



Affordable Rent Policy for Assured Shorthold Tenancies

1 Policy Statement

- 1.1 Homes for Wells is committed to developing a range of housing to meet housing need in our areas of operation.
- 1.2 As Homes for Wells provides housing in a town where 80% of the market rent for an equivalent property for that size and location is normally higher or equivalent to the maximum Local Housing Allowance, Homes for Wells will let an Affordable Rent property at the maximum Local Housing Allowance limit.
- 1.3 The Affordable Rent will include any service charges on the property.
- 1.4 The Affordable Rent will be recalculated and reset each time the property is relet.
- 1.5 Rents will be reviewed each year from the first 1st January more than 364 days after the commencement of the Term (and annually thereafter).
- 1.6 The Affordable Rent will increase in line with the maximum Local Housing Allowance as published in the month of December immediately preceding. However Homes for Wells will rebase the rent on each occasion that a new tenancy agreement is issued (or renewed) for an Affordable Rent property to ensure it does not exceed the maximum Local Housing Allowance. When the Affordable Rent is recalculated, there will be a review of both the rent and the service charge elements to ensure the split reflects any changes resulting from the level of the charge element (which is based on actual costs of service charges).

2. Background

- 2.1 Homes for Wells has a strategic objective to carry out on behalf of the community the business of providing housing and assistance to help house people and associated facilities and amenities for local people, key workers and others making a significant contribution to the local community and economy.
- 2.2 Homes for Wells provides housing at an Affordable Rent, Homes for Wells has elected to use the Local Housing Allowance limits to guide the Affordable Rent. Homes for Wells is committed to having a published policy on Affordable Rents that clarifies a range of issues for residents and stakeholders including
 - The definition of an Affordable Rent

- How the level of affordable Rents will be determined; how and when they will be increased
- What tenancies are offered on an Affordable Rent and any exemptions.

3 Purpose

3.1 This policy defines Homes for Wells' corporate approach to Affordable Rents.

4 Scope

4.1 The Affordable Rent Policy only applies to:

- Properties developed or acquired by Homes for Wells after 1st January, 2014.

5 Tenancies to be offered

5.1 A 12 month assured shorthold 'starter' tenancy is offered to all tenants. Subject to the satisfactory completion of the 12 month term, a five year fixed term tenancy agreement will then be offered. If there are breaches of conditions of tenancy, such as rent arrears, the 12 month term may be extended for up to a further six months to allow the tenant the opportunity to rectify the situation. Homes for Well's policy for the management of assured shorthold (starter) tenancies sets out an appeals procedure for tenants to ask for a review of a decision to end their starter tenancy.

5.3 Tenancy agreements will be signed by all those over the age of 18 who are occupying the property. Each tenant will be equally responsible for meeting all obligations of the tenancy.

6 Criteria for renewal at the end of the fixed term

6.1 A further five year fixed term tenancy will be offered unless:

- There are breaches of conditions of tenancy in areas including but not limited to payment of rent; keeping the property in reasonable condition, in particular with regard to wilful damage and neglect; causing nuisance or annoyance to neighbours or others in their community.

Each case will be considered on its own merits, but as a general principle, tenants will be given support and advice to enable tenancy breaches to be rectified before a recommendation is made to end the tenancy and not offer a further fixed term.

- The number of people using the property as their sole or principle home means that the property is too large for the tenant's needs. 'Too large' is defined as being at least one bedroom which is not required

- The tenant's financial circumstances are such that they could afford to either rent or purchase a suitable property on the open market.

'Afford' is defined as spending no more than 30% of net household income on housing costs.

7 Advice and support

7.1 If a tenant's financial circumstances have changed to the extent that alternative accommodation is required at the end of the fixed term, Homes for Wells will provide advice and support in enabling the tenant to make alternative arrangements.

7.2 If the tenant's home is too large for their needs, Homes for Wells will use its best endeavours to ensure the tenant is made an offer of suitable alternative accommodation.

8 Termination of tenancy by a tenant before the expiry of the fixed term

Termination of the tenancy before the expiry of the fixed term, will be accepted by Homes for Wells upon receipt from the tenant of written notice of no less than one calendar month.

9 Management and review during the tenancy

During the first year of either a 'starter' or fixed term tenancy, tenants will be visited at their home at the end of their sixth and tenth month of their tenancy.

The purpose of these visits will be to address any tenancy or property related issues. In the case of starter tenancies, the ten month visit will specifically address the offer of a fixed term tenancy and any actions to be taken if a fixed term tenancy is not going to be offered.

At the start of the fourth anniversary visit, tenants will be required to confirm any changes to the residency of members of the household, such as relationship breakdown, children leaving to live with another household or adult children leaving home.

10 Termination of fixed term tenancies and the appeals process

The likelihood of a further five year fixed term tenancy not being offered will be raised as soon as possible, most likely through the tenancy review process.

The following process will be followed:

- One member of the Allocations Committee and one member of the Housing Committee will assess the tenant's circumstances at a visit around the fourth of the commencement of the tenancy. This assessment will take place at the tenant's home, wherever possible. If

the criteria are met for pursuing options of alternative accommodation and/or an end to the fixed term tenancy, a report setting out the reasons why the fixed term tenancy should be brought to an end will be prepared.

- The Vice Chair of the Board will consider the report and if approved, recommend to end the fixed term tenancy.
- If approved, the Homes for Wells' intention to end the fixed term tenancy will be served wherever possible in person to the tenant(s). The notice will be served at least six months, but no more than 12 months before the end of the appeals process.
- Subject to the outcome of any appeal, at least two months prior to the end of the fixed term tenancy, a notice seeking possession (s21 notice) will be served on the tenant.

11 'Holding over' at the end of the fixed term

A periodic assured shorthold tenancy will be created if no action is taken to end the five year fixed term tenancy. This is likely to happen in the following circumstances:

- It has been agreed by the tenant and by Homes for Wells that a move to a smaller accommodation is appropriate, but a suitable property has not become available.
- A court order for rent arrears is in place and the debt has not yet been cleared although regular payments are being made. A suspended possession order would be issued. Full possession order would be issued if regular payments to pay off the arrears cease.
- The tenant has found preferred alternative private sector accommodation but the specific arrangements have yet to be finalised.

There will be regular reviews (at least quarterly) with the tenant to make sure these 'holding over' periods do not continue indefinitely. In most cases, the holding over period will not exceed 12 months.

12 The Appeals Process

The tenant has to make their appeal in writing within one month of the service of the rehousing plan and the notice of Homes for Wells' intention to end the fixed term tenancy.

Stage One

The appeal will be considered by a Board member not involved in the original approval of the decision to end the fixed term tenancy. A decision will be made within ten working days of the appeal being received and will be notified to the tenant in writing, advising of the reasons for the decision and the right to a second stage appeal hearing.

Stage Two

A further appeal is heard by a panel consisting of the Chair (or his or her nominee) and the tenant's representative (or his or her nominee). The tenants have the right to appear in person and with a representative accompanying them. The appeal hearing will be held within 15 working days and a decision notified to the tenant in writing within five working days.

13 Succession

- 13.1 Anyone for whom the property is their main residence, must sign the tenancy agreement within 6 months of reaching 18 years of age.
- 13.2 No one, over the age of 18 years who is not a tenant, is allowed to occupy the property without the consent of Homes for Wells.
- 13.3 If consent is given by Homes for Wells for someone over the age of 18 to join the tenancy agreement, they would become responsible for the complying with the agreement in full.
- 13.4 If an original tenant dies, those remaining on the tenancy agreement succeed to the remaining terms of the tenancy automatically.

14 Roles and Responsibilities

- 5.1 The Housing Committee of Homes for Wells has overall responsibility for the application of this policy.
- 5.2 The Chair of the Housing Committee has responsibility, working alongside the Housing Committee to ensure that:
 - Affordable Rents are calculated accurately
 - The correct rent is charged
 - Rent increases are implemented correctly
- 5.3 Overall responsibility for the Affordable Rents Policy ultimately lies with the Board.

15 Implementation, Monitoring and Review

- 6.1 The Board of Homes for Wells will monitor and review the effectiveness of this policy and associated procedures including:
 - The level of rents being set
 - The impact on the number of applicants for new properties/number of refusals
 - The number of fixed term tenancies where a further fixed term is offered and the number of fixed term tenancies which are ended, by reason and the outcome of any appeals against termination of a fixed term tenancy.
- 6.2 This policy will be formally reviewed once every three years taking into account any changes and amendments accordingly. Amendments considered of sufficient magnitude or importance will be implemented in between review dates where appropriate.

16 Definitions

7.1 The definitions of the terms Affordable Rents are based on definitions contained within the HCA's Affordable Housing Capital Funding Guide.

17 Regulatory References

8.1 The key guidance underpinning this policy is The Affordable Housing Capital Funding Guide (AHCFCG).

18 Date of Policy

March 2013