

Worcester City Council

Tenancy Strategy

Updated 2017

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1. Introduction

- 1.1 The Localism Act received Royal Assent on the 15th November 2011. The Act is designed to shift power and the decision-making process on a range of matters from Whitehall to local councils, communities and individuals.

The Localism Act has a number of clauses relevant to housing including local authorities and other social landlords being able to grant fixed term tenancies with limited security of tenure. The Act also contains changes to the allocation of social housing, the law relating to homelessness and the abolition of the housing revenue account subsidy.

- 1.2 The Localism Act also requires local authorities to publish a Tenancy Strategy within 12 months of the enactment of the Act. This strategy must be produced in consultation with social landlords, tenants, and voluntary and community groups.
- 1.3 There is only one local authority within Worcestershire, Redditch Borough Council which still owns and manages its own housing stock. Therefore the Tenancy Strategies to be produced in Worcestershire will provide guidance to the Registered Providers (RPs) operating in the county on what the Worcestershire district councils expect them to consider when developing their own tenancy policies.
- 1.4 Building on our strong and long established working relationships within the County, this document has been developed collaboratively between the six district councils in our strategic role and our registered providers and other key stakeholders. The strategy sets out a consistent framework and agreed set of principles across the county; each individual local authority will also provide more detailed guidance setting out their own specific principles according to their local conditions and need.

2. Background Policy

2.1 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 achieve this, the Government is seeking to:

- 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 by increasing the supply of housing and;
- Create sustainable, inclusive, mixed communities in all areas, both urban and rural.

Definitions of Affordable Housing

2.2 The National Planning Policy Framework (NPPF) (June 2011) as amended by the Housing and Planning Act 2016 defines and includes 4 types of affordable housing:

- a) Social Rented housing – Prior to the introduction of the new Affordable Rented tenure, social rented was the main delivery model provided by Registered Providers and refers to housing that is subject to strict rent controls, which are around 50% of the market rents. Generally Social Rented properties are made available on longer term Assured tenancies which have a high degree of tenant security.
- b) Affordable Rented tenure - This is rented housing made available with rents of up to a maximum of 80% of market rent. These properties may be available on fixed term tenancies pursuant to the Act.
- c) Intermediate housing – This includes any form of housing available for low cost purchase via shared ownership and shared equity.

- d) Starter homes, which is a new home available for first time buyers between the age of 23 and 40 years of age. Starter homes are to be sold at a discount of at least 20% of the market value and always for less than £250,000 outside of Greater London (and £450,000 in Greater London) Starter homes are going to be “affordable housing” for the purposes of the National Planning Policy Framework and, therefore will count towards Councils’ affordable housing targets as well as the provision of “affordable housing” by developers under Section 106 Agreements.
- e) The Housing and Planning Act (2016) also introduced the following changes to existing housing legislation:
- Extending the Right to Buy to housing associations tenants (initially via a voluntary pilot)
 - Legislating for the sale of ‘higher value’ vacant council homes to fund the extension of the Right to Buy and for every dwelling sold, utilising some of the capital receipt to fund development of replacement dwellings within the Council boundaries.
 - Introducing mandatory rent increases for ‘high income’ tenants in council housing under the ‘Pay to Stay Policy’
 - Phasing out secure tenancies for life for local authority tenants
 - Reforming the planning system and placing a general duty on local authorities to promote the supply of Starter Homes, which will be counted as ‘affordable housing’ on new build developments
 - Empowering local authorities to tackle rogue landlords and letting agencies in the Private Rented Sector by giving them powers to identify, ban and fine repeat offenders, as well as seize or control their property
 - Introducing mandatory electrical safety checks to protect tenants
 - introducing measures to protect client’s monies in private renting
 - Introducing measures to deregulate housing associations to give them greater powers and freedoms

Delivery of New Homes

- 2.3 Alongside the requirements of the Localism Act, the Homes and Communities Agency (HCA) has agreed programmes for the delivery of new affordable housing via the National Affordable Housing Programme (NAHP) over the next 4 years with Registered Providers and local authorities as part of their continuous market engagement strategy.
- 2.4 The level of subsidy provided by the HCA for new affordable homes has significantly reduced due to cuts in Central Government funding and the ability for RPs to deliver with the reduced availability of grant has to be made up in the following ways:
- All new homes built for rent with HCA subsidy are expected to be offered at affordable rents: up to 80% of the market rent. This has been envisaged to compensate for the reduction in grant rate, as RP will be able to increase their borrowing as a result of greater rental income. Therefore, HCA investment will be increasingly be to 'pump prime' developments.
 - In addition, RPs are offering to increase rents on a percentage of re-let properties. This will be alongside the continuation of rent restructuring of Local Authority, RP and private sector rents.
 - They have also been encouraged to take a more pro-active approach to managing their stock, including the disposal of higher valued stock where this will bring funds to invest in new homes.
 - The HCA are also proposing in their business plan to invite RP's to consult on future ways in which it and RP's can work strategically to secure greater investment in affordable housing delivery.
- 2.5 Worcester City Council is committed to maximising the delivery of affordable housing within the City and will work with RP partners to enable additional delivery of affordable housing wherever possible. This may include a review of City Council land and property assets, commuted sum funding and New Homes Bonus funding.

Further to the above, the Council has agreed to work with RP partners to progress three affordable housing developments on City Council owned sites at Ambrose Close, Tintern Avenue and Hopton Street. At present, development is ongoing on Ambrose Close and Tintern Avenue, both with an expected completion date of 2018. The Council has also provided direct New Homes Bonus investment into a site at Rose Bank to overcome viability pressures on the scheme to secure on site affordable housing in lieu of a commuted sum to the benefit of City residents.

3. Aims and Scope of the Strategy

Aims and Objectives

- To ensure that affordable housing meets local housing need
- To provide guidance and direction to RP partners in the development of their tenancy policies
- To provide a framework for up to date knowledge of the housing market in Worcestershire that can then be used to inform policy and practice
- To indicate to tenants and prospective tenants what they can expect from their tenancy

Scope

The strategy will provide guidance to RPs in the following areas:

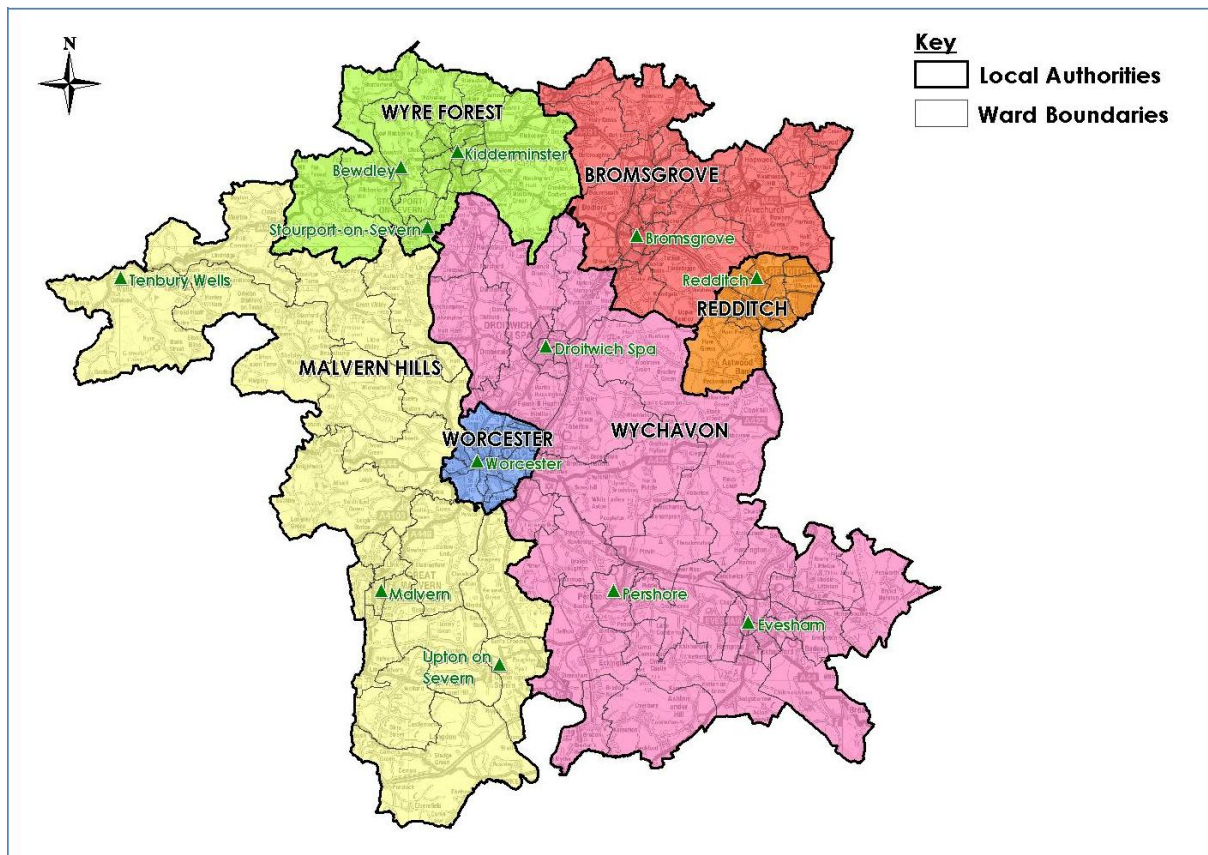
- The kind of tenancies that they grant,
- The circumstances in which different tenancies should be granted
- The length of fixed term tenancies
- The criteria to consider when reviewing tenancies at the end of the fixed term
- How disposals of stock should be managed
- How the Worcestershire district councils will give consideration to new government guidance in relation to allocations of social housing.

3.2 Although local authorities are not required to include an assessment of affordability in their Tenancy Strategy, the Worcestershire district councils recognise the importance of ensuring that affordable housing continues to be available and accessible to those who need it most and must therefore

remain affordable, as defined by locally defined thresholds. The Worcestershire Strategic Housing Market Assessment published in 2012 by GVA Grimley (and updated by the County Council annually between 2013-2016) provides a detailed assessment of income and affordability in each district area and this information will be used to determine each district's guidance to RPs in their area.

- 3.3 The strategy will also set out the local authorities' approach to maximising the use of private rented sector tenancies, particularly in relation to the new power to discharge homelessness through this tenure.
- 3.4 The strategy has been developed as a result of consultation with a range of partners and stakeholders, including RPs, Social Care, Primary Care Trusts, local councillors and voluntary and community organisations. Also key to the development of the principles underpinning this strategy was an examination of the nature of the housing market across the county of Worcestershire., looking at detailed information around the issues of need, supply and affordability locally.

4. The County of Worcestershire in Context



Source: GVA 2011 (Worcestershire SHMA)

- 4.1 Worcestershire is a large and diverse county, including both urban areas, market towns and rural areas, all of which present different issues in terms of availability, accessibility and affordability of accommodation. The county covers an area of 173,592 hectares with much of this being rural and sparsely populated.
- 4.2 Worcestershire is a two tiered authority area, with a county council and 6 local councils comprising of a city council, a borough council and 4 district councils. The only local authority to have retained its housing stock is Redditch Borough Council; the other 5 local authorities have all transferred their housing stock to housing associations but continue to have a strategic housing responsibility.

- 4.3 The population of Worcestershire was estimated to stand at 588,000 in 2017 (Source – ONS 2017).
- 4.4 The County has seen 8.1% growth in its population since 1991, above average for the West Midlands but on a par with the national growth rate. The Worcestershire SHMA 2012 and annual updates shows that the population will continue to grow over the next 20 years, with a significant growth in the older people population in particular areas and continued in-migration from the West Midlands conurbation and the South East. Worcester will also continue to see expansion of the student population and housing market and competition between this and private sector ownership and leasing markets.

Worcestershire Vision

- 4.4 The vision of the Worcestershire Housing Strategic Housing Partnership Plan 2017 is:
- 4.5 **“To create the *right* home environment for Worcestershire residents that is essential to their health, wealth and wellbeing, throughout life”**
- 4.6 This means that we want every household in Worcestershire to be able to access housing that suits their needs and circumstances when they need it. It is implicit in the vision that we want all housing to reach an appropriate standard, currently the Decent Homes Standard, and that the right home means one that is affordable to the household’s budget. However, we do not mean that changing household circumstances should always result in the need to move home. Our vision embraces a much wider approach which always involves a housing options assessment to ensure household needs are met.

4.7 How our Worcestershire Housing Strategy Goals link to the Tenancy Strategy:

	Worcestershire Housing Strategy Goals	Tenancy Strategy Issues
1	Improve homes and, “transform places”	<p>The Tenancy Strategy will set out the local authorities’ approach to using different types of tenancy, enabling mobility and discharging its homelessness duty to maximise the use of the existing housing stock in the county, including both social and privately rented homes</p> <p>The Tenancy Strategy will set out the local authorities’ approach to ensuring that the affordable rent model can be used to maximise new affordable housing delivery whilst ensuring that homes remain affordable for local people in housing need.</p>
2	Drive the growth of the right type of homes to promote opportunity	

	Worcestershire Housing Strategy Goals	Tenancy Strategy Issues
3	Create a partnership approach to enable people to live as independently as possible (prevention/early intervention)	<p>The tenancy strategy will set out the local authorities' approach to:</p> <ul style="list-style-type: none"> • ensuring that adequate and timely advice and assistance is given to households whose tenancies are not renewed at the end of the fixed term • maximising the use of adapted properties through the use of fixed term tenancies • linking the review of tenancies with support and tenancy sustainment not homelessness

5. Profile of Housing Supply and Need in Worcestershire

5.1 There are currently 249,730 dwellings in Worcestershire. The Worcestershire Strategic housing Market Assessment 2012 (partially update during 2014 and full update planned for 2019) shows that the largest proportions of dwellings in the County are either detached (33.7%) or semi-detached (33.5%). Terraced housing only accounts for a significant proportion of the total stock in Redditch and Worcester, 27.2% and 23.1% respectively, in the latter reflecting the urban nature of much of the city. The designation of Redditch as a new town between 1964 and 1985 also involved a significant amount of high density terrace style properties which served to increase the proportion of this stock type.

5.2 A full breakdown of the housing stock by type across the County is provided Figure 1:

Fig. 1 Housing Stock by Type in Worcestershire

Type of Dwelling	Bromsgrove	Malvern Hills	Redditch	Worcester	Wychavon	Wyre Forest	Worcester shire
Detached	37.5%	44.2%	26.9%	22.2%	41.5%	29.9%	33.7%
Semi-detached	36.5%	31.2%	30.1%	35.1%	30.1%	37.5%	33.5%
Terraced	14.6%	11.0%	27.2%	23.1%	16.9%	18.8%	18.7%
Flats / Other	11.4%	13.6%	15.7%	19.6%	11.4%	13.8%	14.2%

Source: Census, 2011

5.3 The tenure breakdown of the stock in each district is shown in Figure 2:

Fig. 2 Dwelling Stock by Tenure

Tenure	Census	Bromsgrove	Malvern Hills	Redditch	Worcester City	Wychavon	Wyre Forest	Worcestershire
Owner Occupier	2001	83.0%	74.8%	70.6%	72.6%	76.0%	75.7%	75.5%
	2011	79.5%	71.9%	65.7%	64.4%	72.7%	70.6%	70.8%
Shared Ownership	2001	0.4%	0.7%	0.3%	0.9%	0.4%	0.5%	0.5%
	2011	0.6%	0.8%	0.4%	1.0%	0.5%	0.6%	0.7%
Social Rent	2001	10.6%	13.8%	22.7%	15.4%	14.9%	14.8%	15.2%
	2011	10.0%	14.1%	21.2%	15.3%	14.5%	14.4%	14.8%
Private Rent	2001	4.3%	8.6%	4.3%	9.3%	6.5%	6.8%	6.7%
	2011	8.8%	11.5%	11.7%	18.2%	11.0%	13.2%	12.5%

5.4 In terms of social rented stock there has been a slight decrease in the amount of people socially renting, dropping from 15.2% to 14.8% and a drop in home ownership of 5.5%. There has been an increase in the use of the private rented sector, its usage increasing across the board from 2001 to 2011 and in Worcester City the private rental sector overtook the socially rented sector as the second most dominant tenure.

5.5 Right to buy activity has continued to reduce this proportion with approximately 35,000 properties being sold from 1994 to 2017. New properties have, however, also added to the social housing stock.

Fig. 3 Social Housing Stock by District and Size

5.6 The social housing stock in the county is split by district and size as follows:

District	Tenure	Number of Bedrooms				
		1	2	3	4	5 or more
Bromsgrove	Social	35.3%	28.9%	33.0%	2.3%	0.5%
	Private	4.1%	17.9%	46.8%	23.9%	7.3%
Malvern Hills	Social	31.0%	35.6%	30.1%	2.7%	0.6%
	Private	4.8%	23.0%	40.5%	23.1%	8.6%
Redditch	Social	37.8%	28.4%	30.3%	2.8%	0.7%
	Private	6.0%	18.2%	51.1%	20.8%	4.0%
Worcester	Social	31.7%	29.7%	35.3%	2.5%	0.9%
	Private	8.7%	24.3%	46.0%	16.8%	4.1%
Wychavon	Social	29.5%	33.9%	33.3%	2.8%	0.5%
	Private	5.0%	21.4%	40.6%	25.5%	7.5%
Wyre Forest	Social	31.6%	32.7%	32.8%	2.2%	0.7%
	Private	5.7%	24.2%	49.2%	16.7%	4.1%

Source: Census, 2011



- 5.7 Nearly a third of social housing stock is made up of one bedroom properties of which the majority are flats. Of the large proportion of one bedroom properties, 45% are either sheltered bedsits or flats. Redditch has a particularly high proportion of one bedroom properties (37.8%), whereas Wychavon has by the lowest (29.5%).
- 5.8 31% of the social housing stock is made up of two bedroom properties, split between flats and houses and bungalows. Three bedroom houses account for over a third of the social housing stock, almost all of which are houses. Nearly half of Wyre Forest's social housing stock is made up of 3 bedroom properties.
- 5.9 Four bedroom and larger houses make up just 2.3% of the overall stock. Redditch has the highest proportion of 4+ bedroom properties and Malvern Hills the lowest.

Fig. 4 Social Housing Lettings 2016/17

Lettings (Bedrooms)	Bromsgrove	Malvern Hills	Redditch	Worcester	Wychavon	Wyre Forest
0/1 Bedroom	48%	46%	57%	51%	49%	48%
2 Bedrooms	36%	37%	27%	32%	35%	35%
3 Bedrooms	14%	17%	14%	16%	16%	16%
4+ Bedrooms	2%	1%	1%	1%	1%	1%
Total Lettings	309	291	574	512	484	526

5.10 In total, there were 2,122 social lettings to households on the waiting list across Worcestershire during 2016/17. The majority of lettings were to smaller 1 and 2 bedroom properties, with only an average of 17% of lettings being to 3 and 4+bedroom properties.

Housing Need

5.11 There are nearly 13,500 households on waiting lists for social housing in Worcestershire.

5.12 The following tables show a breakdown of these households:

Fig. 5 Households on the Waiting List by Household Type

District	Total Households	Singles	Couples	Families	Pensioners	Other
Bromsgrove	1894	22.8%	5.3%	33.4%	24.2%	3.2%
Malvern Hills	1724	28.4%	9.8%	33.4%	24.2%	4.1%
Redditch	1895	N/A	N/A	N/A	N/A	N/A
Worcester	2773	34.6%	6.3%	43.1%	12.8%	3.2%
Wychavon	2159	25.9%	8.3%	36.4%	26.1%	3.1%
Wyre Forest	2936	25.7%	5.9%	38%	27.6%	2.6%
Worcestershire	13,381					

Source: Housing Waiting Lists, GVA Analysis 2016

5.13 This data shows that the household type most frequently requiring affordable housing are family households, followed by single person households.

Fig. 6 Households on the Waiting List by Age

Local Authority	18-24	25-34	35-54	55+	Under 18
Bromsgrove	13%	28.5%	32.6%	25.8%	0.1%
Malvern Hills	11.5%	22.5%	29.9%	36.1%	0.1%
Worcester City	14.3%	29.1%	36%	20.3%	0.3%
Wychavon	14%	26%	28.9%	30.8%	0.4%
Wyre Forest	13.1%	24.5%	29.5%	32.8%	0.1%

Source: Local Authority Waiting Lists

5.14 This data shows that the age group most frequently requiring affordable housing are 35-54 year olds, followed by 25-34 year olds. 14.13% of households are single and under the age of 35 and as such will be only be entitled to the shared room rate on housing benefits for the private sector, social sector and in supported housing, making affordability of accommodation more of a challenge for those on benefits and low pay.

Fig. 7 Households on the Waiting List by Tenure

District	Living with parents / relatives		Sharing or lodging		Private renting		Home owner		Socially renting		Tied accommodation	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Bromsgrove	412	21.8%	69	3.6%	443	23.4%	133	7%	608	32.1%	14	0.7%
Malvern hills	311	18%	60	3.5%	429	24.9%	82	4.8%	697	40.4%	7	0.4%
Worcester City	485	17.5%	244	14.2%	769	27.7%	88	3.2%	1019	36.7%	15	0.5%
Wychavon	403	18.7%	68	3.1%	421	19.5%	149	6.9%	883	40.9%	13	0.6%
Wyre Forest	427	14.5%	143	4.9%	681	23.2%	321	10.9%	1043	35.5%	16	0.5%

5.15 This table illustrates the pressures on households in market tenures, with a relatively high demand from other tenures, in particular the private rented tenure. There are also significant numbers of households on the waiting list who are seeking to transfer from a social housing tenancy.

Fig. 8 Households on the Waiting List in 'Significant Need'

5.16 Households in 'Significant Need' are defined as those households in bandings of Silver and above on the two choice based lettings schemes in Worcestershire; Home Choice and Home Choice Plus.

District	Households in 'Significant Need'	Proportion of Total Waiting List (Authority)
Bromsgrove	336	17.7%
Malvern Hills	719	41.8%
Redditch	1814	95.7%
Worcester	1193	43%
Wychavon	777	35.9%
Wyre Forest	976	33.2%
Worcestershire	5,815	43.5%

Source: Housing Waiting Lists, GVA Analysis 2011

5.17 There are a total of 5,815 households categorised as having a significant level of need for affordable housing, representing approximately 44% of the total number of households on waiting lists across Worcestershire.

5.18 Of those households in significant need on the waiting list, their estimated property size requirements are as follows:

Fig. 9 Estimated Property Size Requirements and one bedroom need household split

District	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Bromsgrove	991 52.3%	588 31%	244 12.9%	72 3.8%
Malvern Hills	1055 61.3%	473 27.5%	150 8.7%	44 2.6%
Redditch	N/A	N/A	N/A	N/A
Worcester	1521 54.9%	869 31.3%	283 10.2%	99 3.6%
Wychavon	1283 59.3%	612 28.3%	203 9.4%	65 3%
Wyre Forest	1708 58.1%	837 28.5%	306 10.4%	88 3%

District	Sheltered	Single	Couple	Household member pregnant	Other
Bromsgrove	333 33.6%	429 43.3%	96 1%	42 4.2%	90 9%
Malvern Hills	382 36.2%	482 45.7%	157 14.9%	29 2.7%	3 0.3%
Redditch	N/A	N/A	N/A	N/A	
Worcester	344 22.6%	947 62.3%	173 11.4%	56 3.7%	1 0.1%
Wychavon	522 40.7%	550 42.7%	167 13%	41 3.2%	0 0%
Wyre Forest	741 43.4%	747 43.7%	161 9.4%	47 2.80%	8 0.5%
Total	2322 35.4%	3155 48.1%	754 11.5%	215 3.3%	102 1.6%

5.19 There are slight variances in the size of affordable housing required going forward over the next five years within Worcestershire. Overall, however, a relatively consistent trend is evident; there is a predominant requirement for smaller 1 and 2 bedroom dwellings across all authorities within Worcestershire. Of the one bedroom properties, the highest demand is for one bedroom properties for single people, followed by one bedroom properties for older households, those aged 55+ and those with medical needs.

5.20 Households where a member is more than 25 weeks pregnant make up a relatively small demand for one bedroom properties. However, there is still a continued requirement for 3 and 4+ bedroom units in all districts; these size units do not become available as frequently as smaller units (see fig. 4), which have a much higher turnover. It is therefore important

that larger units continue to be developed to meet the needs of families and to enable move on from smaller units for single and couple households.



5.21 Taking into account the levels of need and supply of affordable housing in the county, the Worcestershire SHMA published in 2012 has concluded that there is an annual requirement for an additional 1,441 affordable rented properties and 303 intermediate properties in Worcestershire on an annual basis over the next 5 years.

5.22 Figure 10 below shows how this requirement is broken down by district and affordable tenure:

Fig. 10 Annual Affordable Housing Need over next 5 years

Table 58: Annual Affordable Housing Need (5 Years) by Affordable Housing Type (Intermediate/Social Rent)

District	Total Need	Social Rented		Intermediate				
		Supply	Net Need (Total)	Net Need (%)	Total Need	Supply	Net Need (Total)	Net Need (%)
Bromsgrove	437	250	187	83%	71	32	39	17%
Malvern Hills	372	254	118	94%	40	32	8	6%
Redditch	513	205	308	95%	53	36	17	5%
Worcester	783	331	452	87%	85	15	70	13%
Wychavon	592	451	141	62%	120	33	87	38%
Wyre Forest	595	361	234	74%	111	29	82	26%
Worcestershire	3,293	1,852	1,441	83%	480	177	303	17%

Source: Worcestershire County Council Analysis 2013

6. Profile of Rents and Affordability in Worcestershire

6.1 This section provides information on the rent levels across Worcestershire for market, affordable and social rents and provides an assessment of each tenure's affordability relative to average household income in each district.

6.2 In assessing the affordability of different tenures, the following principles have been applied:

- Housing is considered to be affordable where the rent payable would constitute no more than 25% of a household's gross income
- Rent payable is defined as the entire rent due, even if it is partially or entirely met by housing benefit

- Annual social housing rents are calculated from an average taken of RSL rental levels (RSR dataset)
- A household income of £35,000 is the benchmark for entry into market housing across the authorities
- Income data has been derived from GVA SHMA 2012

Fig. 11 Average Monthly Private Rental Levels & Income Required by Property Size

District	Shared room rent	Income needed	Studio rent	Income needed	1 bed rent	Income needed	2 bed rent	Income needed	3 bed rent	Income needed	4 + bed rent	Income needed
Bromsgrove	£321	£15,408	N/A	N/A	£475	£22,800	£625	£30,000	£750	£36,000	£1,150	£55,200
Malvern Hills	£350	£16,800	N/A	N/A	£475	£22,800	£595	£28,560	£725	£34,800	£1,000	£48,000
Redditch	£350	£16,800	£350	£16,800	£485	£23,280	£620	£29,760	£675	£32,400	£910	£43,680
Worcester	£412	£19,776	£375	£18,000	£500	£24,000	£625	£30,000	£725	£34,800	£895	£42,960
Wychavon	£400	£19,200	£375	£18,000	£495	£23,760	£600	£28,800	£775	£37,200	£1,100	£52,800
Wyre Forest	£260	£12,480	N/A	N/A	£418	£20,064	£525	£25,200	£595	£28,560	£785	£37,680

Source: Private rental market statistics Valuation Office Agency May 2016, median rents

6.3 There is a relatively strong consistency across authorities in terms of rental levels. Worcester records a strong market for smaller properties, in particular 2 bed properties. Wyre Forest consistently records a lower monthly rental level across all property types.

Figure 12 Average Monthly Social Rental Levels & Income Required by Property Size

District	1 bedroom Apartment		2 bedroom		3 bedroom House		4 bedroom House		% of All Households Earning Less than £30,000
	Rent	Income Required	Rent	Income Required	Rent	Income Required	Rent	Income Required	
Bromsgrove	£275	£13,200	£319	£15,312	£346	£16,608	£379	£18,192	43%
Malvern Hills	£306	£14,688	£342	£16,416	£383	£18,384	£431	£20,688	51%
Redditch	£339	£16,272	£339	£16,272	£369	£17,712	£417	£20,016	50%
Worcester	£282	£13,536	£319	£15,312	£332	£15,936	£381	£18,288	53%
Wychavon	£293	£14,064	£337	£16,176	£369	£17,712	£394	£18,912	48%
Wyre Forest	£298	£14,304	£329	£15,792	£338	£16,224	£361	£17,328	55%

Source: RSR 'Guide to Local Rents Part II', 2011

6.4 As would be expected, there is a high level of consistency in social rental levels across the authorities.

Figure 13 Average Affordable Rent Levels (80% market rent) & Income Required by Property Size

District	1 bedroom Apartment		2 bedroom		3 bedroom House		4 bedroom House		% of All Households Earning Less than £30,000
	Rent	Income Required	Rent	Income Required	Rent	Income Required	Rent	Income Required	
Bromsgrove	£346	£16,627	£462	£22,195	£552	£26,496	£753	£36,134	43%
Malvern Hills	£388	£18,624	£457	£21,926	£528	£25,344	£540	£25,920	51%
Redditch	£362	£17,395	£461	£22,138	£535	£25,690	£938	£45,043	50%
Worcester	£394	£18,931	£486	£23,328	£557	£26,726	£790	£37,901	53%
Wychavon	£373	£17,894	£461	£22,138	£584	£28,032	£743	£35,674	48%
Wyre Forest	£320	£15,360	£400	£19,200	£486	£23,347	£636	£30,528	55%

Source: GVA, 2011

6.5 Having set out the rent levels for the three rental tenures, the following table shows the difference between the average social and affordable rent levels in each district by property size.

Figure 14 Difference between Monthly Social and Affordable Rent Levels by Property Size

District	Average (all properties)		(Monthly)	Average 3-Bedroom Properties		
	Social Rent	80% Market Rent	70% Market Rent	(Monthly)	80% Market Rent	70% Market Rent
Bromsgrove	£360	£542	£474	£390	£582	£510
Malvern Hills	£390	£502	£439	£429	£563	£493
Redditch	£351	£442	£386	£399	£507	£444
Worcester	£342	£454	£397	£373	£566	£495
Wychavon	£377	£547	£479	£416	£602	£526
Wyre Forest	£355	£425	£372	£377	£478	£419
Worcestershire	£364	£475	£416	£394	£546	£477

Source: VOA (2013), SDR (2013), Worcestershire Analysis, 2013

6.6 Figure 14 shows that the introduction of affordable rent as a replacement for social rent would generate significantly higher rental returns for RPs than traditional social rents. Worcester City in particular records the greatest average differential. This is likely to pose an affordability challenge to many households within lower income bands.

6.7 It is therefore essential that an analysis of affordability is considered in terms of access to affordable rent. The following table sets out the proportion of households in each district who would be unable to afford an affordable rent level:

Figure 15 Proportion of Households Unable to Afford Affordable Rent Housing

	% Unable to Afford 80% Market Rent, 1-	% Unable to Afford 80% Market Rent, 2-	% Unable to Afford 80% Market Rent, 3-	% Unable to Afford 80% Market Rent, 4-
District				
Bromsgrove	40.6	48.5	58.4	78.8
Malvern Hills	43.3	53.5	63.4	80.1
Redditch	41.5	52.3	57.3	72.1
Worcester City	44.7	55.4	64.5	73.5
Wychavon	43.9	53.9	65.3	82.3
Wyre Forest	42.3	53.1	60.2	76.2

Source: CACI PayCheck, Worcestershire Analysis 2013

- 6.8 The above calculation is based on the average incomes of households in Worcester City. It should be noted that affordable rent is housing benefit eligible and households who qualify for full housing benefit would therefore be able to afford a property let at affordable rent. However, Worcester City Council is concerned about the impact that higher rents may have on the ability of households to afford to enter employment, thereby acting as a disincentive to work. The City Council therefore considers that above figures most accurately reflect 'true' affordability.
- 6.9 These figures suggest that the effectiveness of affordable rent as a product to meet housing need will vary considerably across districts and property types and there will still be a need to ensure that the traditional, lower cost tenure of social rent continues to be provided to meet the needs of those households on lower incomes who are unable to afford affordable rent. In providing guidance to RPs on how the local authority

would prefer to see the affordable rent model utilised, each district will take into consideration the difference between the rent levels for social and affordable rent, the proportion of households unable to afford affordable rent, the Local Housing Allowance levels in the district, the stock profile and the specific demographics and geography of the district.

7. Principles for Registered Providers on Tenancy Policy

7.1 Having considered the nature of the housing supply, demand and need in the county, this section will set out the principles that the Worcestershire district councils expect RPs to have regard to when developing their own tenancy policy:

Tenancy Types

Background Information

7.2 The Localism Act enables RPs to let properties to new tenants using fixed term tenancies rather than lifetime assured tenancies. Fixed term tenancies should usually be offered for a minimum of 5 years, unless there is an exceptional reason to reduce the term to 2 years.

7.3 Fixed term tenancies can be offered at either social or affordable rent.

7.4 RPs are not obliged to offer fixed term tenancies and lifetime tenancies can continue to be offered.

7.5 At the end of the fixed term, the RP will have the option to review the tenant's circumstances and the conduct of the tenancy and can either terminate or extend the tenancy. RPs are required to develop and publish a Tenancy Policy and the criteria to be taken into account when deciding whether to extend or terminate a fixed term tenancy should be clearly set out in this policy.

7.6 Where a RP chooses to terminate a fixed term tenancy at the end of the period, the RP must give notice of their decision 6 months before the end

of the tenancy and must also ensure that the tenant is provided with advice and assistance with finding suitable alternative accommodation.

- 7.7 Existing allocation and nomination arrangements will continue, with properties offered on fixed term tenancies being advertised and let through existing schemes, e.g. choice based lettings schemes.
- 7.8 RPs will continue to be able to offer introductory tenancies.
- 7.9 Existing tenants will retain their security of tenure whether they remain in their current home or not. However, their rent may change if they move to a property which the RP has chosen to let at affordable rent levels.

Worcestershire Principles

- 7.10 The local authorities in Worcestershire welcome the introduction of fixed term tenancies as a means of ensuring that best possible use is made of the limited social housing stock in the county. However, it is essential that the use of fixed term tenancies should not undermine the sustainability of communities and neighbourhoods and care must therefore be taken in determining in what circumstances such tenancies will be offered and what review criteria will be applied at the end of the tenancy.
 - 7.11 The Worcestershire district councils consider that where flexible tenures are to be used, they should be offered for a minimum of five years in order to provide stability and security.
 - 7.12 It is also expected that unless there has been a significant change in circumstances following a review, the tenancy will be renewed for a further period. The circumstances in which a local authority considers a tenancy may not be renewed will be set out by each district according to their local conditions, but all RPs should ensure that they clearly publish the criteria and conditions they intend to apply to the allocation and review of fixed term tenancies and that this information should be provided to tenants prior to their tenancy commencement. RPs should also make clear whether they intend to terminate fixed term tenancies if any
-

or all of the specified conditions are met and in what circumstances they will renew a tenancy even though some or all of the conditions are met.

Overcrowding and Under-occupation

- 7.13 The Worcestershire Local Housing Authorities encourage landlords to take positive action to facilitate a move to more suitable accommodation where tenants' circumstances change, and their current home is too large or indeed where the accommodation is too small.
- 7.14 The proposed housing benefit restrictions on bedroom size being applied from April 2013 for working age households will add further pressure to ensure that properties are not under occupied.
- 7.15 The Home Choice Plus Allocations Policy awards priority to families who are overcrowded, and additional priority is given to those applicants who are living in severely overcrowded conditions.
- 7.16 The Home Choice Plus Allocations Policy also gives priority to Local Authority or Housing Association tenants in the Home Choice Plus area who apply to move to a smaller, or more appropriate type of property. Some districts also operate schemes which give additional incentives to under-occupying tenants who downsize from a family house to smaller accommodation.

Properties with Adaptations

- 7.17 It is important that properties with adaptations are used appropriately due to the limited resources available to meet a growing need for adapted properties. Many of the authorities in Worcestershire have a significant number of older people living in their locality and this figure is projected to increase. It is therefore important to ensure that if the circumstances or needs of a tenant with an adapted property change, meaning that they no longer require a property with an adaptation then the tenant will be moved to a more suitable property. The adapted property should then be allocated to someone requiring such an adaptation.

7.18 The Home Choice Plus Allocation Policy awards priority to households occupying an adapted property and wishing to move to a more suitable property.

Worcester City Council Principles

7.19 Worcester City Council expects RPs to consider the following factors in determining the criteria to be used for allocating and reviewing fixed term tenancies:

- Due to the shortage of larger family housing in the city, the city council supports the use of fixed term tenancies for 4+ bedroom properties in order to ensure that this scarce resource can be used most effectively.
- In order to ensure the best possible use of stock, the city council supports the use of fixed terms tenancies for properties with specialist adaptations.
- The city council considers that all fixed term tenancies should be renewed unless the household's circumstances have changed to such an extent that the property is no longer suitable for their needs or have improved to the extent that they are able to meet their needs through market tenure housing. Examples of this include:
 - The household income or savings exceeds the thresholds specified by the Home Choice Plus allocations policy. This currently stands at income of over £60,000 per annum and/or savings/assets/equity exceeding £50,000 (unless their needs can only be met through housing that is not available as a market tenure) The household is under-occupying their property, particularly in the case of family housing. Under-occupation should be defined by the bedroom standard specified in the Home Choice Plus allocations policy.

- There have been repeated serious breaches of the tenancy conditions set out at the commencement of the tenancy and appropriate support has been offered to the tenant to address these breaches, but there has been a consistent failure on the part of the tenant to do so. In the case of rent arrears, the RP should take into account where arrears have accrued as a result of the introduction of the new working age bedroom size limit to housing benefit. In these circumstances, the city council expects RPs to be flexible in its approach and to assist tenants to find more affordable accommodation within its own stock.
- Where a tenancy is not renewed at the end of a fixed term, the RP should ensure that adequate and appropriate advice and assistance is provided to the tenant to enable them to secure alternative accommodation. This may include assisting them to move within the RP's own stock (either rented or shared ownership) or moving into a market tenure. The tenant should be given a notice period of at least 6 months and the RP should also notify Worcester City Council's Strategic Housing Team of any intended tenancy terminations as soon as notice is given in order that the City Council can ensure that the household receives appropriate and timely advice about their housing options.
- The city council expects that very few, if any, homeless approaches should be generated by an RP terminating a fixed term tenancy, as appropriate advice should have been provided to the tenant to enable them to meet their own needs, but where a former tenant does approach the city council for homeless assistance, the RP should assist the council with its enquiries where requested.

- In most cases (unless the property conditions would make it unsuitable), the city council expects that RPs should allow the tenant to remain in their property at the end of a tenancy until a suitable alternative has been found.

- RPs should ensure that tenants are provided with clear and adequate information about the reasons why their tenancy has been terminated, and clear guidance should be provided on the way in which they can appeal any tenancy termination decision. Worcester City Council expects RPs to have a clear and easy to understand policy on tenancy reviews, renewals and terminations to ensure that tenants are able to fully understand their rights. The process for appealing any decision should also be set out in a clear and easy to understand format.
- Where a household is found to be significantly over-crowded at the time of a fixed term tenancy review and the household does not meet any of the other criteria for tenancy termination, the city council expects that the RP should assist the household to find suitable alternative accommodation within its own stock. The city council considers overcrowding to be defined by the bedroom standard specified in the Home Choice Plus allocations policy.

Affordable Rent

Background Information

- 7.20 The new tenure of affordable rent was introduced in 2010 following the Comprehensive Spending Review and enables RPs who have entered into a contract with the Homes and Communities Agency to charge rents of up to 80% of market rent levels on all new build properties funded through the 2011-15 HCA programme. These RPs may also convert a proportion of their existing properties to affordable rent.
- 7.21 RPs who do not have a Framework Delivery Agreement with the HCA must continue to let properties at social rent levels. RPs in receipt of funding will also be able to continue charging social rent on existing properties if they choose to.

- 7.22 Existing tenants remaining in the same home will not be affected by this change. However, they may be affected if they transfer to a new home.
- 7.23 Tenants who are offered properties at affordable rent levels will continue to be eligible for Housing Benefit.
- 7.24 Existing allocation and nomination arrangements will continue, with properties offered at affordable rent being advertised and let through existing schemes, e.g. choice based lettings schemes.

Worcestershire Principles

- 7.25 The Worcestershire district councils expect RPs to take into consideration the affordability calculations included in the Worcestershire Strategic Housing Market Assessment (tables included in section 6 of this document) and the specific demographics of its operating area in determining the rent levels to set and the proportion of its existing stock that it will convert to affordable rent. RPs should also take into account the availability of affordable and market accommodation in specific areas and the need to ensure sustainable communities in determining rent levels – e.g. some rural areas may have very limited affordable housing stock and introducing affordable rent in these areas may make the stock unaffordable to the majority of local people. Each local authority will specify its preferences for areas which should be excluded from the affordable rent model.

Worcester City Principles

- 7.26 It is recognised that affordable rent will meet the needs of some of those in housing need in the district. However, it is more likely that this product will assist the wider housing waiting list as opposed to those in significant need, who are likely to have fewer resources available to them. This is because although households in properties charged at affordable rent levels will be eligible for housing benefit, those households on a low income and not in receipt of housing benefit may struggle to afford these rent levels. Data provided by Fortis Living, the largest RP in the city indicates that 40% of social housing tenants are not in receipt of housing benefit.

- 7.27 The government is keen that benefit dependence and worklessness levels should be reduced and it is therefore also vital that rent levels should not act as a barrier or disincentive to entering employment. In addition, when Universal Credit and other welfare reform measures are introduced, there will be caps on the levels of benefit that a household will be entitled to and housing benefit will be included in this. This again may mean that households will struggle to afford the affordable rent levels; in Worcester, this is particularly true of larger family sized accommodation (3 and 4+ bedroom properties).
- 7.27 Although Worcester City Council must consider the whole housing market and ensure the needs of all households are provided for, the conversion of social rent properties to affordable rent which are then let to households not in significant need will not serve to reduce the affordable housing requirement for the city; in fact it will increase it.
- 7.28 The SHMA affordability calculations reproduced in section 4 of this document demonstrate that Worcester City will see the highest differential between social and affordable rents in the county and that a significant proportion of the family housing stock in the city will be unaffordable to over 50% of local people.
- 7.29 The city council therefore expects RPs to carefully consider the affordability of its stock for local people when determining which properties should be converted to affordable rent and, as a minimum, expects that RPs should not let 4+ bedroom properties or family sized properties in high value areas at affordable rent.
- 7.30 The city council expects that RPs should publish its criteria for determining which of its existing stock it intends to let at affordable rent levels and should also publish the valuation information it uses to determine the affordable rent level.
- 7.31 The city council expects that in all cases the affordable rent level should be lower than the local housing allowance level for the city.
- 7.32 The city council expects that RPs will provide its tenants who are likely to be affected by changes to welfare benefits with appropriate advice

regarding how it will impact them and how they can address any resulting affordability issues.

- 7.33 The city council expects that all affordable rent properties should be advertised through the Home Choice Plus choice based lettings scheme and that the rent level should be clearly indicated on the advert. The RP should also ensure at the allocation stage that the tenant understands the difference in the rent level and that it is affordable to them.

Section 106 developments

- 7.34 Due to the large differential between social and affordable rent in the city, the city council considers that there is still a significant requirement for the delivery of new build properties at social rent. The Worcestershire SHMA has identified that in order to meet the backlog and emerging housing need in the city, new development should deliver 83% social and 17% intermediate housing. The city council will therefore continue to seek social rented housing on sites where affordable housing is secured through a Section 106 agreement.
- 7.35 The city council also expects that all properties subject to existing Section 106 agreements should continue to be offered at social rent levels and not be converted to affordable rent. The city council will monitor allocations of properties subject to a Section 106 agreement to ensure that they are offered at the correct rent levels.

Mobility in Social Housing

Background Information

- 7.36 The Localism Act promotes mobility in social housing. The Secretary of State and the regulator has been given the powers to give directions making it easier for tenants to change homes should their circumstances change. All RPs are obliged to participate in a mutual exchange scheme to allow tenants to move more easily.

Worcestershire Principles

7.37 Worcestershire recognises the need for tenants to be able to move to be closer to work, family support within the partnership boundaries etc. and supports the Government's efforts to facilitate easier movement within the sector.

7.38 Applicants can apply to Home Choice Plus from anywhere within the United Kingdom. However, in order to ensure that Home Choice Plus meets the needs of the local community, reduced priority will be given to those applicants without a Local Connection to the relevant Local Authority.

7.39 Local connection will be assessed having regard to the definition of local connection contained in Section 199 Housing Act 1996.

7.40 The following factors as set out in s199 Housing Act 1996 will be taken into consideration in determining whether an applicant has a local connection with the Local Authority area. An application is awarded a local connection if an applicant or a member of their household included in their application:

- has lived in the relevant Local Authority area by choice for a certain time (usually for six months out of the last 12 months or for three years out of the last five years);
- has close family living in the relevant Local Authority area, who have been permanently resident for at least the previous five years;
- has permanent employment in the relevant Local Authority area
- has special circumstances that give rise to a local connection

7.41 In determining permanent employment the policy gives consideration to the Local Government Association guidelines which state that this is employment other than that of a casual nature.

7.42 For the purposes of determining Local Connection, living in the Local Authority area will not include the following:

- Occupation of a mobile home, caravan or motor caravan where it is not their only or principal home

- Occupation of a holiday letting (which includes a permanent building, hotel or bed and breakfast accommodation) for the purposes of a holiday.
- Resident of a HMP, Bail Hostel or other such accommodation.
- In-Patient of Hospitals/specialist centres

Worcester City Principles

- 7.43 The city council expects that all RPs operating in the city should participate in a national mutual exchange scheme to enable tenants to move more easily, e.g. Homeswapper. In order to encourage and facilitate mobility, the city council also expects that existing social tenants should be allowed to retain their security when they move to a new property.
- 7.44 The city council expects that RPs should publish a mutual exchange policy, setting out any conditions it may apply to tenants who wish to exchange.
- 7.45 The city council expects RPs to offer flexibility in allowing exchanges and to clearly explain how tenants' exchange rights will be affected by different tenancy types, including fixed term and introductory tenancies. The city council also expects RPs to offer flexibility to tenants who need to move because they are under-occupying their current home and have faced a reduction in Housing Benefit as a result. This may mean relaxing conditions around the ability to exchange with rent arrears, if this will resolve the household's affordability issues and prevent further arrears from accruing.

Disposal of Stock

Worcestershire Principles

- 7.46 The Worcestershire Local Housing Authorities do not wish to see the disposal of housing stock. However, it is recognised that in certain circumstances this may be justifiable providing it allows for future investment within the individual local authority area in providing more appropriate housing. Agreement would have to be gained from the local authority for any disposal of stock in accordance with legislative requirements and stock transfer agreements. This would include any payment in respect of the disposals claw back agreement.

Worcester City Principles

7.47 The city council expects that RPs should have a disposal strategy which clearly sets out their approach to the disposal of stock and how this benefits the organisation and the local authority area(s) in which it operates. The city council also expects that all disposal decisions should be taken at RP Board level. If RPs wish to dispose of stock within Worcester City, the city council will require them to provide the following information to the Strategic Housing Service with any request for support for disposal:

- Address of property
- Type and size of property
- Whether the property is currently tenanted and if so, how the current tenant will be assisted to find suitable alternative accommodation
- The projected income from the disposal
- How and where this income will be used

Local Lettings Plans

Worcestershire Principles

7.48 Local Lettings Plans are currently used across the county in order to facilitate community sustainability and good housing management. Local Lettings Plans may be used by RPs in some areas to set out how and why particular properties will be let at affordable rent levels or offered on a fixed term basis.

7.49 Local Lettings Plans should always be developed in partnership with the local housing authority.

Worcester City Principles

7.50 The city council has developed a local lettings plan template in conjunction with RPs and it expects that all plans use this template as a basis.

7.51 All local lettings plans should be need based and have clear and robust evidence to support this need. The plan should clearly set out what the RP is aiming to achieve in applying restrictions on allocations and how these restrictions will assist to meet these objectives. The plan should also have

a set review date, at which time, the RP should assess whether the objectives have been achieved and whether the plan should be extended or amended.

7.52 All local lettings plans should be published by the RP and should also be agreed by the city council before use. The city council will publish all local lettings plans on the Home Choice Plus website and any advert which restricts allocations based on a local lettings plans should clearly reference the title of the plan in order that customers are able to make informed choices about their bidding. No property that restricts allocations without a local lettings plan having been agreed will be advertised on the Home Choice Plus website.

8. Social Housing Allocations

8.1 All the Worcestershire district councils operate choice based lettings (CBL) schemes to determine how priority should be awarded in the allocation of social housing. Redditch Borough Council operates its own CBL scheme called Home Choice, while the 5 remaining Worcestershire district councils (along with Stratford on Avon District Council) operate a sub-regional CBL scheme called Home Choice Plus.

8.2 The Government is currently consulting on new draft statutory guidance on social housing allocations for local authorities in England. This new guidance is intended to assist authorities to take advantage of the provisions in the Localism Act 2011 by:

- Giving local authorities the freedom to manage their own waiting lists, including allowing them to restrict access to waiting lists
- Making it easier for existing social tenants to move to more suitable accommodation
- Encouraging local authorities to make use of the existing flexibilities within the allocation legislation to ensure that social homes go to people who need and deserve them the most, e.g. introducing priority for economically active households and those who contribute to their local community
- Ensuring that former Service men and women who have urgent

housing needs are given 'additional preference' (i.e. high priority) for social housing

- 8.3 The 5 Worcestershire district council partners of the Home Choice Plus scheme have recently completed a review of the housing allocations policy, which has already taken advantage of flexibilities in terms of restricting priority. However, once the government guidance has been published, a further review will be undertaken to consider what further changes, if any, are needed. Redditch Borough Council's Home Choice scheme will also be reviewed in line with the new government guidance.

9. Use of Private Rented Sector Tenancies

- 9.1 Local Authorities will be able to discharge their duty to homeless households with an offer of suitable accommodation in the private rented sector provided the tenancy is for a minimum of one year and is suitable for the household. The government will be developing new guidance on assessing suitability to accompany this new power.

Worcestershire Principles

9.2 The private rented sector in the county is complex and differs in availability and affordability between the districts. Market research undertaken as part of the Worcestershire SHMA 2012 and its updates highlighted a countywide trend of a lettings market restricted by the lack of available property due to both the withdrawal of the buy to let investor from the market and the growing trend for people to remain within their rental property for increasing amounts of time. In particular agents have noted a lack of 2/3 bed houses, which linked to affordability issues and the nature of the households seeking property are the most popular property type.

9.3 This market research further identified the following district specific trends:

Worcester City

9.4 Within Worcester the University of Worcester has changed the private rental market in recent years with increased demand from buy to let landlords which seek to cater for the student market. Overall across Worcester the lettings market is performing well with increasing demand. The absence of available supply was noted as being further compounded by the declining numbers of forced landlords who are beginning to move their property on to the sales market. The market remains very price sensitive and rental levels are a determining factor in whether a property is let.

Malvern Hills

9.5 In Malvern Hills the rental market in the area was coming under increasing pressure not only from first time buyers priced out of the market in the authority but also from an increasing number of households relocating into the authority. Rental demand for houses is particularly strong and is likely to reflect a desire for couples and families to settle in the area but who are waiting until prices re-align themselves and for the sale market to provide greater choice. There is a need throughout the district for more rental properties as demand continues to outstrip supply.

Bromsgrove

9.6 Within Bromsgrove the lettings market remains buoyant with 3 bedroom houses with gardens being in particular demand. Flats are less popular and there is a high turnover rate associated with this property type. There is high demand throughout Bromsgrove and areas close to transport hubs are always popular.

Wychavon

9.7 The market in Wychavon should be considered in terms of the individual settlements, given the geographical distance between them and the different market links with adjacent areas. The lettings market has slowed down in Droitwich over the last 12 months, but rents have remained stable. In Evesham, the supply of rental properties has started to grow as a result of investors purchasing competitively priced properties. Within Pershore the lettings market is performing well, with all property types in demand.

Wyre Forest

9.8 In Wyre Forest there is a high demand for rental properties in Kidderminster but overall rental transactions are relatively low, although demand is considered likely to pick up as a result of pressures not only from would be first time buyers in the authority but those looking to settle in the area and commute to the larger urban areas.

9.9 All the Worcestershire district councils offer some form of private rental sector (PRS) access scheme to facilitate households to enter this tenure and reduce the demand on social housing. There are also various schemes offered by partner and voluntary agencies across Worcestershire, providing PRS access services to specific client groups such as single homeless people and ex-offenders. The district councils are all planning to extend their PRS access schemes in the future and see this sector as offering a suitable alternative tenure for those households who would traditionally have entered social housing. The use of the private rented sector will, however, be determined by the local market.

Worcester City Principles

- 9.10 Worcester City Council operates a rent bond scheme, landlord accreditation scheme and has developed a local lettings agency called City Life Lettings to increase the supply of accessible, affordable private rented sector accommodation in the city.
- 9.11 The Authority regulates the licensing of 3 storey Houses in Multiple Occupation and licenses are granted to properties achieving the required standards.
- 9.12 The current rent bond scheme operated by the city council is prioritised to assist customers who are at risk of becoming homeless, rather than those to whom a full homeless duty is owed. However, with the expansion of the rent bond scheme and the development of a local lettings agency, it is anticipated that the city council will be able to use the private rented sector to discharge its homeless duty in the future.
- 9.13 Any use of the private rented sector in this way will always involve a rigorous assessment of the suitability of this option, including an assessment of affordability, and the city council will only exercise this power where it considers that the private rented sector represents an appropriate solution to a household's housing need. Any decision to discharge duty in this way will be subject to the usual homeless appeal process. The use of this power will be closely monitored to ensure that private rented sector tenancies can be sustained over a medium to long term and do not result in repeat homelessness.
- 9.14 All properties let through the city council's private rented sector access schemes must be in good repair, warm, secure and free from health and safety hazards. The rent charged should also be at or below local housing allowance levels for the city. Where rent charged exceeds local housing allowance, the city council must be satisfied that the property is affordable for the tenant and that any top up is reasonable.

10. Governance

- 10.1 The Worcestershire Strategic Tenancy Framework and principles will be reviewed annually by the Worcestershire Strategic Housing Managers Group to ensure that it remains consistent with the sub regional allocations policy and the Worcestershire Homelessness Strategy.
- 10.2 The individual RP's are responsible for developing and updating their individual tenancy policies which will be published to provide transparency, enabling local communities to understand clearly how social landlords are responding to local needs and priorities.

11. Consultation

- 11.1 This strategy was originally subject to a consultation period during 2012. Relevant partners, stakeholders and housing applicants were included in the consultation process and their feedback was used to develop the final strategy and its subsequent updates.