

Affordable Rent strategy

Version: 2 11/2011

Introduction

In response to the Coalition Government changes to funding for development and introduction of the Affordable Homes Programme, Southern Housing Group submitted a bid to the Homes and Communities Agency (HCA) for a development programme for the period 2011 – 2014

This bid was based on letting all new schemes built as part of the bid and in addition converting a number existing units at the point of relet to Affordable Rent. The Affordable Rent regime envisages a new “flexible” form of tenure with rents of up to 80% of the market rent, both in the case of ‘conversions’ from other tenures as well as new properties to be delivered under the programme. The Group initially aims to target the conversion of one bedroom homes at the point of them becoming available for re- letting (larger units may be considered in appropriate circumstances as the programme progresses). The Group will not convert any supported or sheltered units to Affordable Rent and will not convert units where other restrictions have been identified internally.

We anticipate that Affordable Rent ‘conversions’ at relet will take place across the Group in line with broad geographical areas identified in the bid.

These measures will part- fund the Affordable Rent development programme over the 2011 – 2014 period.

Tenure

All Affordable Rent tenants will be issued a starter tenancy for one year (extendable to 18 months), on successful completion of which, residents will normally be signed up to a five year fixed term assured shorthold tenancy. In some circumstances the Group may offer a shorter fixed term period, for

example on regeneration schemes where decants are expected to take place

Rent will normally be based at 60% of market rent for properties within London and 80% of market rent for properties outside of London at the point of advert. Market Rent will be assessed using a Royal Institute of Chartered Surveyors (RICS) compliant method.

Rent will be recalculated to 60% or 80% at the issue of the five year (or less) fixed term agreement following the starter tenancy and any subsequent grant of a further fixed term tenancy.

Allocation, eligibility and reassessment

Southern Housing Group’s Affordable Rent properties may be advertised via the Local Authority Choice Based Lettings service if the letting is being advertised as part of the Group’s nomination arrangements. Where our nomination agreement is fulfilled with a Local Authority we may advertise our Affordable Rent units to households outside of the waiting list through other methods, such as external websites. The Group will continue to honour nomination arrangements in place with Local Authority partners. The Group wishes to prioritise Affordable Rent homes for letting to low- income working households, where possible, and has developed criteria to support this approach (See Priority).

The following eligibility criteria will apply for all Affordable Rent lets:

Where the Group is letting an Affordable Rent property to a working household not eligible for Housing Benefit, the following criteria will apply in relation to **Income**:

- An Affordable Rent property will only be offered to applicants able to pay the rent without spending more than 40% of their gross income

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(minimum salary requirements will be calculated by property)

- The maximum income for an applicant applying for an Affordable Rent unit will be set in line with Intermediate Rent thresholds

Priority

We expect that multiple nominations will be prioritised by their Local Authority at the point of nomination. Where applicants have been sourced by SHG and they meet the Income criteria we propose to prioritise them in the following manner:

- An existing Southern Housing Group resident by date of application;
- An external applicant by date of application;
- Local connection (either through current address or the need to move to the location to give or receive support, or to take up employment or training); and
- An external applicant unable to purchase a property owing to previous mortgage repossession.

Reassessment

In the final year of each fixed term agreement, the resident will be assessed against the following criteria in order to decide if a new fixed term will be offered:

- Income and the availability of alternative better suited housing options

If income criteria satisfied, the Group will carry out an assessment with the resident taking into consideration the following:

- Whether the tenancy has been conducted reasonably and there are no breaches of tenancy or current action being taken because of a breach
- Age (e.g. over 65) relative to the continuing suitability of the existing accommodation or tenancy type
- Whether the tenant(s) continues to require the size and type of accommodation:
 - Overcrowding
 - Underoccupation
- Changes to residents' vulnerabilities/disability status
- Whether the home is in good condition

The reassessment will take place at an interview and residents will be informed in advance of the date of the reassessment and any documentation required.

Following the reassessment the Group will serve a six month 'minded to' notice informing the tenant of the decision. Where the Group are offering renewal this will include details of the new term (usually 5 years) and an indicator of the new rent (the actual rent will be recalculated at the point of letting). Where the Group are not offering renewal we will provide reasonable advice and guidance on alternative housing options.

Affordable Rent residents who are dissatisfied with the outcome of their reassessment may appeal the decision set out in the 'minded to' notice. Further details are provided below.

Rent recalculation

The rent will be recalculated to give a guide to residents ahead of reassessment in case this should prove a factor in their deciding on whether to renew the tenancy (should they be given the option to do so). The rent will then be formally recalculated prior to the sign up on a new fixed term tenancy if the tenant qualifies.

References, deposits and inventories

The Group will require references (financial, employer and from any previous landlord), and a deposit for all Affordable Rent lets, including where the applicant is on a Local Authority waiting list.

An inventory will be completed ahead of the letting and new residents will be required to check and agree the inventory at the start of the tenancy. The condition of the property at the end of the tenancy will be assessed against the inventory which may lead to part or all of the deposit which it is proposed to charge being held by the Group. The Group may hold part or all of the deposit to pay any rent arrears.

Applicants for Affordable Rent units will be required to pay make a non refundable payment to support the cost of administration, referencing and carrying out the inventory and the Group will outline the requirement during the letting process.



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Key Related policies

Succession

Affordable Rent residents have a statutory succession right to a joint tenant, spouse or civil partner. The Group will not offer any additional contractual succession rights on Affordable Rent tenancies. It will, however, consider any request for assessment for Affordable Rent eligibility on a discretionary basis using the Group's assessment criteria by a non statutory successor on the death of a sole resident.

Mutual Exchange

Affordable Rent residents will be granted Mutual Exchange rights in line with provisions set out in the Localism Act 2011

Joint Tenancies

In line with the Group's current policy, we will offer joint tenancies to spouses/ civil partners/ those in a settled relationship only. Where a joint tenant wishes to be removed from the tenancy, the tenancy will need to be ended. The remaining resident will be assessed for eligibility and the rent recalculated if a new tenancy is issued.

Where the existing tenancy is let to a sole tenant there will be no right to apply for a joint tenancy until the end of the fixed term, at which point the reassessment will take into account the circumstances of both parties.

ASB

The Group envisages applying its existing policies in relation to Anti-Social Behaviour and rent arrears to Affordable Rent tenants.

Reconversion

The Group may reconvert units back to Social Rent following a period of letting on an Affordable Rent at its discretion. This will usually require an alternative unit being converted to maintain the Group's Affordable Rent stock conversion commitments.

Complaints & Appeals

All complaints relating to Affordable Rent will be dealt with using the Group's complaints policy and procedures, available on our website.

The Group will offer an appeals process similar to our procedure for starter tenancy appeals should a resident wish to appeal a decision by the Group not to offer a fixed-term tenancy once the starter tenancy period or a further five-year fixed tenancy once a previous period has come to an end.

Further information

If you would like any more information on this or any of our other policies please contact us using the details over the page.

Owner of the version:

Date of next review: To be confirmed

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Contact us

If you live anywhere in the UK except the Isle of Wight, phone us on **0300 303 1771**

If you live on the Isle of Wight, phone us on **0300 303 1772**

All residents

Service Centre opening hours
8am to 8pm, Monday to Friday

Email us at
servicecentre@shgroup.org.uk

Write to us at **Service Centre,**
Southern Housing Group,
PO Box 643, Horsham RH12 1XJ

Visit our website at
www.shgroup.org.uk

For help with translations, or if a large type, Braille or audio summary would be useful, please contact the Service Centre.

Arabic

لمساعدتك في الترجمة يرجى الاتصال بمركز الخدمة على هاتف 0300 303 1771.

Bengali

অনুবাদ সাহায্য পেতে হলে সার্ভিস সেন্টারে 0300 303 1682 নম্বরে ফোন করুন।

French

Si vous souhaitez recevoir de l'aide avec vos traductions, appelez le 0300 303 1771.

Somali

Wixii ah caawimo turjumaan ka soo wac Xarunta Adeegga telefoonka 0300 303 1771.

Spanish

Si necesita que le ayudemos con alguna traducción, llámenos al 0300 303 1771.

Turkish

Tercüme konusunda yardım için 0300 303 1683 'den Hizmet Merkezi'ni arayın.