

# Tenancy Strategy and Affordable Housing Statement 2019

## **Introduction/Foreword**

Lambeth is a special place. Diverse, dynamic and full of excitement and opportunity, it attracts people from across the UK, Europe and the rest of the world who want to make it their home. This is to be celebrated, but our borough's desirability does mean that there is a lot of competition for housing which is expensive to buy or rent on the private market. We are clear that as the borough grows, we want to invest in our communities, strengthening their resilience and that the benefits of this growth are shared.

New affordable homes with secure and stable tenancies provided by ethical landlords is a fundamental component of how we can support a more resilient community. The Council is the largest single landlord but achieving good quality affordable homes for all residents in need is a shared endeavour. We have set up Homes for Lambeth to widen the council's scope to deliver new affordable homes but a far greater proportion of our targets will come from housing associations and other developers.

This document provides a position statement on the Borough's approach to providing residents with a range of affordable housing options, in a way which delivers Lambeth's Sustainable Growth and Inclusive Opportunity Strategy. The top priority for Lambeth is providing affordable homes for those furthest from accessing market, but we also need housing options for those otherwise forced out of the borough to seek affordable family housing and homes to buy.

This document also covers our obligations under the Localism Act 2011 to produce a Tenancy Strategy, setting out the broad objectives that all providers of affordable housing in the borough should have regard to when formulating their own tenancy policies.

Lambeth Council prefers the use of permanent tenancies within the Borough to contribute to building stable, cohesive and vibrant communities. We want our residents and their families to feel secure, with a long term connection to their neighbourhoods. It is now several years after the introduction of flexible tenancies and there is no evidence that they provide any benefits. They are very rarely, if ever enforced, and cause unnecessary worry for tenants. We are pleased that a number of Registered Providers have, or are considering, scrapping the use of flexible tenancies.

**1. Lambeth’s Position Statement on General Needs Affordable Housing Products**

Lambeth’s most recent Strategic Housing Market Assessment (SHMA) published in 2017 demonstrates the very high level of need for Affordable Housing. It shows that a household needs to have an income of over £57,000 per annum to be able to reasonably afford a two bed flat in Lambeth which compares unfavourably to a median household income of £38k (GLA Data Store). Applicants are allowed to access intermediate housing on incomes of up to £90,000 per year.

According to the SHMA, Lambeth requires a notional 1,500 new units of affordable housing each year to meet backlog and newly arising need. There is limited evidence that the substantial extra investment needed by boroughs to meet housing need will be provided by central government in the near future.

Analysis shows that shared ownership, as has been recently provided in Lambeth, can only meet a small proportion of absolute housing need.

In London, there is an overall benefit cap of £442 per week. The table below shows the amount ‘left’ for housing costs after deducting child benefit, child tax credit and income support for a typical single parent family.

New Benefit Cap	Amount “left for rent” based on out of work single parent per week			
	1 Child	2	3	4
£442	£284	£217	£150	£83

**Position Statements**

- A.** Rents should be kept as low as possible to reduce welfare dependency and employment disincentives.
- B.** We agree with the Mayor of London, that 80 per cent of market rent is not affordable and support the London Affordable Rent Benchmarks
- C.** For new developments that are not in receipt of grant, larger units should be charged at target rent levels, or equivalent, excluding service charges. Smaller units, 1 and 2 beds may be charged at up to the inner south east London Local Housing Allowance Levels inclusive of service charges (for the whole of the borough)
- D.** For intermediate housing, Lambeth supports the use of London Living Rents and community land trusts. Shared ownership or discount sales schemes must demonstrate affordability.
- E.** Access to intermediate properties is usually through the Homes for Londoners portal (or equivalent). Applicants are required to bid directly to developers or housing associations. Providers should allocate based on the following criteria (in order of priority)
  - Strategic Priorities
  - Social tenants currently living in Lambeth
  - Tenants owed a housing duty and placed into temporary accommodation by Lambeth Council
  - People who live and work in Lambeth
  - People who live in Lambeth
  - People who work in Lambeth
  - People who live or work in London

- F.** Eligibility criteria that apply to intermediate homes when they are first built should apply to subsequent re-sales / re-lets and continue to be affordable, aligned with the GLA's income thresholds.
- G.** Units let at the equivalent of London Living Rents should be made available via the Homes for Londoners (portal or equivalent). The remainder of the Discount Market Rent units let at a range of genuinely affordable rents should be made available through Lambeth Private Sector Solutions Service (or equivalent)
- H.** 'Strategic Priorities' – the council may award additional priority to meet specific housing needs.

There may be exceptions to these general rules for specific developments which will be agreed on a case by case basis.

## **2. The use of Permanent Tenancies**

**Vulnerable households whose circumstances are unlikely to change should be given permanent tenancies.** Registered Providers need to determine the details in their Tenancy Policies having regard to Lambeth's Tenancy Strategy but we think that those allocated permanent tenancies should, at a minimum, include older people, those deemed vulnerable or whose household requirement or size is not going to change.

We support the use of one year introductory / starter tenancies as a way of supporting households into longer term tenancy sustainment.

## **3. The Use of Flexible Tenancies**

As stated above, the Council believes that the provision of lifetime secure or assured tenancies is the best option and we will never use flexible tenancies for its own stock or in the council's 100% owned, 100% controlled company, Homes for Lambeth.

The Council recognises that due to a long standing lack of government investment there is a shortage of affordable housing particularly in relation to larger properties and accommodation for families. The high demand for, and lack of supply, of these properties, means some Registered Providers may use flexible tenancies to make best use of their stock and reduce under occupation.

The same principle can be true for households who are allocated properties that have been adapted to meet special needs.

In all cases we would expect that Registered Providers provide a guarantee of a suitable alternative property upon expiry of the flexible tenancy. This may include the offer of affordable home ownership accommodation where it presents a realistic option.

It is our expectation that the majority of tenancies will roll over.

## **4. Renewing Flexible Tenancies**

Flexible tenancies should not be used as means to deal with issues that could otherwise be resolved by good housing management. Any decision to terminate a tenancy should not be taken lightly and should be considered in the same way decisions are made during probationary tenancies.

When a household needs to move to a smaller property or move from a specially adapted property, a new tenancy should be offered for an alternative suitable property.

Our expectation is that the majority of tenancies will be renewed except in circumstances where the landlord is satisfied that the tenant's circumstances have changed to such an extent that the

tenant could reasonably be expected to find alternative suitable accommodation that is financially sustainable in the long term, such as buying their home through Right To Acquire, part-buy through an equity stake or moving out of the affordable housing sector. We will, where necessary, scrutinise the policies applied by Registered Providers to ensure that a reasonable criteria and test for such changed circumstances is applied.

Registered providers should be confident that residents can support themselves in alternative housing for the long-term before ending affordable housing tenancies.

## **5. Providing Advice and Assistance**

If using flexible tenancies, landlords must offer dedicated support and advice including maintaining regular contact with tenants and help with finding alternative accommodation.

The advice and assistance should be such that tenants will not need to approach Lambeth Council, as while the council has dedicated services aimed at helping residents in need, tenants should not find themselves being placed at risk of homelessness at the end of their flexible tenancy with an RP. We would encourage and expect RPs to be effective in tenancy sustainment and have robust policies in place to support this.