

A woman in a grey blazer and glasses is gesturing towards a couple in a bright room. The couple consists of a man in a blue sweater and a woman in a white top and blue jeans. They are standing in a room with light wood flooring and a large window. The woman in the blazer is pointing towards the right side of the frame.

# Tenancy Strategy

2020-2025



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

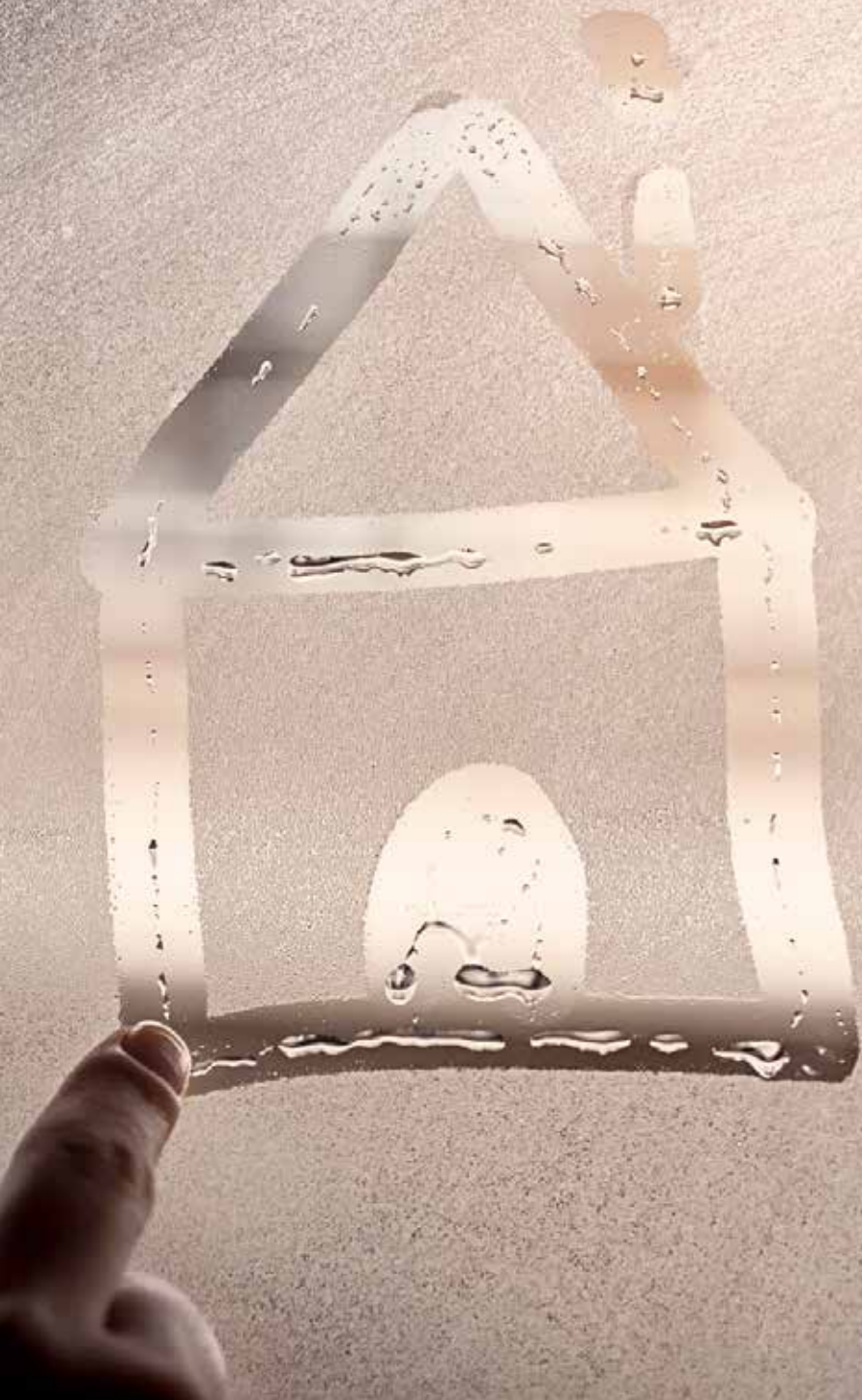
# 1. Introduction

The Localism Act (2011 s.150) requires all local housing authorities to produce a Tenancy Strategy. The role of a local authority's tenancy strategy is to help guide social landlords who operate in their area, make decisions about what types of tenancies to offer. Private registered providers are required to publish their own tenancy policies and take account of their local authority's Tenancy Strategy (although it is not compulsory for them to do the latter). Local authorities are required to consult social landlords in their area before adopting a Tenancy Strategy.

Our Tenancy Strategy aims to make the best use of stock, through the appropriate use of tenure, meet housing need and set out clear guidance to other registered providers on the types of tenancies to grant, so that all social housing across our district is used to its optimum level.

## **A Tenancy Strategy must include:**

- A recommendation on the type of tenancies local social landlords should grant
- If fixed term tenancies are recommended, a proposal of the preferred length of tenancy (e.g. regulatory minimum or longer)
- The circumstances under which another tenancy will be granted at the end of an existing one





## 2. Vision

Our Tenancy Strategy needs to be shaped by our vision for the district.

The Local Plan (2011 – 2036) states that by 2036 the vision is that South Kesteven will provide a high quality of life, consisting of sustainable urban and rural communities, where people want to live and work and are able to do so in quality and enhanced environments. The district will be a safe place to live with strong communities.

One of the strategic objectives is to ensure that new residential development includes a mix and range of housing types which are suitable for a variety of needs, including the need for affordable and local need housing in the district.

The Housing Strategy (2020 – 2024) states that at the heart of it is the belief that homes are a fundamental part of our lives. Houses should be ‘healthy’, good quality, sustainable and secure, providing the environment for people to thrive and achieve. Good housing in vibrant and attractive towns and villages supports a strong economy and helps create a community where people want to live, work and invest.



## 3. Background

The Localism Act introduced fixed term tenancies. Prior to this, all social landlords (councils and other registered providers e.g. housing associations) were required to let their properties on secure lifetime tenancies.

The Localism Act has allowed social landlords to let properties on fixed term tenancies. Regulations require that councils let properties on flexible fixed term tenancies for a minimum of five years. In exceptional cases, the statutory minimum of two years may be used. Assured shorthold fixed term tenancies can be offered by private registered providers to tenants of general needs social housing for a statutory minimum of two years.

## 4. Local Context

<b>Housing Stock</b>	<b>South Kesteven District Council manages it's own stock and has approximately 6000 properties</b>
<b>Gravitas</b>	is the housing development arm of SKDC. It was established in 2017 and is a wholly-owned company that specialises in using pockets of council-owned land to deliver small scale housing developments that are suitable for local builders and 'self-builders'.
<b>Local Plan (2011 – 2036)</b>	is the framework document and delivery plan for growth and ensures the protection of the natural and built environment in South Kesteven.
<b>Housing Asset Management Strategy (2013 – 2018)</b>	under review
<b>Housing Revenue Account Business Plan (2014 – 2019)</b>	under review
<b>Housing Strategy (2020 – 2024)</b>	the Housing Strategy works alongside existing Council plans, policies and strategies, providing a framework for the delivery of SKDC's housing priorities
<b>Allocations Policy 2019</b>	under review





# South Kesteven Housing Stock

Figure 5: Peterborough Sub – Regional 2014 Strategic Housing Market Assessment (SHMA)  
(source: Census 2011) – Tenure

Owner occupied	Shared ownership	Social Rented	Private Rented	Living Rent Free
69.4%	c.1%	13.4%	14.6%	c.1%

Figure 7: Peterborough Sub – Regional 2014 SHMA (source: Census 2011) – House Types

Detached	Semi-detached	Terraced	Flat/Maisonette	Other
42%	31%	18%	8%	1%

Table 7: Peterborough Sub – Regional 2014 SHMA (source: Census 2011) – House Sizes by Tenure

Size	Owner occupied		Social rented		Private rented		Total	
	Number	%	Number	%	Number	%	Number	%
1 bedroom	645	1.6	1,249	16.2	1,189	12.7	3,083	5.4
2 bedrooms	6,998	17.4	3,067	39.8	3,554	38.1	13,619	23.7
3 bedrooms	19,000	47.1	3,066	39.8	3,492	37.4	25,558	44.6
4 bedrooms	10,520	26.1	253	3.3	832	8.9	11,605	20.2
5 + bedrooms	3,148	7.8	66	0.9	265	2.8	3,479	6.1
Total	40,311	100	7,701	100	9,332	100	57,344	100

## Housing Need and Demand

The annual affordable homes required in the South Kesteven Local Authority Area is 238 dwellings per annum  
 Source: 2017 update of the Peterborough Sub – Regional 2014 SHMA

The highest need is for 2 and 3 bedroom properties, as evidenced in the table below.

1 bed	2 bed	3 bed	4 bed
20-25%	40-45%	25-30%	5-10%

## Affordability

### ***Lower quartile house price to income ratio***

Recorded as being 7.2 in 2012 in the Peterborough Sub – Regional 2014 SHMA (figure 42).

### ***Estimated proportion of households with insufficient income to afford market housing without subsidy/savings***

Recorded as being 33.1% taken from table 41 of the 2014 SHMA  
 source: online estate and letting agents survey October 2013 and GL Hearn income modelling).

### ***Minimum household income needed for the following:*** source: information taken from the 2014 SHMA Table 39

Lower quartile purchase price	£37,100
Lower quartile private rent	£19,400
Affordable rent	£15,500
Lower quartile social rent	£13,400

Source: Online Estate and Letting Agents Survey (October 2013) and CORE

**Net need within different affordability categories**

Estimated net need for equity-based products	Net need from households which could afford more than existing social rents but not equity products	Net need from households who cannot afford more than existing social rent levels
20%	56%	24%

Source: SHMA 2014 (table 56)

The calculations are based on 3.5 times household income for house purchase and 30% of gross income to be spent on housing for rented properties. The figures for house purchase are based on a 100% mortgage for the purposes of comparing the different types of housing and it should be recognised that 100% mortgages are not generally available and households would need to have a level of savings to pay a deposit and cover transactional costs to buy a home.

The private rents across the South Kesteven local authority area and the amount of local housing allowance which is paid, shows that private renting is not affordable to households who need welfare benefits for payment of rent (as shown in the tables below). In addition to this, many landlords will not rent a property to households on welfare benefits and ask for a guarantor for the rent, which many households do not have.

Lower Quartile Private Rents (per calendar month) across South Kesteven local authority area:

Studio	1 bed	2 bed	3 bed	4 or more bed
£347	£378	£515	£600	£830

Source: Valuation Office Agency - Private rental market summary statistics: October 2017 to September 2018

**Local Housing Allowance Rates**

South Kesteven local authority area is covered by four local broad rental market areas (used to calculate local housing allowance). These are Grantham and Newark; Lincoln; Lincolnshire Fens; and Peterborough. The following are figures are for March 2019:

	Shared accommodation rate	1 bed	2 bed	3 bed	4 bed
Mean Average of all Broad Rental Market Area per calendar month	£252.93	£365.83	£460.44	£528.21	£677.56

## 5. Recommended tenancies for private registered providers to use

Secure or assured tenancies are favoured by the council to provide security to households and create sustainable communities.

Fixed term tenancies to only be given on particular properties and households e.g. households without dependent children/in full-time education; households without vulnerable or elderly tenants; households on an income which exceeds the threshold to be eligible for South Kesteven District Council housing, as stated in the most recent version of the council's Allocations Policy. The recommendation is for a minimum of five years.

The council will offer a secure tenancy after the initial introductory period normally for a 12 month period. There may be some exceptions to this and it will instead offer a fixed term tenancy.

## 6. The types of tenancies the council will use

The council will offer a secure tenancy after the initial introductory period normally for a 12-month period. There may be some exceptions to this and instead offer a fixed term tenancy.

## 7. Fixed term tenancy renewals

### Circumstances be renewed:

- Households with dependent children in full time education or on an apprenticeship
- Tenants with vulnerable household members e.g elderly and people with physical disabilities, severe and enduring mental ill-health or learning difficulties
- Tenants of hard-to-let properties
- Tenants on low income and with no or few assets
- Tenants on an income which exceeds the maximum level set in the council's Allocations Policy and/or who have a high level of assets
- Household under-occupying the property
- Household in a property with adaptations which are not needed
- Household does not fulfil the council's Allocations Policy criteria

### Will not be renewed:

- Tenants with large rent arrears (the threshold amount to align with the amount used by our Rents Team in the serving of a notice seeking possession of the property)
- Tenants or household members causing anti-social behaviour

## 8. Renewal of fixed term tenancies

If shorter, fixed term tenancies are granted, there needs to be a presumption of renewal of tenancy, so that the onus is on the landlord to justify refusing to extend the tenancy rather than requiring tenants to undergo a complicated re-application process.

## 9. Alternatives

- Use incentives for under-occupancy (financial incentive to downsize and signposting to any charities or support workers who can help with practical assistance in moving home)
- Support transfer of tenancy (e.g. mutual exchange and assignment)
- Encourage take-up of home ownership options (raise awareness)
- Continue to support the building of new homes

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