

Report to the Cabinet

Report reference: C-028-2012/13
Date of meeting: 22 October 2012



Portfolio: Housing
Subject: West Essex Tenancy Strategy - Adoption
Responsible Officer: Alan Hall (01992 564004)
Democratic Services Officer: Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

- (1) That the West Essex Tenancy Strategy, attached as an Appendix, be adopted; and
- (2) That the Director of Housing be authorised to make any minor amendments to the final version if necessary, as a result of any minor changes requested by the other two West Essex local authorities when they consider the adoption of the Tenancy Strategy.

Executive Summary:

The Council is required to produce a Tenancy Strategy by January 2013, setting out the Council's expectations of the types of tenancies that all Registered Providers (RPs) of Housing in their District will provide.

It has previously been agreed to produce a joint West Essex Tenancy Strategy with Harlow D.C. and Uttlesford DC. Following a consultation exercise on a draft version, the Cabinet is asked to adopt the final version, attached as an Appendix.

Reasons for Proposed Decision:

The Council is required by the Localism Act 2011 to produce a Tenancy Strategy by January 2013.

Other Options for Action:

- (1) Not to adopt the Tenancy Strategy – but the Council will need to make arrangements to ensure a Tenancy Strategy is adopted by January 2013 to comply with the Localism Act 2011, and will need to re-consult with RPs if the content is significantly different to the version already consulted upon.
- (2) To request minor changes to the Tenancy Strategy – although any changes will need to be agreed by the other two West Essex local authorities.

Report:

1. Under the Localism Act 2011, all local housing authorities must produce a Tenancy Strategy for their District by January 2013, which must set out (in our case) the District Council's expectations of the types of tenancies that all Registered Providers (RPs) of Housing (i.e. social landlords – councils and housing associations) in their District will provide (e.g. "lifetime" (secure / assured) tenancies or fixed term tenancies).

2. All RPs must "have regard" to the District's Tenancy Strategy when setting their own Tenancy Policy. Since the Council has its own housing stock, it must have regard to the Tenancy Strategy itself when formulating the Council's own Tenancy Policy too.

3. The Tenancy Strategy must set out the issues that RPs in the area should consider when formulating their own Tenancy Policies, including:

- The types of tenancies to be granted;
- The circumstances when different types of a tenancy will be granted;
- The length of any fixed term tenancies; and
- When fixed term tenancies will be extended or terminated and what will be taken into account.

4. In January 2012, the previous Housing Portfolio Holder agreed that the Council should work with Harlow DC and Uttlesford DC to produce a **Joint** West Essex Tenancy Strategy, under the auspices of the West Essex Housing Forum, to cover the whole of West Essex. The main benefits of this approach are that:

- There are already good joint working arrangements between the councils, covered within the West Essex Memorandum of Understanding;
- There are similar issues for each Council; and
- Costs and officer time are shared.

5. As a result, following the production of a Consultant's Brief and a subsequent competitive tender exercise, the three local authorities appointed a small consultancy - Jenkinsduval - to produce a joint West Essex Tenancy Strategy on the behalf of the three councils.

6. One of the requirements of the Localism Act 2011 is that local authorities must consult with all RPs in their area – and take account of their views - before adoption and publication. Accordingly, Jenkinsduval held a successful Consultation Event with all social landlords across West Essex on 19th June 2012. On the same day, it also held a separate (equally successful) Consultation Event with key stakeholders from across West Essex (CAB, homelessness groups, advice agencies etc).

7. Following these events, Jenkinsduval - working closely with officers from the three local authorities - produced a Consultation Draft of the proposed West Essex Tenancy Strategy and undertook a formal Consultation Exercise on the Consultation Draft with all RPs and other interested organisations. The Housing Scrutiny Panel considered the Consultation Draft on behalf of the Council, at its meeting held on 24th July 2012, and responded with just one minor comment (which has been incorporated in the final version). The Tenants and Leaseholders Federation also considered the Consultation Draft, at its meeting on 19th July 2012, but made no comments.

8. The Consultation Exercise has now ended, and Jenkinsduval has produced a final version of the West Essex Tenancy Strategy (taking account of the responses received) for adoption by the three local authorities in West Essex, which is attached as an Appendix.

9. As can be seen, the Tenancy Strategy:

- Is not too prescriptive – providing a broad, over-arching approach;
- Enables local flexibility in the three local areas, and amongst different RPs – recognising that different landlords and local authorities may want to do take different approaches;
- Enables social landlords to either provide fixed term tenancies or “lifetime” (secure / assured) tenancies as appropriate;
- Expects minimum 5 years terms if fixed term tenancies are provided;
- Sets out the expectations of the criteria to be used for reviews and renewals of tenancies; and
- Emphasises the importance of good timely advice at the review period.

10. The Cabinet is therefore asked to adopt the final version of the Tenancy Strategy. The appropriate executive bodies of Harlow DC and Uttlesford DC are also being asked to adopt the joint strategy around the same time. An oral report will be provided at the meeting on the position with adoption of the Tenancy Strategy by the other two local authorities.

11. With regard to the Council’s own Tenancy Policy – which will set out the Council’s approach to the provision of Council tenancies and whether or not the Council will use fixed term tenancies - following initial informal discussion amongst Cabinet members, the Housing Portfolio Holder has made a Portfolio Decision on the key principles that he feels should be adopted for the Tenancy Policy. Based on these key principles, officers are currently producing a detailed Draft Tenancy Policy, which will be considered in detail by the Housing Scrutiny Panel. The Scrutiny Panel will then be asked to recommend a final version of the Tenancy Policy to the Cabinet for adoption.

Resource Implications:

Nil – The cost of the consultant’s appointment was shared between the three local authorities and is within existing budgets.

Legal and Governance Implications:

The Council is required to produce a Tenancy Strategy by January 2013, to comply with the requirements of the Localism Act 2011.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

Two Consultation Events have been held, and all RPs and interested organisations in West Essex have been consulted on a Consultation Draft.

Background Papers:

Schedule of Consultation Responses.

Impact Assessments:

Risk Management

The risks to the Council are minimal.

Equality and Diversity

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? Yes

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? Yes

What equality implications were identified through the Equality Impact Assessment process?

There were no significant adverse implications.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

Yes



West Essex Tenancy Strategy

1. Introduction

The West Essex Housing Forum comprises Epping Forest, Harlow and Uttlesford District Councils, whose Leaders of Council have signed a Memorandum of Understanding relating to the way that they will work together. The Memorandum of Understanding states that, whilst each Council has its own sovereignty and characteristics, they are committed to working together to promote the interests of West Essex and to improve their organisational economy, efficiency and effectiveness.

This includes the need to work together to develop strategic responses to pan-West Essex, sub-regional and national issues. It also includes a commitment to always giving consideration to the West Essex Forum's approach to the influencing, commissioning and delivery of services for the benefit of the communities they serve, wherever it would facilitate best practice, best outcomes and best value.

The Localism Act 2011 requires local authorities to publish a Tenancy Strategy which, within 12 months of commencement of the Act being January 2013, must set out the matters to which registered providers are to have regard in formulating their policies relating to:

- The kinds of tenancies they grant;
- The circumstances in 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.

In view of the West Essex Housing Forum's Memorandum of Understanding, the Forum agreed to seek to develop and adopt one Tenancy Strategy that covers the three local authorities in West Essex. All Registered Providers (RPs) with housing stock in West Essex are expected to have regard to the West Essex Tenancy Strategy and local authorities' individual allocations schemes when formulating and implementing their own Tenancy Policies. This includes the three local authorities themselves, all of whom have retained their housing stock.

The Government is enabling providers of social housing with the option to use flexible tenancies also known as fixed term tenancies, which in most cases will be for a minimum period of 5 years. This recognises that currently in some cases, tenancies granted by local authorities or Private Registered Providers are provided to meet an immediate need, such as overcrowding or homelessness, which may change in the future resulting in homes becoming under-occupied or being occupied by tenants who could afford to buy a home or rent privately. The use of flexible tenancies could help meet an immediate need, but not necessarily provide a tenancy for life.

This Tenancy Strategy meets the statutory requirement of the Localism Act 2011 for the three local authorities in West Essex to produce a Tenancy Strategy.

2. Aims & Objectives

Aims

This Tenancy Strategy has been produced to give guidance to Registered Providers on the Councils' expectations of their own tenancy policies. Each Council will also produce its own tenancy policy and will make its own decision on whether it lets its own tenancies on a fixed term.

Councils understand that some Registered Providers wish to use fixed term tenancies.

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 RPs must 'have regard to' our Tenancy Strategy in developing their own Tenancy Policies. In addition, private RPs 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 until 2015, which means they will already have plans in place. However, we ask that RPs in West Essex 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, our Tenancy Strategy and local allocations/tenancy policies .

Objectives

1. To fulfil the statutory requirement to publish a Tenancy Strategy, following consultation with stakeholders;
2. To ensure that affordable housing meets locally, identifiable housing need;
3. To provide guidance and direction to RPs regarding their use of social and affordable housing tenancies;
4. To set out clearly to partner agencies and others, the expectations of the West Essex Housing Forum in relation to the use of flexible tenure;
5. To indicate to home seekers what they can expect from their fixed term tenancy, if one is granted, including arrangements for statutory reviews;
6. To provide a framework for working in partnership over flexible tenure, including establishing a joined up approach and joint governance arrangements;
7. To ensure that local authorities have regard to the Tenancy Strategy when reviewing its allocations policies and exercising its housing management functions; and
8. To keep the Tenancy Strategy under review.

Strategic Links

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

	Links
Allocations policy	Information about how applicants are prioritised for social rented housing can be found in each of the Councils' own Housing Allocations Schemes. 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.

CBL framework	Irrespective of tenure type, all properties will continue to be advertised through our choice based lettings frameworks. The kind of tenancy will be clearly indicated on the property advert.
Homelessness Strategy	The local authorities' most recent Homelessness Strategies, seek 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 fell significantly between 2003 – 2010, during the same period the number of households who were prevented from becoming homeless increased. Use of various tools to help people access accommodation in the private rented sector was the most successful method of finding alternative accommodation before someone became homeless. RPs should have regard to the Forum's Homelessness Strategies in framing their Tenancy Policies.
Housing Strategy	The individual Housing Strategies for each authority set out the detail of local housing supply, and demand and establish how locally, these two will be matched. RPs should also have regard to the Forum's Housing Strategies in framing their Tenancy Policies.
Use of 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. The West Essex Housing Forum will 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 Register is the main access route into social housing in the three districts.
Government housing strategy "Laying the Foundations: A Housing Strategy for England"	<p>The Government's key housing policy goal is to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live. To accomplish this, the Government is seeking to:</p> <ul style="list-style-type: none"> • Achieve a wide choice of high quality homes, both affordable and market housing, to address the requirements of the community • Widen opportunities for home ownership and ensure high quality housing for those who cannot afford market housing, in particular those who are vulnerable or in need • Improve affordability across the housing market, including increasing the supply of housing and; • Create sustainable, inclusive, mixed communities in all areas, both urban and rural.

3. Governance

Each RP is responsible for its own individual Tenancy Policy.

It is proposed that the West Essex Housing Forum will establish a sub-group consisting of representatives of RPs and other key stakeholders. This group will support the West Essex Housing Forum in its role of monitoring and reviewing the effectiveness of this Strategy. 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. The first review meeting will be held 6 months after publication of the Strategy, and ongoing review arrangements will be timetabled thereafter.

4. 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. This will be one of the roles of the Sub-Group.

5. Tenancy Types

Use of tenancies

Where Register Providers wish to use flexible tenancies, we would expect them to be granted for a minimum term of 5 years. Those wishing to provide shorter tenancy terms of between 2-5 years will need to set out the circumstances in which these will be offered.

Tenancy reviews

We expect that RPs' tenancy policies will state that not less than 6 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 6 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 RPs' 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 this criteria will include issues such as;

- Under occupation – Generally, we would expect new flexible tenancies for under-occupied properties not to be granted, although an offer of smaller accommodation may be appropriate. We expect RPs 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, we 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 RPs will have different views and approaches on this matter. The Forum does not seek to specify a particular stance, but RPs' approach must be set out in their tenancy policies and Allocations 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) RPs 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 RPs 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.

RPs' 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 RP's 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.

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, we expect that in accordance with Section 107 (D) of the Localism Act 2011 a notice will be served in writing not less than 6 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 a 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 end of fixed term

Well in advance of a tenancy being terminated (at least six months), we expect that the RPs will offer advice and assistance to help the tenant find alternative housing. The nature of this support must be set out in each Tenancy Policy. This will include working proactively with the relevant local housing authority 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 affordable rented home.

The three authorities will work with RPs to produce a protocol on how RPs and the Councils will work together on cases that may not be renewed. This will be produced within the first 12 months of publication of the Strategy.

7. Consultation on this strategy

Two workshops, independently facilitated, and discussions with key local authority officers have assisted in producing this final version of the Tenancy Strategy.

A formal consultation was undertaken on a draft version of this Tenancy Strategy, prior to the production and adoption of the final version.

8. Publishing this Strategy

This Tenancy Strategy will be published by each of the three authorities. It will be:

- Available on each local authorities' website
- Available at each local authorities' principal office for inspection at all reasonable hours without charge by members of the public
- A copy will be available on request at Council Offices, on payment if required by the authority

The Strategy will be kept under review and may be modified or replaced from time to time by the West Essex Housing Forum. If a revised version is published with material changes, stakeholders will be consulted on a draft first. In reviewing the Tenancy Strategy, the West Essex Housing Forum will have regard to the relevant Allocations Scheme, Homelessness Strategy and Housing Strategy of the three West Essex local authorities.

Appendix 1 Glossary of terms

Term	Explanation
Affordable Homes Programme 2011-15	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.
DCLG - The Department of 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"
HCA – The Homes and Communities Agency	The national housing and regeneration delivery agency for England
Flexible Tenancy	Fixed term tenancy for a minimum of 5 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 Association	Independent, not for profit organisation providing affordable housing
Housing Forum	This meeting is made up from representatives from the three Councils and their partners to coordinate local decisions on Housing matters.
Housing Strategies	Both the Government (Laying the Foundations: A Housing Strategy for England) and Local Authorities 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 current coalition 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 RP's to have a Tenancy Strategy in place by March 2013.

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.
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 " <i>Market Rent: a guide for providers of Affordable Rented housing</i> "
Registered Social Landlords	Government funded not-for-profit organisations that provide affordable housing. They include housing associations, trusts and cooperatives.
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 Housing Regulator	The body responsible for regulating social housing. From 1st April 2012 this is the Regulatory Committee in the HCA.
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 converge rents by March 31 st 2012 so that similar rents are charged for similar properties. This has now been revised to 2015/16. 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.
West Essex Councils	This is a partnership of Epping Forest, Harlow and Uttlesford Councils.

Appendix 2 – Evidence base for the strategy

West Essex Market profile

Overview

The housing market area in which West Essex is located comprises, Brentwood Borough Council, Broxbourne Borough Council, East Herts District Council, Epping Forest District Council, Harlow District Council and Uttlesford District Council which are collectively called the London Commuter Belt (East)/M11 sub-region. West Essex is Epping Forest, Harlow and Uttlesford Councils.

West Essex has a population of approximately 272,102, with a population density of 1.75 people per hectare. This means that in terms of average density West Essex is well below the average at both the regional and national level (4.20 and 3.77 respectively).

74% of the housing stock is owner occupied
9% of the housing stock is privately rented
17% of the housing stock are affordable homes

Key Statistics

	Uttlesford	Harlow	Epping Forest
Population	72,438	78,768	120,896
Housing Stock overall	32,610	35,690	54,140
Average House Price (09)	£250,000	£160,000	£250,000

West Essex forms part of the London Commuter Belt M11 Housing Market assessment area. Information to support this appendix has therefore been taken from Census data, CLG data and the SHMA. The price of the average home purchased is nearly 7 times the average annual salary of the buyer.

The dominant **tenure** in the LCB area is owner-occupation (83%) of the total stock. Over 35% of the housing stock in Brentwood is owned outright (i.e. not subject to a mortgage) with slightly lower proportions in other Local Authority areas. Harlow has the lowest proportion at around 18%. The overall proportion of social rented housing in LCB is slightly higher than the English average but lower than the East of England average, although there are key differences between the authorities. Harlow has the highest proportion of social housing in the Eastern region (at 33.1% of all dwellings), while 15.4% of the dwelling stock of Epping Forest is social housing.

Based on population estimates from 2004, the Office of National Statistics estimate that the population of LCB (East)/M11 sub-region will rise to 620,000 by 2029. This would represent an 11% rise in the period 2004-2029 – an additional 62,000 people living within the study area. Of these, 12,200 are projected to be aged 85 or over with a further 44,200 aged 60-84 years.

The number of first time buyers is at a record low; 8 out of 10 first time buyers require financial assistance from family or friends and the average age of an un-assisted first buyer is 37. Social Housing Registers have almost doubled in the last 13 years and in West Essex we now have 12,600 households on the Housing Register.

The housing market in West Essex has experienced a bottoming out in house prices and some increase in sales volumes. Affordability and ability to access mortgage funding remain major issues.

There has been a marked switch in completions from flats to houses. In West Essex,

houses accounted for 68% of all completions in 2009-10, compared to 49% the year before.

Property transactions are a better indicator of the health of the housing market than prices. In the year to June 2010 transactions increased by 7% in the area, compared to a 2% increase in the East. However, levels remain about 40% of normal market volumes recorded in the decade to 2007.

Affordable rents

Since April 2011, the level of grant available from the Homes and Communities Agency (HCA), which provides public funding to deliver affordable housing, has reduced. This is expected to have an adverse impact on the ability of RPs to deliver new affordable homes in West Essex. In order to address this, the Government has enabled RPs to offer new tenants a new type of tenancy under the Affordable Rent regime.

This new tenure has its rents set at levels of up to 80% of local market rents, including service charges. This tenure is less affordable as rents are significantly higher than the traditional social or target rents. The Affordable Rent tenancies generate increased income for RPs and, in this way, reduce the level of capital subsidy required.

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 waiting list who are reliant on benefits to some extent are least able to afford.
- A proportion of social rented tenants on a Housing 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. Housing Benefit will generally allow households to access properties priced at 80% of market rents but would not be affordable for some property sizes in parts of Uttlesford and Epping Forest. Three changes to the benefit system could have more dramatic impacts on the ability of households to afford suitable accommodation: Universal Credit, the Benefit Cap and the localisation of Council Tax Benefit.

Unsuitable Housing

An example of unsuitable housing that often necessitates re-housing is **overcrowding**. In 2001, 5.5% of households in the sub-region lived in overcrowded conditions but there are significant variations by Local Authority and tenure. Overcrowding in the private rented sector was highest in Harlow at 15% of private tenants. There is very little overcrowding in owner occupied housing.

The SHMA has established that a high proportion of **BME households** experience overcrowding in West Essex. 24% of Bangladeshi, 22% of Black African and 20% of Chinese households across the SHMA area were overcrowded. In comparison, the lowest proportion of overcrowding was for the White British group at 5.1%.

Summary

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 course of 2010.

						Local Authority						
	Brentwood	%	Broxbourne	%	East Herts	%	Epping Forest	%	Harlow	%	Uttlesford	%
Market Housing												
1 bedroom	-	0.0%	100	5.9%	300	3.9%	-	0.5%	1,200	12.2%	-	1.0%
2 bedrooms	-	22.2%	700	31.1%	2,000	24.4%	600	31.6%	3,300	33.8%	800	19.4%
3 bedrooms	100	50.2%	1,100	49.0%	3,900	47.3%	900	47.1%	4,200	44.0%	1,900	46.7%
4 bedrooms	-	22.7%	300	11.7%	1,600	19.7%	300	17.2%	800	8.6%	1,100	25.9%
5+ bedrooms	-	4.9%	100	2.2%	400	4.7%	100	3.7%	100	1.5%	300	6.9%
Sub-total	200	100%	2,300	100%	8,300	100%	2,000	100%	9,700	100%	4,200	100%
Intermediate Affordable Housing												
1 bedroom	300	14.9%	200	26.0%	1,900	36.2%	200	12.1%	-	-	800	31.4%
2 bedrooms	900	40.9%	300	33.9%	1,600	30.6%	800	42.7%	-	-	900	32.7%
3 bedrooms	800	38.6%	300	35.4%	1,500	28.7%	700	39.5%	-	-	800	30.5%
4 bedrooms	100	4.8%	-	4.0%	200	3.8%	100	4.8%	-	-	100	4.4%
5+ bedrooms	-	0.9%	-	0.7%	-	0.8%	-	0.9%	-	-	-	0.9%
Sub-total	2,100	100%	900	100%	5,100	100%	1,800	100%	-	-	2,600	100%
Social Rented Housing												
1 bedroom	300	36.3%	600	38.8%	600	41.1%	1,000	40.0%	800	38.0%	400	34.6%
2 bedrooms	400	41.1%	600	35.6%	600	31.8%	800	28.1%	1,000	37.0%	400	34.7%
3 bedrooms	200	20.4%	400	22.8%	500	24.6%	1,000	27.9%	700	22.4%	400	27.4%
4 bedrooms	-	1.8%	-	2.4%	-	2.1%	100	3.7%	100	2.4%	-	2.8%
5+ bedrooms	-	0.3%	-	0.3%	-	0.4%	-	0.3%	-	0.3%	-	0.5%
Sub-total	1,000	100%	1,600	100%	1,800	100%	2,900	100%	2,500	100%	1,300	100%
All Housing												
1 bedroom	600	15.4%	1,000	17.9%	2,800	14.8%	1,200	17.7%	2,000	15.9%	1,300	12.2%
2 bedrooms	1,300	35.1%	1,600	33.4%	4,200	26.7%	2,200	32.3%	4,200	35.1%	2,100	24.6%
3 bedrooms	1,100	37.4%	1,900	39.4%	5,900	40.8%	2,700	38.4%	4,900	40.3%	3,200	40.5%
4 bedrooms	200	10.0%	300	7.8%	1,900	14.3%	500	9.8%	900	7.4%	1,200	18.0%
5+ bedrooms	-	2.1%	100	1.4%	400	3.3%	100	1.9%	100	1.2%	300	4.7%
Total	3,200	100%	4,800	100%	15,200	100%	6,600	100%	12,200	100%	8,100	100%

Source

<http://neighbourhood.statistics.gov.uk>

Sub-regional SHMA

Housing Strategies

Core Strategies