenants will not be affected, even if they move to another social rented property, unless they specifically accept the offer of an AR tenancy.

The introduction of the AR regime did not require primary legislation and it is therefore already in place for the current housing investment period 2011-15. In delivering new homes the council will need to continue to find ways to successfully work with partners within the new regime if much needed new social rented homes are to continue to be delivered in the borough.

# Islington Context

The latest Census 2011 results reveal Islington as London's second smallest borough and the most densely populated local authority in England and Wales, with 13,875 people per km<sup>2</sup>. This is almost three times the London average and more than 34 times that of the England average (407 people/km<sup>2</sup>).

There are 93,600 households in Islington, containing 200,100 people. A further 6,000 people live in communal establishments. The average number of usual residents per household is 2.1 people, which is lower than the average for England and Wales (2.4 people/household).

High population density reflects the shortage of accommodation and land in the borough, low household size, and the popularity of the area, with a very high proportion of flats (rather than houses) in the borough.

Islington's population is very diverse. Of the 206,000 residents of the borough, just over a quarter are from black and minority ethnic communities. Islington has an unusually large proportion of young adults (57% under 35), many attracted by job opportunities in the capital, but fewer older people and fewer children compared to London as a whole.

The borough is home to some of the wealthiest people in the country living in some of the most desirable neighbourhoods in the capital but at the same time is also home to real poverty and deprivation and is officially the 14th most deprived local authority in England. <sup>1</sup>

There are large numbers of low-income families, with 28.7% of households having incomes of less than £20,000 per year, higher than the London figure of 25.9%. Meanwhile, some 11.4% of households have incomes higher than £75,000 per annum, with 4.4% in the £100k+ band. <sup>2</sup>

More than 8,000 Islington residents have a total annual income, including all benefits, of less than £10,000. Many pensioners also live on a low income and some do not always take up their full entitlements. In addition, Islington also has 13,500 carers of whom around 800 are young people. More than half of these carers are not in paid employment, meaning they are wholly reliant on benefits. <sup>3</sup>



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1 Islington Fairness Commission

2 Islington - Effects of the Affordable Rent Product, November 2011 (Jones, Lang, Lasalle)

3 Islington Fairness Commission

# Housing

Both house prices and rents are high and access to affordable housing remains one of the borough's biggest challenges. The average home in Islington costs £482,914 (June 2012, Land Registry). This means that saving for a deposit to rent or to buy a home is out of reach for many making social housing the most affordable option. The average net income of all social housing tenants in Islington was £200 per week in 2010-11 (CORE data return).

Social housing consists of just over 40% of Islington's total housing stock of 99,000 homes (council tax 2012 data). The majority of these properties are let on lifetime tenancies at around a third of market rent. Islington Council is the largest provider of social housing in the borough and managed 25,846 homes (as at 1st April 2012).

In April 2012, Islington Council there were 13,690 households waiting for social housing. In 2011-12, there were 1,406 lets into council housing including 770 to new tenants. A further 398 were nominated into registered provider properties. The need to make best use of this stock and that of our partners is as urgent as ever.

## Links to other Islington Housing Policies

The Islington Tenancy Strategy provides additional guidance for developing registered providers, supplementing our Borough Investment Plan by setting out the types of tenancy and rent levels that should be provided. The Tenancy Strategy also complements our Allocations Scheme and Homelessness Strategy. The Allocations Scheme sets out how we prioritise who can be offered a social housing tenancy and the Prevention of Homelessness Strategy sets out our approach to preventing and tackling homelessness. All our policies are available for download on the Islington Council website.

<http://www.islington.gov.uk/services/housing/policiesandstrategies/Pages/default.aspx>



# Our Aims and Objectives

The main purpose of this strategy is to set out our approach and priorities, providing guidance to social housing providers operating in the borough which should inform their policies and practices on tenure and rents.

There is a serious shortage of affordable housing, particularly homes for social rent, that can only be addressed in the longer term through new supply and even if expected rates of development increased significantly, this could take many years.

The council does not support the introduction of fixed term tenancies as the universal tenure for new tenants of social housing as there is no evidence to support the view that they would help promote sustainable local communities. The council believes social housing should promote mixed and stable communities.

The Council does not support an approach that seeks to move on tenants, including vulnerable and other people, to home ownership and private rented sector housing unless that this is an expressed and informed choice. The council does not support the approach of submitting tenants to a second assessment of their housing circumstances after a fixed term based on criteria adopted by social housing providers. However we recognise the issue of limited supply, and support allocating social housing on the basis of housing need and the provision of incentives, information and support to tenants to move into other tenures and/or otherwise increase mobility within social housing. Islington has been very successful in increasing turnover by helping under occupying tenants to move and facilitating moves by way of exchange schemes.

We acknowledge affordability is a real issue for our residents and encourage social housing providers to continue to offer tenancies at social rent. We envisage the current government's welfare reforms will make it increasingly difficult for families to access affordable housing and the guidance we are providing to registered housing providers seeks to minimise the impact on our residents.

Islington Council will work with our partners to meet the aims of this strategy, which are to:

1. Promote mixed and stable communities through the provision of lifetime secure (or assured) tenancies
2. Maximise the availability of social rented homes for Islington residents
3. Promote fairness and choice

# The Greater London Authority's Housing Policies

Social housing landlords' development programmes will need to be in general conformity with the requirements set out in the Greater London Authority's (GLA's) Revised London Housing Strategy and London Plan and any other housing guidance.

The London Plan and Housing Supplementary Planning Guidance place a strong strategic priority on the provision of affordable family sized accommodation.

The GLA has taken over direct responsibility for monitoring and managing the delivery of all Affordable Rent contracts. New schemes will only be funded by the GLA where registered providers can demonstrate that they have fully engaged at the earliest possible stage with boroughs in working up schemes, and have paid full regard to local housing and planning policies, provided these are in general conformity with the London Housing Strategy and London Plan.

The London Housing Strategy sets out the following targets for the 2011-15 development programme in London as a whole, which should:

- Deliver a range of rents with a programme average of 65% of median market rent
- 36% should be for 3 bedrooms or more
- 10% of Affordable Rent homes should be let at target rent. These should preferably be located within regeneration programmes that involve re-provision of existing social rented housing.

In terms of the Affordable Housing Programme, the London Housing Strategy makes it clear that the Mayor expects registered providers to seek the support of boroughs for schemes coming forward, stating the registered providers must 'pay full regard to a local authorities housing policies where these are in general conformity with the London Housing Strategy'.

The GLA will be developing a framework for monitoring Affordable Rent and registered providers who are participating in the 2011-2015 Affordable Homes Programme will be expected to engage with this process. We will regularly review and share experiences and good practice with social housing providers. We will also undertake our own monitoring to better understand the impact of Affordable Rent at a local level.

# Tenancy Strategy

## Islington Approach

This section sets out the type of tenancies that Islington Council wishes to promote, our guidance on affordability and what we expect social housing providers to have regard to in their landlord policies on tenure.

## Tenancy Framework

1. Types of tenancy
2. Circumstances for granting tenancies
3. Length of tenancies
4. Exceptional fixed term tenancies
5. Renewal
6. Review process
7. Advice and assistance
8. Tenancy Succession

## Types of Tenancies

The council does not support the introduction of fixed term tenancies as the universal tenure for new tenants of social housing as we do not believe these will help build or sustain local communities. We would, therefore, wish to see all social housing continue to be offered on lifetime tenancies in line with the Council's preferred approach. This would make access to social housing fairer, consistent and easier to understand for existing and potential new tenants. It will also help promote mobility amongst existing tenants, increasing turnover within social housing, helping more people in housing need.

We believe that a major potential drawback of fixed term tenancies, where these are attached to homes provided under the new Affordable Rent programme, is that existing tenants may be reluctant to move as they would face less security as well as higher and potentially unaffordable rents, possibly staying in overcrowded or unsuitable accommodation. Given that within the borough, around half of those moving within social housing are existing social housing tenants, the provision of homes for Affordable Rent would lead to reduced churn in the existing stock and fewer households being assisted through chain moves.

We acknowledge RPs have to meet the terms and conditions of the national housing investment framework agreements with the HCA/GLA in order to secure (significantly reduced) grant funding to help support new supply. However, we have not seen evidence that fixed term tenancies, particularly shorter two to five year fixed term tenancies on homes for Affordable Rent would actually help meet need through increased churn and does not have an adverse impact on building and sustaining local communities.

# Tenancy Length

Islington continues to support the retention of lifetime secure tenancies for all new social rented tenancies. We do not support the introduction of fixed term tenancies because there is no clear evidence to suggest that such flexibility will help support our priority which is to make Islington a fairer place to live and work.

We recognise some RPs will and/or have started using fixed term tenancies to meet their own strategic objectives, including investment in new supply and making best use of their existing homes to meet housing needs. Indeed some have taken the view that fixed term tenancies complement our aim to build and sustain local communities, whilst others have expressed concern about transient populations.

Whilst our strong preference is to see a level playing field for all social housing tenants in the borough through provision of lifetime tenancies, where RPs are considering introducing fixed term tenancies, we would wish to see that costs and risks associated with not providing longer term tenancies are taken into account including:

- Tenancy reviews
- Possession proceedings
- Increased void periods and re-letting provision of advice and assistance
- Condition of homes – tenants often invest in maintenance and improvement
- Impact on the social capital and community engagement.

Where, having had due regard to the Islington strategic policy on tenure an RP does propose to use fixed term tenancies, we would recommend a minimum of a 10 year fixed term should be offered, with lifetime tenancies for families and other vulnerable households. All fixed term tenancies should have a reasonable built in review timeline period that is part of an open, transparent and fair process (see below).

We believe that where registered providers opt for fixed-term tenancies, families and vulnerable households that have a continuing long-term need for support or care should continue to be offered lifetime secure social tenancies as their circumstances are unlikely to change over the period of a fixed term tenancy and they and their local communities are most likely to benefit from their being afforded a secure and stable home. Vulnerable tenants are likely to include: older tenants in general needs housing as well as those living in sheltered housing or extra care housing, tenants with a learning disability or enduring mental health issues, and/or people with a physical disability.

In any event we would expect RPs to reflect the needs of all members of local communities in their landlord policy on tenure with their position supported by a robust EIA.

# Introductory or Probationary Tenancies

The Council is aware that a number of RPs have or will be introducing probationary tenancies prior to the allocation of a fixed-term (or new lifetime) tenancy. The Council itself has reviewed its position with regard to the use of introductory tenancies and has consulted with our tenants on whether we should introduce for new council tenants in Islington. This has been supported, particularly in assisting in mitigating the impact of anti-social behaviour. In adopting introductory tenancies we do, however, not expect these to last longer than 12 months.

## Tenancy reviews

Where fixed term tenancies are offered by social housing providers the Council would expect that these would be renewed on the same terms as previously granted where the circumstances of the tenant has not materially changed and/or they have expressed a wish to remain in their home. A new tenancy should be granted and no tenant should be left without a suitable tenancy at the end of a fixed term period. In determining suitability relevant factors would include being able to retain roots in the local community as well as availability of alternative affordable housing options in their preferred area that would provide a safe and secure future for local families.

RPs should communicate very clearly at the outset the basis on which they will decide whether to renew a fixed term tenancy so that new residents can feel settled in their new home and start connecting with their local area.

Prior to any tenancy sign up, we would expect RPs to undertake an affordability assessment as part of the tenancy review process. This would help ensure tenancies are sustainable and ensure landlords are able to advise and signpost households to the most appropriate housing solution. It is also important that tenants are offered help to access benefits and manage their household budget and paying bills in relation to the costs of their home.

The Council is very clear that the review process should not be used as a tool to deal with issues that could be addressed through effective housing management and/or tenancy support at an earlier stage. In other words, a failure to tackle problems of rent arrears and ASB should not automatically result in a tenancy not being renewed upon the expiry of the fixed term.

The Council may introduce changes as part of the review of the Allocations Scheme. We would expect RPs to have due regard to any changes that may be agreed to ensure their landlord policy on tenure remains consistent with the Allocations Scheme.

We would strongly discourage RPs from using income as the sole reason for a tenancy to not be renewed. Our view is that information on household income will be difficult to gather and monitor effectively by social housing landlords, and disregards all other options available to higher earning households.

Should an RP decide to include income as a relevant consideration in determining whether to renew a fixed term tenancy then income thresholds should have regard to the affordability and sustainability of alternative suitable housing, including private sector and low cost homeownership opportunities and their availability in the borough. Affordability should take into account the percentage of net income that would be required to meet housing costs, with levels above 35% generally considered to be unaffordable. They should take into account likely future income as well as previous earnings to ensure other housing options, other than Affordable Rent, are sustainable

There are often other factors that need to be taken into account in determining the suitability and affordability of private sector housing options but even those on higher incomes could find it difficult to afford private sector rents or purchase their own home in Islington and may be forced to move elsewhere away from their family, community and other support networks.

The following factors may be considered relevant in the review and where the tenancy will not normally be renewed:

- The tenant or household has been convicted of criminal activity related to their property
- There has been a serious breach of the terms of their tenancy, noting our view about effective housing management
- The property is under occupied by one bedroom or more. The tenant should be provided with an option to move to smaller accommodation appropriate to their household size if they find themselves in a property that is too big for their needs in an area of their choice, including being able to remain in the local community
- The property has been extensively adapted for someone with a disability who no longer lives there. This allows the property to be released for someone who will benefit from the adaptations.

There may be circumstances where, even if the above criteria applied, that it would be unreasonable to expect tenants to move. These include:

- Tenant or member of household suffering from a terminal illness
- Tenant or member of the household has a disability (to be verified by occupational therapy/ community care assessment)
- Tenant has children attending a local school
- Tenant is a foster carer and the tenancy enables them to continue in this role
- The tenant is a care leaver and is still receiving support from Adult Social Care
- Tenant is participating in a Family Intervention Project programme

# Tenancy Termination

Housing reviews undertaken at the end of a fixed term tenancies should be used as a positive, supportive process for social housing tenants. Our expectation is that tenancies will be renewed in most cases unless there are exceptional reasons for not doing so or because the tenant has expressed a wish to explore alternative housing options.

The review process should be conducted at a sufficiently early stage, not less than six months before the expiry of the fixed term to allow alternative options to be considered and identified before the end of the tenancy.

The tenant will need to be provided with written notice containing the reasons for the decision and informing them of their right to appeal and explaining the appeal process. Notice should be served at least 2 months before the end of the fixed tenancy term in accordance with the requirements set out in the Localism Act 2011.

## Advice and Assistance

It is essential that should a review end with a decision that the tenancy should not be renewed, proactive support and assistance is put in place to enable the tenant to search for and secure suitable and affordable alternative housing options in Islington and/or their other areas of choice.

The council would also expect to be notified about any potential non-renewal cases and details of the advice and assistance that has been offered by the RP to help the tenants find a new home.

RPs should be aware of their obligations to assist local authorities in exercising their duties towards those who are homeless or threatened with homelessness. We would, therefore, expect to see an emphasis on reducing the risk of homelessness when decisions are made not to renew tenancies and a robust housing options process in place to ensure that all available options are considered with the affected tenant at an early stage in the review process.

If the tenant moves to a private rented property, the new tenancy should be for a minimum of 12 months to provide stability to the household and minimise the risk of future homelessness.

# Tenancy Succession

The changes in succession rights introduced in the Localism Act will impact only on new tenants. All new lifetime and fixed term tenancies now have a statutory right of one succession, limited to a spouse or partner of a tenant. A succession to a fixed term tenancy will only be for the remainder of the period of a tenancy, and subject to a full review when the end of the tenancy is due.

Islington's current policy is for other family members to succeed to a tenancy in addition to a spouse or partner. We have consulted with our tenants on whether to bring the policy for new tenants in line with the new statutory provisions or continue with the current policy.

The new policy will be to restrict the right to succeed to the spouse or partner of a tenant. Where other family members however, have been resident in the property for the previous 12 months and the property is suitable according to their housing needs we will permit a succession to the tenancy. Where there is under-occupation we will enable the family member to be offered the tenancy of an alternative, suitably sized property.

The council similarly expects RPs to consult with their tenants on any proposed changes to succession rights, including whether to adopt the new statutory minimum and to take into account the views expressed before making any changes to their current policy.

Where the policy agreed is to offer the new more limited statutory right of succession only then the council would expect that family members with no right of succession would be offered support in finding a new suitable and affordable home and account taken of their potential vulnerability. As far as is possible, alternative housing should be secured in an area of their choice and RPs should look sympathetically, on a case by case basis, on requests to remain in their current accommodation where that would best meet their needs and help prevent homelessness.

# Affordable Rents

The Council does not consider homes provided at AR levels to be genuinely affordable to those in housing need in Islington or to be a viable model for delivering affordable homes in the medium to longer term.

Rents in Islington as a whole, at circa £334 per week for a 1-bed, £455 for a 2 bed and £562 for a 3-bed property, are slightly higher than in London as a whole<sup>4</sup>, making average private rent costs unaffordable to many residents, particularly those in housing need.

The introduction of AR could exacerbate the affordability issues in the borough as those in priority need may be unable to afford the rent of new and/or existing homes unless they are entitled to maximum housing benefit or on a higher than average income. Further, with the proposed introduction of total benefit caps from April 2013, some could be excluded altogether, particularly larger families. RPs should, therefore, be aware of the implications of the total benefit caps, particularly on the affordability of larger family-sized homes.

There could be other negative effects, such as increased work disincentives or benefit dependency among both those forced to rely on maximum benefits and other groups, including low income working households, becoming eligible for Housing Benefit at higher levels of AR.

The welfare reform agenda is already having an impact upon levels of homelessness and our ability to discharge the duty owed to homeless households through an offer of suitable accommodation in the private rented sector. The housing benefit caps mean large parts of the borough are already unaffordable to many reliant upon housing benefit to be able to meet their housing costs.

As a landlord, the Council will continue to operate within the context of the national rent restructuring policy until convergence is achieved, nominally in 2015, and thereafter to secure rents at social rent levels for the longer term.

As a planning authority, the council is not generally supportive of AR and is seeking to maximise homes provided at target rents in perpetuity on new developments, with the obligations to be secured by legal agreement. The Development Management Policies Development Plan Document, which contains the relevant policy and is at an advanced stage of preparation, is due to be independently examined by the Planning Inspectorate later in 2012.

The document which the Council has recently approved to be submitted for the examination is available at:

[http://www.islington.gov.uk/democracy/documents/getdoc\\_ext.asp?DocID=84685](http://www.islington.gov.uk/democracy/documents/getdoc_ext.asp?DocID=84685)

In formulating this planning policy approach on AR, the council has considered key issues including the product's affordability and ability to meet identified need in the borough, its potential impacts on the churn of the existing stock and on overall supply of affordable housing and its likely effect on benefit dependency and work incentives. The council has also considered the implications for development viability and put forward innovative solutions in terms of funding and delivery aimed at maximising the provision of new affordable homes that Islington needs particularly larger social rented homes for families.

Our aim is to secure levels of affordable housing at the same if not higher levels than would otherwise be delivered through the AR model alone, thereby maximising affordable housing to achieve if not exceed local and regional targets.

# Rent Levels

The Council's position on social rent levels is clear. Around two thirds of council tenants are in receipt of housing benefit (full or partial). We would wish to see more residents able to secure and be able to sustain employment which means rent levels should remain genuinely affordable.

With total benefit caps, of £500 a week for non working families and £350 a week for single people, due to be implemented from April 2013 it is expected that this will put a severe strain on household finances.

We would wish to ensure that housing costs are affordable to those whose net income, whether through earned income or benefits or a combination thereof, is no more than the benefit cap levels. In assessing affordability we would expect that no more than 35% of net income should be used towards housing costs. As we have higher demand from single people for housing in the borough we would expect smaller one bed homes to be available to and affordable by single person households.

More information can be found in the report Islington Council commissioned on the likely impact of Affordable Rent in Islington in late 2011:

[http://www.islington.gov.uk/publicrecords/library/Planning-and-building-control/Information/Advice-and-information/2012-2013/\(2012-08-09\)-Impacts-of-affordable-rent-product.pdf](http://www.islington.gov.uk/publicrecords/library/Planning-and-building-control/Information/Advice-and-information/2012-2013/(2012-08-09)-Impacts-of-affordable-rent-product.pdf)

Our guidance on affordability and rent levels is based on current national regional policies and the state of the local housing market, and we will revise our guidance should the circumstances arise.

# Working in partnership to secure new social rented homes

The Council does not support conversion of existing social rented homes to AR as this will reduce the supply of social rented homes in the borough.

We welcome the response from RPs who is seeking to engage with the Council to deliver more social rented homes. This will include making council owned sites available for affordable housing, and topping up funding through the New Homes Bonus and other monies that become available, including contributions from small sites for affordable housing.

Where a legal agreement, for example a Section 106 attached to a planning permission or a housing transfer agreement, is in place that specifies that rented homes are to be provided at target rent levels, the council will seek to enforce the relevant conditions.

Where an RP is seeking to convert existing homes in Islington to AR that are not protected by a legal agreement then the council would wish to see how this proposal would help meet the housing needs of the borough, either through making best use of the existing stock or through new supply. For example, this could be through designating smaller homes as private sector opportunities to help prevent homelessness or provide cross subsidy for a wider development programme that includes identifiable and deliverable schemes within Islington that have the support of the council.

In any event the council would wish to ensure that any rent surpluses generated from charging AR on re-let properties would not be utilised beyond the North London sub region, and certainly not outside of London.

We expect that all social housing providers without an HCA/GLA funded development programme will charge rents at or below target rents for their existing properties when these are re-let.

# Landlord Tenancy Policies

Social housing landlords now have a regulatory requirement to publish a landlord tenancy policy and should fully comply with the Social Housing Regulator's Regulatory Framework, particularly section 2 of the Tenancy Standard.

## Excerpt from the Regulatory Framework for Social Housing in England

Registered providers shall publish clear and accessible policies which outline their approach to tenancy management, including interventions to sustain tenancies and prevent unnecessary evictions, and tackling tenancy fraud.

We expect that social housing landlords will consult widely with their tenants and other key stakeholders, including local authorities, and to be able to fully demonstrate that they have had due regard to our tenancy strategy on developing and reviewing their landlord policy. A copy should also be made available on their website and hard copies provided free of charge upon request.

Individual social housing landlord policies will also need to pay due regard to the London specific housing and planning policies.

# Monitoring and Review

The Localism Act requires that: “A local housing authority must keep its tenancy strategy under review, and may modify or replace from time to time”.

We propose to undertake a full review of the tenancy strategy at the end of the current Affordable Homes Programme in 2015. This will ensure that Islington’s tenancy strategy is aligned with any new investment framework and/or emerging policy and by when we should be in a better position to analysis the impact of wider housing reforms, including allocations as well as fixed term tenancies.

# Appendix 1

## The Consultation Process

STAGE	Timescale	ACTIONS
Stage 1: Internal consultation on consultation draft	Spring 2012	Draft strategy circulated for comment to all internal stakeholders
Stage 2: External consultation with residents, housing applicants, tenants, RPs and third sector and GLA	Summer 2012	Draft strategy circulated for comment to all relevant stakeholders including RPs and resident representatives.
Executive Report	November 2012	Report to seek approval for the draft strategy & delegate authority to approve the final version for publication
Final draft	December 2012	Changes to final strategy document with summary of feedback from consultation
Implementation	January 2013	Publish and circulate adopted tenancy strategy

## Consultation Feedback

Consultation meetings were held with: all six Area Housing Panels; voluntary sector agencies; deaf residents; disabled residents; Islington Housing Group; Islington Homelessness Forum; Islington Learning Disabilities Partnerships Board; and the council's political groups. The council further wrote specifically to all members of the Islington Housing Group, Islington Homelessness Forum, and TRA and TMO chairs. This elicited a further 23 returns.

# 1. Tenancy Succession

The general feedback was that the new statutory provisions of one succession to a spouse or partner only are sufficient though providers should use their discretion in this area. There was a perception that some family members may be disadvantaged if not provided access to affordable housing if they have lived in one home all their lives.

# 2. Flexible Tenancies

Registered Providers (RPs) who responded generally didn't consider fixed term tenancies to be a barrier to the promotion of sustainable communities, due to their expectation that tenancies would be renewed at the end of their fixed term period. They still retain their own objectives in the context of a new funding outlook. Smaller RPs and individual respondents were concerned about the impact of transient populations upon their communities.

# 3. Social Housing as a tenure of choice

Given limited stock and resources, larger RPs felt these should be targeted at meeting the needs of vulnerable people, and households on low incomes who simply would be unable to afford housing in the private sector. RPs are also generally of the view, that as household circumstance change residents should be encouraged to explore other options including home ownership. However this is not the view shared by individual respondents.

There is an underlying inference of an upper level income cap in applying for social housing although the extent to which details of post tenancy incomes are measured is unknown.

# 4. Fixed Term Tenancies Length

Most RPs who responded have opted to introduce five year fixed term tenancies. However, this position may differ between affordable rented properties, and those let at social rent levels. If this is the case this should be clarified, for example, affordable rent for certain groups, and social rent for others. The case made for fixed term tenancies is two pronged – to ensure the needs of households are still being met in appropriate circumstances, and for better, more efficient use of the housing stock.

Some RPs have also commenced starter tenancies of up to one year preceding a new fixed term tenancy – some for AR units only. Individual respondents and small RPs would favour the maximum length of tenancies possible, including lifetime tenancies.

## **5. Which groups should continue to be allocated secure lifetime tenancies?**

Some RPs do not wish to differentiate on grounds of equalities and are focussed on ensuring what are the appropriate housing options for residents. Whilst others say some groups like people with severe disabilities would continue to do so.

## **6. Affordable rents and meeting housing need?**

There is general consensus that 80% market rent levels would not be affordable to the existing tenant demographic in Islington. However some RPs said they are trying to work out rent levels that could still be affordable in terms of the ability to pay as a proportion of income. For example one RP calculates that £160 per week is around 35% of income for the target housing needs groups.

Individual and smaller RPs responses are clear that they see potential rents at up to 80% of the local market as not being affordable to local residents.

## **7. Innovation in delivering more social rented homes**

There was general consensus that there was a need for flexibility to help achieve more homes at target rent levels. RPs are looking for ideas to enable them to deliver homes for social rent. However, some also ask the Council to consider the obligations they have under the HCA/GLA investment framework agreements, to deliver their programmes. For smaller RPs and individual respondents their views were more straightforward, being fully in support of the question being asked.

# Appendix 2

## Localism Act 2011

### Requirements For Tenancy Strategies

Localism Act 2011, Part 7 – Housing, Chapter 2 – Social Housing: Tenure Reform

## S.150 Tenancy strategies

- (1) A local housing authority in England must prepare and publish a strategy (a “tenancy strategy”) setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to—
  - (a) the kinds of tenancies they grant,
  - (b) the circumstances in which they will grant a tenancy of a particular kind,
  - (c) where they grant tenancies for a term certain, the lengths of the terms, and
  - (d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.
- (2) The tenancy strategy must summarise those policies or explain where they may be found.
- (3) A local housing authority must have regard to its tenancy strategy in exercising its housing management functions.
- (4) A local housing authority must publish its tenancy strategy before the end of the period of 12 months beginning with the day on which this section comes into force.
- (5) A local housing authority must keep its tenancy strategy under review, and may modify or replace it from time to time.
- (6) If a local housing authority modifies its tenancy strategy, it must publish the modifications or the strategy as modified (as it considers appropriate).
- (7) A local housing authority must—
  - (a) make a copy of everything published under this section available at its principal office for inspection at all reasonable hours, without charge, by members of the public, and
  - (b) provide (on payment if required by the authority of a reasonable charge) a copy of anything so published to any member of the public who asks for one.
- (8) In this section and section 151 (preparation of tenancy strategy)—
  - (a) references to a registered provider of social housing for a district are to a registered provider who grants tenancies of dwelling houses in that district, and
  - (b) “district”, “dwelling-house” and “local housing authority” have the same meaning as in the Housing Act 1985.’

## S.151 Preparation of tenancy strategy

- (1) Before adopting a tenancy strategy, or making a modification to it reflecting a major change of policy, the authority must—
  - (a) send a copy of the draft strategy, or proposed modification, to every private registered provider of social housing for its district, and
  - (b) give the private registered provider a reasonable opportunity to comment on those proposals.
- (2) Before adopting a tenancy strategy, or making a modification to it reflecting a major change of policy, the authority must also—
  - (a) consult such other persons as the Secretary of State may by regulations prescribe, and
  - (b) in the case of an authority that is a London borough council, consult the Mayor of London.
- (3) The authority must, in preparing or modifying a tenancy strategy, have regard to—
  - (a) its current allocation scheme under section 166A of the Housing Act 1996,
  - (b) its current homelessness strategy under section 1 of the Homelessness Act 2002, and
  - (c) in the case of an authority that is a London borough council, the London housing strategy.’

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