

# **HARLOW DISTRICT COUNCIL TENANCY STRATEGY**

## **1. INTRODUCTION**

Harlow District Council is required to have a Tenancy Strategy in place to set out the Council's requirements and expectations of social housing providers operating within Harlow to ensure that housing is provided to meet local housing need. This Tenancy Strategy 2019-2024 should be taken into account when Registered Providers and other social housing providers who develop and let dwellings in Harlow, adopt or review their own tenancy policies and operating procedures.

The Tenancy Strategy 2019-2024 has been developed and updated following a review of the Council's Tenancy Strategy 2013-2018, consultation with social housing providers and partners voluntary and statutory; and a review of the changes in legislation and Government policy.

The Tenancy Strategy also determines the Council's position on issuing fixed term tenancies in its own housing stock. The Council will not be making use of fixed term tenancies and will continue to issue lifetime tenancies on all properties it owns and manages.

## **2. BACKGROUND**

The Localism Act 2011 requires local authorities to publish a Tenancy Strategy. The strategy must set out the matters to which Registered Providers of social housing must have regard in formulating their policies relating to:

- The kinds of tenancies they grant
- The circumstances under which they will grant a tenancy of a particular kind
- Where they grant tenancies for a term certain, the lengths of those terms; and
- The circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy

The Council have also considered the following legislation:

- The Housing Act 1995
- The Housing Act 1996
- Homelessness Act 2002
- The Housing and Planning Act 2016
- Homelessness Reduction Act 2017

Since Harlow Council's five year Tenancy Strategy in 2013 there has been changes to Government policy and new legislation has been published. This has set new and increased challenges for local housing authorities and partners.

The Affordable Homes Programme 2016-2021 published in January 2017 sought to increase the supply of affordable housing whilst reducing the need for public subsidy in the form of grants to Registered Providers.

The Housing White Paper "Fixing our Broken Housing Market" published in February 2017. A National Housing Strategy for England" which, among other issues, sought to rejuvenate the housing market, increase choice for tenants and build on some of the issues already touched.

The Housing and Planning Act 2016 sets the legislative framework for certain government initiatives.

Harlow still directly manages its own stock of social rented housing and is by far the biggest landlord in the District – owning 28% of overall stock. The number of applicants on the Councils Housing Register has continued to rise and currently totals over 4,000. Additionally an average of 1,000 new applications is currently being received each year. In 2017/18 approximately 419 social properties were available via the Housing Allocations Scheme for allocation and there is therefore a significant demand which cannot be met.

This paper sets out the Councils approach to considering a review of the Tenancy Strategy 2018 in light of these issues. It also sets out the current policy context, and the rationale for the decision to review this strategy.

### **3. AIMS AND OBJECTIVES**

#### **AIMS**

The purpose of this Tenancy Strategy is in two parts. Firstly it gives guidance to Registered Providers on the type of tenancies the Council wants to see let in the Harlow. Secondly it sets out the Councils position in terms of letting its own vacancies.

Under the Localism Act 2011, Registered Providers are expected to have regard to local authorities' strategies in framing their own Tenancy Policies and we have worked closely with colleagues from Private Registered Providers, and other agencies, in the development of this Strategy.

It is important to note that Registered Providers must 'have regard to' the Councils Tenancy Strategy in developing their own Tenancy Policies. In addition, Registered Providers have already signed their contracts with the Homes and Communities Agency over the development of the new affordable rent product for the delivery of affordable housing, which means they will already have plans in place. However, we ask that Registered Providers do review their own Tenancy Policies after the publication of this Strategy to ensure that, wherever possible, their policies work to complement, and do not conflict with the Tenancy Strategy for Harlow.

## OBJECTIVES

The main objectives of this Tenancy Strategy are:

1. To fulfil the statutory requirement to publish a Tenancy Strategy, following consultation with representatives.
2. To ensure that affordable housing meets locally, identifiable housing need.
3. To provide guidance and direction to Registered Providers regarding their use of social and affordable housing tenancies.
4. To set out the position that the Council will continue to issue lifetime tenancies in its own homes.
5. To indicate to home seekers the type of tenancies they can expect to be offered in Harlow.
6. To ensure that Registered Providers have regard to this Tenancy Strategy when reviewing their allocations policies and exercising their housing management functions.

## 4. STRATEGIC LINKS

This Tenancy Strategy has a number of important links to other key documents, strategies and policies.

	<b><u>LINKS</u></b>
Housing Allocations Scheme (Allocations policy)	Information about how applicants are prioritised for social rented housing can be found in Harlow Council's Housing Allocations Scheme (Allocations policy). This was reviewed in March 2018. Monitoring the effectiveness of this Tenancy Strategy can help to inform how applicants are prioritised and the kinds of tenancies granted for social and affordable rented housing in the future.
Choice Based Lettings	Irrespective of tenure type, all properties will continue to be advertised through Harlow Homefinder. The kind of tenancy will be clearly indicated on the property advert.
Homelessness Strategy	Harlow Council's Homelessness Strategy (2015 – 2020) seeks to prevent homelessness, help those who are homeless and support people so they do not re-apply. The levels of homelessness acceptances and households in temporary accommodation increased between 2014–2017. Registered Providers should have regard to this Strategy in framing their Tenancy Policies.
Housing Strategy	Harlow's Housing Strategy sets out the detail of local housing supply, and demand and establishes how locally, these two will be matched. This strategy is currently being revised. Registered Providers should also have regard to the Councils Housing Strategies in

	<b><u>LINKS</u></b>
	framing their Tenancy Policies.
Use of the private rented sector to resolve homelessness	The Localism Act 2011 provides local authorities with the power to end the statutory homelessness duty by making placements in private rented sector accommodation with or without the applicant's consent. Harlow Council is to consider using this power and may, wherever practicable, offer suitable private sector accommodation rather than social rented housing in certain circumstances. This would ensure that the Housing Neds Register is the main access route into social housing.
Government housing strategy "Fixing our Broken Housing Market" A Housing Strategy for England"	<p>The Government's key housing policy seeks to ensure that the housing market is as fair for those who don't own their own home as it is for those that do. It encompasses all housing sectors, including social housing, and the role of local housing and planning authorities, housing associations in planning and delivery of new homes. The policy sets out a number of measures under four main themes:</p> <ul style="list-style-type: none"> <li>• Planning for the right homes in the right places: including Local Plan making, housing need assessments, making more land available for housing and making better use of land.</li> <li>• Building homes faster: boosting local authority capacity to deliver, tackling delays, and a new housing delivery test.</li> <li>• Diversifying the market: including accelerated construction, supporting small and medium sized builders, supporting local authorities and housing associations deliver more homes, deregulating housing associations, and a new rent policy for social landlords for the period beyond 2020 to help them plan ahead, and helping people now: Including <ul style="list-style-type: none"> <li>- Continuing to support people to buy their own homes through help to buy and with the new Starter Homes Initiative.</li> <li>- Helping households who are priced out of the market to afford a decent home through investment in the Affordable Homes Programme</li> <li>- Making rents fairer for tenants</li> <li>- Taking action to promote transparency and fairness in the leasehold market</li> <li>- Improving neighbourhoods by continuing to crack down on empty homes</li> <li>- Helping the most vulnerable people who need housing support, changing the approach to supported housing fund</li> </ul> </li> </ul>

	<b><u>LINKS</u></b>
	<p>- Doing more to prevent homelessness by supporting households at risk before they reach crisis point and reducing the number of rough sleepers</p>
<p>The Housing and Planning Act 2016</p>	<p>This act sets the legislative framework for certain Government initiatives. These show a strengthened approach for dealing with standards and conditions in the private rented sector, and reforms in the social rented sector designed to take into account of tenants changing circumstances and of making the best use of housing stock.</p> <ul style="list-style-type: none"> <li>• Mandatory use of flexible fixed term tenancies secure/Lifetime tenancies no longer to be awarded by Local Authorities</li> <li>• Introduction of Starter Homes as affordable housing (discounting new homes by up to 20%)</li> <li>• Promotion of self-build and custom house building</li> <li>• Measures to address rogue landlords and property agents in the private rented sector by introducing Banning Orders and Rent Repayment Orders</li> <li>• Recovering abandoned premises</li> <li>• Housing, Estates Agents and rent charges</li> <li>• Planning powers</li> <li>• Compulsory Purchase powers</li> <li>• Social Housing</li> <li>• Including Right to Buy on a voluntary basis</li> <li>• Vacant higher value local authority housing</li> <li>• <b>Rents for high income social tenants (“pay to stay”) – CARA TO ADD</b></li> <li>• Reducing regulation for social housing</li> <li>• Insolvency of Registered Providers of social housing</li> </ul>
<p>Homelessness Reduction Act 2017</p>	<p>The Homelessness Reduction Act came into force on 3 April 2018 which provides new powers and duties for local housing authorities:</p> <ul style="list-style-type: none"> <li>• Improved advice and information about homelessness and the prevention</li> <li>• Extension of the period ‘threatened with homelessness’ from 28 days to 56 days</li> <li>• Introducing new duties to prevent and relieve homelessness for all eligible people, regardless of priority need and intentionality</li> </ul>

	<b><u>LINKS</u></b>
	<ul style="list-style-type: none"> <li>• Introducing assessments for personalised housing plans, setting out the actions Local Authorities and individuals will take to secure accommodation</li> <li>• ‘Duty to Refer’ requires specific public bodies to refer those that are at risk of homelessness or are homeless. This comes into force on 1 October 2018</li> </ul>
The Green Paper ‘A new deal for social housing’	<p>This paper sets out a new deal for social housing to ensure homes are safe and decent, residents are treated with dignity and respect and we have social housing we need for the future.</p> <ul style="list-style-type: none"> <li>• Ensuring that homes are safe and decent</li> <li>• Swift and effective resolution of disputes</li> <li>• Empowering residents</li> <li>• Elimination of stigma</li> <li>• Boosting the supply of social housing and supporting home ownership</li> <li>• Fixed term tenancy provisions and victims of domestic abuse</li> </ul>

## **5. GOVERNANCE**

Each Registered Providers is responsible for its own individual Tenancy Policy. Harlow Council will ensure that it monitors the outcomes of this Policy. This will be achieved by the monitoring of trends that can then be used to inform future policy. This will include the number of flexible tenancies let, outcomes of these, bidding activity on fixed term tenancy adverts and so on. This will be done on a regular basis and information shared with partners.

Review in the early years will be particularly important as many of the issues on which Guidance is given are new; furthermore the changes to Housing Benefit, Universal Credit, Council Tax, Benefit and Welfare reform will all impact on a significant number of households in housing need.

## **6. EVIDENCE**

The Appendix to this strategy sets out a range of data and information that has been used to inform this Strategy. This data will be reviewed periodically to ensure that the Strategy remains based on local market information.

## **7. TENANCY TYPES**

Harlow Council believes that a social housing tenancy should be for as long as the tenant wishes to live in their home and will continue to use lifetime tenancies for its own stock. The Council believes that if it wishes to offer security for its tenants to be

able to build their lives and play a positive role in the local community then this is essential.

The Government have decided not to implement the provisions of the Housing and Planning Act 2016 to require local authorities to generally grant tenancies on a fixed term basis (as at 14 August 2018) at this time. To continue to give local authorities the option to offer lifetime tenancies where they consider these are appropriate.

Until Government guidance has been published with regards to the changes introduced by the Housing and Planning Act 2016, the Council will continue to provide Introductory and secure tenancies as the default tenancy type, for both new build and relets. This will apply to those tenants who have a housing need, who continue to pay their rent on time and are not in breach of their tenancy agreement.

Should Government guidance be published on the mandatory requirement to provide flexible fixed term tenancies, then Harlow Council will update this Tenancy Strategy to allow the necessary flexibility and compliance with legislation.

If Registered Providers wish to use fixed term tenancies this should be discussed with the Local Authority as to the benefits that they propose to bring to Harlow by doing so. Where Registered Providers wish to use flexible tenancies, the Council would strongly encourage them to adopt longer term tenancies and would expect them to be granted for at least a minimum term of five years. Those wishing to provide shorter tenancy terms of between two to five years will need to set out the circumstances in which these will be offered.

## **8. GUIDANCE TO REGISTERED PROVIDERS**

Where Registered Providers do wish to use fixed term tenancies they must have regard to the following areas:

### **TENANCY REVIEWS**

If Registered Providers do use fixed term tenancies we expect that their tenancy policies will state that not less than six months before a flexible tenancy is due to end, it must be subject to a formal review. If it is decided, as a result of the tenancy review, that on expiry of the tenancy a new flexible tenancy will not be granted; written notice advising the tenant of this must be served at least six months before the expiry of the tenancy. The notice must contain the reasons for the decision and, at the same time, notify the tenant of their right to request a review and the time within which a request may be made. Should a tenant seek a review and it is dismissed, the landlord will be able to seek possession of the property.

We expect that Registered Providers' tenancy policies will provide clear criteria setting out the circumstances in which it will not grant a further tenancy on the coming to an end of an existing flexible tenancy. We expect that these criteria will include issues such as;

- Under occupation – Generally, the Council would expect new flexible tenancies for under-occupied properties not to be granted, although an offer of smaller accommodation may be appropriate. The Council expect Registered Providers to set out in their Tenancy Policies how they anticipate dealing with issues such as children at university or a member of the family in prison.
- Overcrowding – It may be appropriate for tenants to move to larger accommodation.
- Properties with major adaptations – Generally, the Council would not expect new flexible tenancies for properties with adaptations to be granted, where there are no longer any persons in need of the adaptations living at the property (provided that there is a need for the adapted property by a disabled person).
- Where tenants have sufficient income or assets to meet their own housing needs – It is acknowledged that different Registered Providers will have different views and approaches on this matter. The Council does not seek to specify a particular stance, but Registered Providers' approach must be set out in their tenancy policies and Allocation Schemes.
- Conduct of tenancy – If tenancies have not been conducted well during the tenancy term (with regard to serious rent arrears and/or anti-social behaviour or other breaches of tenancy conditions) Registered Providers may not wish to grant a new flexible tenancy.
- Need for affordable housing – If tenants clearly no longer have a need for affordable housing, based on clear evidence, we would not expect Registered Providers to grant a new flexible tenancy.

The Tenancy Policy should not seek to address more minor housing management issues that can be dealt with through existing processes. Registered Providers' Tenancy Policies should make it clear that tenants will be made aware of the criteria when taking up their tenancy. It is recognised that there may be circumstances in which it would be unreasonable to expect someone to move even if the relevant criteria is applied, and we would anticipate a Registered Providers Tenancy Policy to explain when a new flexible tenancy might be granted. We anticipate this might cover circumstances such as:

- The tenant or a member of their household is suffering from a terminal illness; the tenant or a member of their household has a disability, verified by occupational therapy community care assessments.
- The tenant is an active foster carer and a new flexible tenancy should be granted to enable them to continue to fulfil this role.
- The tenant is a care leaver and still receiving support from social services because of this.
- The tenant has children taking GCSE or A level examinations at a local school.
- The tenant is participating in a Family Intervention Project programme.

In such circumstances, we would expect a further flexible tenancy to be granted of the same or a suitable alternative property, rather than a new lifetime secure/assured



tenancy. Where a fixed term is to be brought to an end, there must be an identifiable need for the property type.

## **VICTIMS OF DOMESTIC ABUSE**

The security of tenure for victims of domestic abuse, the Secure Tenancies (Victims of Domestic Abuse) Bill 2017-19 introduced on 19 December 2017, and highlighted in the Green Paper states that it requires all local authorities and Registered Providers of Social Housing in England, that when re-housing an existing lifetime tenant who needs to move or has recently moved from their social housing home to escape domestic abuse, to grant the tenant a lifetime tenancy in their new home.

Harlow Council strongly encourage Registered Providers to give careful consideration to safety and welfare of victims of domestic abuse when granting tenancies, by ensuring that when where they are offering further tenancies to lifetime social tenants as a result of domestic abuse, such tenancies are granted on a lifetime basis.

## **NOTICE PERIOD**

When flexible tenancies are coming to an end, it is essential that Tenancy Policies provide that the tenant is given sufficient notice so that they can seek advice about their options. Accordingly, the Council expect that in accordance with Section 107 (D) of the Localism Act 2011 a notice will be served in writing not less than six months before the tenancy is due to end. If the tenant refuses to move when the notice period expires, the normal eviction procedure will take effect.

## **RIGHT TO REVIEW**

If a tenant disagrees with the decision reached by their landlord to terminate their tenancy, they may use the appeal process. Each Registered Provider is expected to set out in its Tenancy Policy the appeal process established, and tenants should be directed to this for guidance. It is suggested that, in order to comply with rules of fairness, decision on the review should be made by a person of appropriate seniority who was not involved in the original decision to terminate the tenancy.

## **HOUSING ADVICE AND ASSISTANCE AT THE END OF THE FIXED TERM.**

Well in advance of a tenancy being terminated (at least six months), we expect that the Registered Provider will offer advice and assistance to help the tenant source alternative housing. The nature of this support must be set out in each Tenancy Policy. This will include working proactively with Harlow Council and with the tenant, to assist them to explore their options for alternative housing, which could include home ownership, a privately rented home or a more suitable and affordable rented home.

Harlow Council will work with Registered Providers on cases that may not be renewed.

## **9. AFFORDABLE RENTS**

Harlow Council strongly supports the delivery of social rented tenure. The Council recognises that, not all who apply to join the Councils Housing Needs register will be successful in securing accommodation at social rent levels. This will however, enable households with the financial ability, to have a wider choice of housing tenure other than social rent.

Affordable Rents may be applied to new homes funded by the Homes and Communities Agency (HCA, now known as Homes England) where Affordable Rent is a condition of grant. Hence not to offer properties with Affordable rents would limit the availability of grant funding and the opportunities to build new affordable homes in Harlow (in this case, the rent should be capped and not exceed Local Housing Allowance (LHA) rates, and not normally rise above 35% of household net income). Charging above LHA rates will exacerbate financial problems for the household and could result in the loss of tenancy due to rent arrears.

For further guidance on how affordable housing provision is governed through the planning system refer to Harlow Councils Planning Policies or the Royal Institution of Chartered Surveyors (RICS) guidance on valuation of Affordable Housing Rent.

## **9. CONSULTATION ON THIS STRATEGY**

There has been consultation on the principles behind flexible tenure and on the details contained within this Tenancy Strategy the principle remain the same from the previous strategy 2013 - 2018. Consultation has included:

- Team briefings
- The Tenants Standard Panel briefing
- Members of the Harlow Homelessness Partnership briefing
- Statutory and local partners consultation
- Registered Providers

## **10. PUBLISHING THIS STRATEGY.**

This Tenancy Strategy will be:

- Available on the Harlow Council website.
- Available at Harlow Council's Civic Centre, Water Gardens, Harlow, Essex, CM20 1WG for inspection at all reasonable hours without charge by members of the public.
- A copy will be available on request at Harlow Council Offices.

The Strategy will be kept under review and may be modified or replaced from time to time. If a revised version is published with material changes, stakeholders will be consulted on a draft first. In reviewing the Tenancy Strategy, Harlow Council will have regard to their Allocations Scheme, Homelessness Strategy and Housing Strategy.

TERM	EXPLANATION
Government housing strategy “Fixing our Broken Housing Market” A Housing Strategy for England”	The Government’s investment programme aiming to increase the supply of new affordable homes in England. The majority of the new programme will be made available as affordable rent with some for affordable home ownership, supported housing and in some circumstances, social rent.
Affordable Housing	Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the open market.
Affordable Rent	Affordable housing where rent is charged at up to 80% of market rents. The tenancies can either be flexible tenancies or lifetime tenancies. Affordable Rent properties are not subject to the rent restructuring policy that applies to social rented housing.
MHCLG - The Ministry of Housing, Communities and Local Government	The government department responsible for national housing policy
Fixed Term Tenancy	Applies to tenancies offered for a specific period of time rather than traditional “lifetime tenancies”.
Homes England	The national housing and regeneration delivery agency for England
Flexible Tenancy	Fixed term tenancy for a minimum of five years with a built in review period.
Governance	This is the administrative checks put in place to make sure that the tenancy strategy is properly managed and accountable to local people
Housing Strategies	Government housing strategy “Fixing our Broken Housing Market” A Housing Strategy for England” produce housing strategies to guide decisions made on local investment in housing as well as guiding the allocation of housing to local people.
Lifetime tenancies	Either Secure (council) or Assured tenancies (registered provider).
The Localism Act 2011	This Act was introduced by the government in order to update legislation in Housing particularly to allow local decisions to be made on housing and planning matters. Amongst other things the Act requires Councils and Registered Providers to have a Tenancy Strategy in place
Registered Provider	A provider of social housing registered with the HCA and subject to government regulation. Both profit and non-profit making social housing providers are registered with the HCA.

TERM	EXPLANATION
Market Rent	This refers to private sector rent levels. The rent levels used in this document are sourced from the Local Rents map and use Valuation Office data. Registered Providers will calculate market rent based on the Royal Institute of Chartered Surveyors guidance “ <b>Market Rent: a guide for providers of Affordable Rented housing</b> ”.
RSR Regulatory Statistical Return	The annual HCA survey completed by all registered providers of social housing in England. Data includes information on size and type of home, location and rents over the year in the area.
Social Housing Providers	Provider of subsidised social housing below market rent, including the Council and other registered providers such as housing associations.
Social Rent	Rents which are kept low through subsidy, to approximately a third to a half of market levels. The social housing sector is currently governed by a strictly defined system of rent control to ensure that rents are kept affordable.
SMHA Strategic Market Housing Assessment	A framework that local authorities and regional bodies can follow to develop a good understanding of how local housing markets operate. It promotes an approach to assessing housing need, which can inform the development of local development plans and housing policies.
Target Rent	This is the government’s rent regime for social rented housing (owned by council's and registered providers). The original intention was to convert rents by March 31st 2012 so that similar rents are charged for similar properties. This has now been revised. Every social rented property has a 'target rent', which is worked out using a formula set by the government. This means that rent rises are capped to current rent plus RPI+0.5% plus up to £2 per week.

## **Harlow and its Housing Market.**

The cost of attaining a suitable home is beyond the means of many local people and this places significant pressure upon the demand for affordable housing – a common theme throughout the London Commuter Belt Sub-Region. Harlow continues to feature a local housing market in which the average price of a home for sale is beyond the reach of many households in housing need.

The following statistics provide a background to the housing market and demographics of Harlow:

- Harlow has a population of 86,000 in 2016 51.4% are female and 48.6% are male (source NOMIS). The population of those aged over 65 years is expected to increase by 18% from 2015 to 2025.
- There were 36,800 dwellings in Harlow in March 2017, of these 69% were privately owned housing, 31% were social housing (source Local Authority Housing Statistics Department for Communities and Local Government March 2017). 1,436 new homes were built in Harlow from 2011/12 to 2016/17.
- The average house price in Harlow was £305,808 in December 2017 compared to 2010 when the average price was £202,300. This represents a percentage change of approximately 33% since 2010 and demonstrates that house prices have continued to rise.
- Private rented accommodation costs start from £545 per month for a room and rise to £1071 per month for a four bed roomed house (data sourced from home.co.uk).

## **Social Rented stock**

There are a total of 9,206 Council owned and managed residential properties in Harlow this has reduced by 628 since September 2013.

## **Homelessness in Harlow**

Homelessness acceptances totaled 137 in 2017/18. This figure is kept relatively low because of the focus on preventing homelessness wherever possible. The service is designed to provide housing options interviews to all those threatened with homelessness so that they can be kept in their home, or if this is not possible, found alternative accommodation. This is achieved by carrying out home visits, mediating with friends and family including private sector landlords to renegotiate tenancies and licensees, working with local lettings agents to secure private sector homes with the assistance of the Rent Deposit Guarantee Scheme. This has been strengthened following the introduction of the Homelessness Reduction Act 2017 and implemented in April 2018.

## **Demand for social rented housing in Harlow**

The Council completed a major review of its Housing Register in 2010 to ensure all housing register applicants were up to date and were actively seeking homes. Currently there are 4,202 applications placed on the Housing Register (1 September 2018)

Of these 3069 (72%) are new 'Homeseekers' and 1133 (28%) Internal Transfer applicants.

### **Lettings to social rented housing**

A total of 419 social housing units were re-let during 2017-2018 of which 350 were Council owned and 69 were Housing Association. 18% of lettings were made to homeless households. This is a decrease of 66 properties since 2015/16.

Whilst the number of applicants on the Housing Needs Register has continued to rise following the previous review in 2009/10. On average almost 100 new applications are currently received each month.

Applicants are facing increasingly long delays before they make successful bids, in particular for larger type accommodation (two bedrooms and above). Approximately over 1000 applicants are seeking these types of properties. Officers are now spending an increasing amount of time on options advice.

Many applicants in the lower bands are unlikely to be housed unless their housing need increases. Officers are now having to suggest that some applicants may need to consider other options e.g. accommodation in the private sector or face increasingly long delays before making a successful bid. Only 8% of properties were let to applicants in Bands 3 and 4 in 2017/18.

a) Total lettings in 2017/18 was 419

Of these:

- i) 288 (69%) were Harlow Council properties
- ii) 62 (15%) were supported housing (Sheltered)
- iii) 69 (16%) were RSL nominations.

### **Affordable rents**

The impact of Affordable Rents which are a means to deliver more homes by making the best use of constrained public subsidy and the existing social housing stock.

Registered Providers can only offer affordable rents subject to an approved development delivery plan that will utilise the generated increased revenue income of providing additional affordable housing.

Affordable Rents is likely to be a transfer away from social rent to higher intermediate rent (from 60% up to 80% of market rent). Family housing (two bedroom or larger) generates more value as affordable rent and is likely to remain affordable for non-working households and those on low incomes eligible for Universal Credit/Housing Benefit. It is essential that a test of affordability to every property being considered as affordable that the test measures long term affordability.

The generally accepted definition of “Affordable Housing” is that **not more than 25% of gross household income** is spent on housing costs. However, households spend more in practice, especially those on low incomes.

- Households who are earning and not claiming benefits are better able to afford.
- Many in this group could probably afford market rents.
- Households on the housing needs register who are reliant on benefits to some extent are least able to afford.
- A proportion of social rented tenants on the Housing Needs Register could afford market rents, and Affordable Rents assist many of the remainder, however these are small absolute numbers.

Affordable Rents are allowing Providers to deliver affordable housing with much less grant. However, many of those households in priority housing need are unable to afford Affordable Rents set at 80% of market rents, based on their current incomes. Some existing tenants in social rented homes would be able to afford Affordable Rent but their willingness to move into this tenure is uncertain.

Most of those households who have registered their interest in intermediate affordable housing would be able to afford Affordable Rent based on their current incomes and it could help those needing larger properties in particular.

With many excluded from home ownership by current conditions in the mortgage market, the demand for private rented property continues to grow. The indications are that, generally, market rents have increased over the past four years. This is a particular issue is that Harlow has a smaller than average private rented market.