



## Tenancy Strategy 2012

**Revised Draft taking into account consultation comments:  
9 August 2012**



## Introduction

The Localism Act 2011 introduced a number of new flexibilities for local authorities to consider when deciding how to make best use of existing social housing and how to encourage the development of new affordable housing. Alongside this there have also been changes to Housing Benefit rules capping the maximum private rents for which benefit can be claimed, particularly for larger properties, as well as further changes to benefits in general set out in the Welfare Reform Act 2012. As a consequence the Council decided to carry out early consultation with residents from August – October 2011 on how it would respond to the new flexibilities and the difficulties residents were facing due to the benefit changes. This Housing Changes review was reported to Cabinet in December 2011 together with a number of options and a direction of travel was agreed. The Tenancy Strategy sets out the Council's approach to:

- the introduction of flexible fixed term tenancies in Harrow;
- the introduction of Affordable Rents in Harrow

The new strategies and policies within the Housing Changes Review intend to protect residents who most need our support and provide a range of realistic housing options in all tenures. They recognise that because the supply of housing at a low rent for life will never be sufficient to meet all of the priority housing needs in Harrow that residents must consider other options such as renting privately either in Harrow or elsewhere to meet their housing needs.

### 1. Background

The Localism Act 2011 introduced flexible tenancies. These are fixed term renewable tenancies of not less than 2 years and can be offered to new tenants alongside secure or assured tenancies. It is proposed that the general minimum length of flexible tenancies will be 5 years. A new approach to rents has also been introduced for housing association properties. New build homes and a proportion of relets can now be charged higher rents of up to 80% of market rents.

Existing council and housing association tenants will not be affected by these changes unless they move to a new Affordable Rent property and will continue to enjoy their existing security of tenure and other terms and conditions including the right to buy, succession rights and the right to exchange their tenancy with another secure tenant.

The Act requires every local authority to produce a Tenancy Strategy setting out the expectations for all social landlords in the local area in relation to:

- The types of tenancies that will be granted
- The length of fixed term tenancies when these are granted
- The circumstances under which a particular type of tenancy will be granted
- The process for reviewing tenancies at the end of the fixed term and the circumstances under which a tenancy may or may not be renewed either in the same property or in a different property.

Every social landlord is also required to have a Tenancy Policy. In addition to the above, the Tenancy Policy should contain:

- The way in which a tenant or prospective tenant may appeal or complain about the length and/or type of fixed term tenancy offered and a decision not to renew the tenancy at the end of the fixed term
- How the need of those who are vulnerable by reason of age, disability or illness, and households with children are taken into account including the use of tenancies which provide a reasonable degree of stability
- The advice and assistance to be given to tenants to find alternative accommodation if a fixed term tenancy is not renewed.

The Regulatory Framework for Social Housing in England from April 2012 sets out the specific standards that Registered Providers (RPs) must meet and takes account of the amendments made as a result of the Localism Act. The Tenancy Standard requires RPs to let their homes in a transparent and efficient way and to take account of the housing needs and aspirations of tenants and potential tenants. They must demonstrate how their lettings:

- Make the best use of available housing
- Are compatible with the purpose of the housing
- Contribute to local authorities' strategic housing function and sustainable communities

RP's are also expected to co-operate with local authorities' strategic housing function and their duty to meet identified Local housing needs. This includes assistance with local authorities' homelessness duties, and through meeting obligations in nominations agreements.

This Tenancy Strategy sets out the Council's approach to fixed term tenancies, how these should contribute to making the best use of available social housing and the principles that we expect all social landlords to have regard to when setting out their own Tenancy policies. The intention is to have consistency in social landlords approach to new tenancies so that residents are reassured they will have the same housing offer regardless of who is their social housing landlord in the borough We have combined it with our statement on our approach to Affordable Rents which has also been reviewed and updated. As Harrow Council owns and manages around 5,000 council tenancies we will produce our own Tenancy Policy which will follow the principles set out in this document.

Initial consultation was carried out with local residents prior to the draft Tenancy Strategy being published for formal consultation. Broadly there was support for the introduction of fixed term tenancies for new tenants on the basis this will contribute to making sure that social housing continues to be made available to those who most need it. However the majority of respondents felt that older people and those with disabilities should continue to be offered lifetime tenancies, or at the very least more certainty that their tenancy would be renewed if their circumstances remained the same. The Tenancy Strategy takes into account the views expressed during the initial consultation and has been revised to take account of the views expressed during the formal consultation. The outcomes of all consultation is summarised and available at ...[add link].

## 2. Context

Harrow is an outer London borough with excellent transport links to central London, schools and access to attractive Green Belt and other open space. Along with other boroughs demand for housing is high and this is reflected in the high cost of housing both to buy and to rent privately. Unlike many other boroughs Harrow has a small supply of social housing at only 10% of the total housing stock. Twice as many people now live in the private rented sector (20%) whilst the vast majority (70%) own their homes.

As a result of Housing Benefit changes and the effects of recession many more people have been coming to the Council for help with their housing over the past year. Due to the limited supply of social housing we help most people by assisting them to remain in their current homes or by encouraging and assisting them to find alternative housing in the private rented sector. It is becoming increasingly important that our small supply of social housing is used to its full potential to provide homes for those in the highest priority housing need. Whilst the introduction of fixed term tenancies is not likely to produce significant numbers of additional social housing for relet it will help us to target social housing at those who most need it and makes an important contribution alongside other initiatives such as those to encourage underoccupiers to downsize.

You can find more information on the facts and figures supporting this strategy at:

[http://www.harrow.gov.uk/info/200003/housing\\_policies\\_and\\_planning\\_for\\_housing/2522/housing\\_evidence\\_base](http://www.harrow.gov.uk/info/200003/housing_policies_and_planning_for_housing/2522/housing_evidence_base)

## 3. Objectives

This strategy supports a number of our overarching objectives approved by Cabinet in December 2011 as follows:

- **Deliver excellent services shaped and valued by our communities** – we have developed this strategy in consultation with the community
- **Increase the supply of housing, including locally affordable housing and make best use of the existing social housing stock** – whilst we aim to build as much additional affordable housing in Harrow as we can we know this will never meet all needs and therefore our existing social housing stock must be targeted at those who most need it
- **Continue to tackle homelessness by improving access to, and improving standards in the private rented sector** – the tenancy strategy should support and complement initiatives that promote economically realistic housing options in the private sector
- **Enhanced housing options, promoting mobility and choice** - supporting households to consider the economically realistic housing option that best meets their current housing need and to think about what that might be in the future
- **Supporting sustainable and viable communities** – this strategy should contribute to tenancy sustainment and the promotion of employment and training opportunities

so that tenants are supported in adapting to the changing welfare benefits environment and the most vulnerable households are protected and supported in their home.

#### **4. Who should be given which type of tenancy**

The Council supports the use of introductory or probationary tenancies followed by fixed term tenancies for the majority of new tenants. They will help us to ensure that our scarce social housing stock is used in the best way to help those most in need.

We have consulted on the best way to balance the need to make the best use of our stock whilst protecting those households who most need our support and whose circumstances are highly unlikely to change in the future and/or not to penalise existing secure tenants who may need to move.

**We recommend** all new tenancies to be flexible fixed term tenancies, except for:

- (i) older people moving into sheltered or extra care housing, older people who have reached state retirement age and are moving to a smaller property; and
- (ii) underoccupiers of state retirement age moving to a smaller property,

who should be granted life time tenancies and for automatic renewal in certain other circumstances.

The circumstances for automatic renewal are set out in section 7 – Tenancy Reviews (page 6). We would also recommend that secure tenants transferring or mutual exchanging, including through the Housingmoves scheme, to an Affordable Rent property should be offered a life-time tenancy.

The reason for this recommendation is that there may be situations where for example someone no longer needs a specialist or adapted property and the granting of a lifetime tenancy in all circumstances would prevent making best use of the property. Automatic renewal where the need remains still provides the necessary certainty of support to vulnerable households.

#### **5. Minimum length of Tenancy**

The council supports the offer of an introductory or probationary tenancy followed by a minimum 5 year tenancy period in most circumstances where a fixed term tenancy is being granted. We consider that a 5 year tenancy offers reasonable security to most households and is considerably more secure than the average initial tenancy granted in the private sector. In addition, we expect the majority of fixed term tenancies will be renewed because people's circumstances have not changed materially, for example the household income has not increased and there is no other more economically realistic affordable housing option and/or the household size still matches the size of property. However, reviewing the tenancy periodically will enable tenants to consider what other housing options there are or might be in the future and to discuss other opportunities for example relating to employment/training initiatives.

The Localism Act allows the granting of shorter tenancies of no less than two years in exceptional circumstances. The council does not generally support the granting of a shorter tenancy period in any circumstances other than those specified below.

- Where a shorter tenancy period is required to enable redevelopment to take place
- In any of the circumstances under section 7 when considering renewal of a tenancy the tenant could move to another property but it would be unreasonable to enforce it at this time

## 6. Succession

There is an automatic right for a spouse or partner of a tenant to succeed to a fixed term tenancy, but this can only happen once. Social landlords have the discretion to grant additional successions. In view of the limited amount of social housing in Harrow the Council supports discretionary succession only in the following circumstances:

- Where a family member<sup>1</sup> has been part of the household for at least 5 years or where a full time carer (who is not a family member or employed as the carer) gave up accommodation to care for a minimum of 12 months, the property meets their housing needs and no alternative economically realistic housing option exists. In the situation where the property is larger than the needs of the family member or full time carer a suitable alternative economically realistic housing option may be the offer of a suitable social housing property on a flexible tenancy. A succession to a flexible fixed term tenancy should only be granted for the remainder of the life of that tenancy and renewal subject to a review when the end of the tenancy is due.

## 7. Tenancy Reviews and advice and assistance when a tenancy might not be renewed

The tenancy review should primarily be an opportunity for both landlord and tenant to consider if the current home still best meets the tenants needs and how it might be possible to meet future aspirations for example for home ownership by discussing low cost home ownership options available, savings for deposits etc and by offering advice and guidance to non working households on national and local employment and training initiatives. Based on our evidence we expect the majority of tenancies to be renewed and we also want our strategy to contribute to the continuation of mixed and balanced communities and prevent unnecessary churn and upheaval.

We have recommended in Section 4 that all new tenancies are granted as fixed term tenancies but are automatically renewed in the following circumstances:

- The tenants are of state retirement age and living in a 1 bedroom general needs property;
- The tenant(s), their spouse or partner or a dependent child is disabled validated by means testing for disability benefits;
- The tenant(s), their spouse or partner or a dependent child has a severe learning disability or severe enduring mental health need validated by the relevant officer in the Council's Community, Health and Wellbeing directorate;
- The Tenant was a Care Leaver and is still receiving support from the Council.

The Council expects the following principles to be taken into account when considering whether to renew the tenancy:

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<sup>1</sup> The definition of family member is all those individuals defined as family members under s.113 of the Housing Act 1985 as amended.

- The property should not be larger than the current housing needs of the tenant and their household<sup>2</sup>. An examples of where the property is no longer suitable might be if the property is under-occupied by one-bedroom or more and an alternative suitably sized property is being offered, the property has been extensively adapted but for someone with a disability who no longer lives with the tenant and an alternative property is being offered. In these circumstances it would be reasonable not to renew the tenancy so that the property can be let to someone who needs it. Other considerations to be taken into account with regard to the suitability of alternative accommodation might include specific individual circumstances and access to family support networks;
- The tenant's household income is sufficient to enable the tenant and their household to find other suitable accommodation either by moving into intermediate housing (low cost home ownership or sub market rent), private rented or buying on the open market. We propose using the following household income eligibility limits as an absolute income cap, that is anyone earning above these limits (including notional income from capital assets but disregarding disability benefits) would be expected to move independently into intermediate housing or the private sector either to rent or buy:

Household Size	Income Limit
1 bed	£30,000
2 bed	£38,000
3 bed	£48,000
4 bed	£60,000 <sup>3</sup>

The information used to calculate these limits is attached at Appendix 1 and will be reviewed and updated annually.

A financial assessment should be carried out for applicants earning below these limits to determine what other affordable housing options are available;

- The tenant's household has assets or savings greater than £24,000. The proposed income and savings limits are the same as will be proposed in the Councils revised Housing Allocations Scheme which would normally exclude them from being granted a tenancy;
- The tenant has breached the terms of their tenancy and failed to reach or maintain an agreement with the Council or their landlord to remedy this breach. For example there are rent arrears and the tenant has not agreed to maintain an agreement to clear these or there has been serious and persistent documented anti-social behaviour.
- The tenant or a member of the household has a conviction for civil disturbance carried out in the locality of Harrow or other criminal activity such as housing fraud.

<sup>2</sup> The definition of household is the tenant(s) and all those reasonably expected to reside with them

<sup>3</sup> The income limits have been calculated with reference to local rents and on the basis that housing costs should not exceed 30% of gross income

We would expect the review to take place at least 9 months before the tenancy is due to come to an end to allow sufficient time for a tenant to find alternative housing if the tenancy is not renewed and alternative accommodation is not to be provided.

We recognise there may be circumstances where it might be considered unreasonable to expect someone to move even if one of the above criteria apply and would recommend allowing a tenancy to continue if:

- The tenant or a member of their household is suffering from a terminal illness;
- The tenant has children attending a local school at key stages of education, specifically in year 10/11 or year 12/13 and no economically realistic alternative housing is available locally.
- The tenant is a foster carer and the tenancy needs to continue to enable them to fulfil this role;
- The tenant is participating in a Tenancy Sustainment Programme or a training and employment programme and moving at this stage would prevent the tenant from completing the programme;
- The tenant makes an active and positive contribution to their local community, through for example volunteering for an approved organisation on a regular weekly basis.

In any of the above circumstances it may be appropriate to offer a shorter tenancy renewal of at least two years or a further five year tenancy depending on individual circumstances.

Given the Council's intention to prevent homelessness wherever possible and to ensure that appropriate economically realistic housing options are available to people in housing need it would be pointless for landlords not to renew tenancies unless they have carried out the review thoroughly including offering appropriate proactive advice and assistance to find alternative accommodation. Options for alternative housing could include home ownership either outright or through the various First Steps initiatives or other government initiatives, a privately rented home either in Harrow or elsewhere or a more suitable affordable rented home either in Harrow or elsewhere. We would also expect appropriate advice on employment and training initiatives to be provided to non working households including young adults who form part of the household.

Where a Tenancy Review is being carried out with a vulnerable household, such as a Care Leaver or other vulnerable adult appropriate support arrangements should be made such as use of an advocate or advocacy service.

Although it is clear in the Localism Act 2011 that it is the responsibility of the landlord to provide the advice and assistance the Council already provides a comprehensive service locally to all applicants for affordable housing including advice and assistance on finding suitable private rented accommodation, and can therefore be contracted to provide this service. The Council will be using this service to provide advice and assistance where it does not renew fixed term tenancies. For details of the service available please contact Jon Dalton by emailing [jon.dalton@harrow.gov.uk](mailto:jon.dalton@harrow.gov.uk) or phoning 020 8416 8647.



As the Council retains the statutory responsibility to provide housing for priority homeless households we want to ensure that a robust approach is taken to advice and assistance where a tenancy is not renewed and we would ask all social landlords in Harrow to:

- Notify the Council when a tenancy is not to be renewed and of the agreed alternative housing arrangements;
- If not making use of the Council's advice and assistance service (which is our preferred option) to provide details of the advice and assistance provided.

## **8. Reviews and Complaints**

All social landlords are required to set out the way in which a tenant or prospective tenant may seek a review of or complain about the length of the fixed term and the type of tenancy offered and against a decision not to grant another tenancy on the expiry of the fixed term. The Council expects Registered Providers to ensure their Tenancy Policies:

- State how and to whom review requests should be made eg to a senior officer not involved in the original decision
- Give timescales in which the review will be dealt with
- State how the tenant can take their complaint further if they are dissatisfied with the response eg to Housing Ombudsman or by way of judicial review and where they may get independent advice
- Be accessible and widely publicised eg published on websites, available in housing offices, local community buildings etc

The Council would also be able to carry out independent reviews on behalf of social landlords working in Harrow. Please contact Jon Dalton as detailed in section 7 for further information.

## **9. Affordability**

A key element of the Council's Housing Strategy is to enable the development of additional affordable housing and we recognise that at the current time housing associations have been required to contribute to this by charging the new Affordable Rents (up to 80% of market rents) on new developments and a proportion of relets in order to obtain grant funding. We are concerned that charging the maximum of 80% market rent would mean new homes are unaffordable as a result of welfare reforms, especially for large families. However we also need to take account of the small supply of social housing in Harrow and as a result the majority of households in housing need are now offered private rented sector housing either in Harrow or elsewhere at the Local Housing Allowance market rent.

We produced guidance on our approach to Affordable Rents in May 2011 taking account of the above issues. The guidance supported the continued development of affordable housing in the borough and as a consequence accepted that rents of up to 80% could be charged on 1 and 2 bedroom properties to enable social housing rents to be let on the larger family homes. This resulted in a blended average of rents at 50-55% of market across the average new scheme depending on unit mix.

This approach produced an anomaly on some schemes of rents of two bedroom properties being higher than three bedroom properties making it difficult to encourage households to

downsize. We have therefore reviewed our guidance with RPs and amended the guideline rent levels, taking account of local affordability, for each bed size as follows:

1 bed – up to 80%

2 bed – up to 70%

3 bed – up to 60%

4 bed plus – up to 40% with a suggested guideline maximum of £200 per week subject to individual scheme viability<sup>4</sup>

Our general principles in relation to Affordable Rents are therefore:

- We support the introduction of Affordable Rents on new schemes provided they contribute to the continued development of affordable housing in Harrow;
- Registered Providers must take account of welfare benefit caps and set rents that will be affordable locally;
- We support the conversion of a maximum of 25% of the existing RP stock to Affordable Rents provided they contribute to the continued development of affordable housing in Harrow. However where the conversion of properties with 3 bedrooms or greater is proposed, this will not generally be supported;
- We do not support the disposal of stock which results in a net loss of social housing supply and particularly the disposal of family housing.

Our detailed guidance is attached at Appendix 2.

## 10. Equalities

We have used the outcomes from our consultations and our Evidence Base to complete our Equalities Impact Assessment which is available from the Council's website through the following link: [\[add link\]](#)

## 11. Reviewing the Tenancy Strategy

This strategy will be monitored and reviewed annually. Revisions, such as to the income and savings caps, will be authorised by the Portfolio Holder for Housing.

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<sup>4</sup> £200 guideline represents 40% of universal cap of £500 per week.

## Appendix 1: Income limit Calculation

Income Limits: 18 July 2012

Bed size	Open market purchase				Shared Ownership purchase				Market rent		
	Median House Price	20% deposit required	Mortgage	Gross income required*	Assumed OMV	25% share	10% deposit	Minimum gross income required	Lower quartile rent pw	Lower Quartile Rent PCM	Gross income required
1 bed	£174,650	£34,930	£139,720	£39,920	£195,000	£48,750	£4,875	£26,000	£173	£750	£30,000
2 bed	£286,300	£57,260	£299,040	£65,440	£249,950	£62,488	£6,249	£32,000	£219	£950	£38,000
3 bed	£363,400	£72,680	£290,720	£83,063	£350,000	£87,500	£8,750	£44,000	£277	£1,200	£48,000
4 bed	£471,800	£94,360	£377,440	£107,840	£430,000	£107,500	£10,750	£54,000	£346	£1,500	£60,000

NB. Based on housing costs not exceeding 30% of gross income (which is currently equivalent to 40% of net income where net income is 75% of gross. In 2011 the gross median weekly wage of Harrow residents was £603 (£31,356 per annum) and the gross median weekly wage of Harrow residents working in Harrow was £510 (£26,520 per annum)

## **Appendix 2**

### **Harrow Council**

## **Policy on Affordable Rent Development – April 2012**

### **Introduction**

This Policy Statement updates and replaces the Affordable Housing Framework Position Statement published in May 2011. The original position statement was provided in advance of the deadline for the Homes and Communities Agency 2011-15 bid round.

The interim position provided our Registered Provider (RP) partners with reasonable assurance regarding the levels of open market rent which may be acceptable in Harrow given proposed wider changes to the benefits system at that time. In summary, up to 80% market rent was deemed acceptable on 1 and 2 bedroom properties but that we would ask partners to let 3 bedroom plus homes at existing target rents or as close as possible due to affordability issues.

### **Changing Policy**

Since the Interim position was published, the Welfare Reform Act received royal assent (8<sup>th</sup> March 2012). The Act puts into law the Welfare Reform Bill and confirms the introduction of Universal Credit.

As a result of changes brought about by the Localism and Welfare Reform Acts, Harrow is reviewing its entire suite of housing policies and strategies to reflect the national changes. An evidence base has been developed to inform the policy changes and this can be found at:

[www.harrow.gov.uk/housingchanges](http://www.harrow.gov.uk/housingchanges)

Issues such as population change, affordability, housing need, the existing housing waiting list etc are examined in detail and inform this Affordable Rent policy.

The Affordable Housing Delivery Group was consulted in February 2012 regarding the need to review the Interim position on Affordable rent levels. The main conclusion from the consultation was that many of the RPs had adopted similar approaches to Harrow based on their own research. It was considered that an element of flexibility should be allowed from the original interim guidance, particularly in relation to the anomaly between 2 and 3 bed rent levels, so that priorities such as retaining affordable housing supply could be properly balanced with issues relating to affordability and the range of market rents across bedsizes and across certain areas in the borough..

### **Rent Levels in Harrow**

Rents have been reasonably static across the borough over the last year. Clearly there are variations across the various postcodes in the borough with Stanmore being the most expensive area and Harrow Weald generally being the cheapest in general.

The table below sets out private market rents across Harrow as at April 2012. This information will be updated regularly in the housing changes evidence base which can be accessed through link provided earlier.

	<b>Market Rent</b>	<b>80% Market</b>	<b>LHA</b>	<b>Existing Social Rent</b>
<b>1 bed</b>	<b>£187</b>	<b>£149.60</b>	<b>£173.08</b>	<b>£100</b>
<b>2 bed</b>	<b>£233</b>	<b>£186.40</b>	<b>£219.23</b>	<b>£115</b>
<b>3 bed</b>	<b>£300</b>	<b>£240.00</b>	<b>£288.46</b>	<b>£133</b>
<b>4 bed +</b>	<b>£381</b>	<b>£304.80</b>	<b>£346.15</b>	<b>£141</b>

The above is based on local comparables at April 2012 which will be updated regularly.

### **Affordability in Harrow**

It is recognised that adopting a one size fits all approach to household affordability is difficult given the complexity of the universal cap for working and non working households.

#### For those in receipt of benefits

Changes to the benefit system through the universal benefit reform limit the amount non working households can claim to a maximum level of £26,000 per annum or £18,200 for single households. This figure includes housing benefit.

We estimate that around 90-95% of those in priority need on the housing waiting list are in receipt of benefits of some sort and are currently undertaking work to determine the number of households who are completely economically inactive, the results of which will be set out in updates to the housing changes evidence base

The table at Appendix 1 of this briefing demonstrates the effects of these changes on various household sizes and shows that family sized housing at 80% market rent is not affordable in Harrow to those in receipt of benefit and classed as non working.

#### For working households

The affordability measure in use by the HCA and the GLA ranges from a maximum of 40-45% net income to be spent on housing costs depending on tenure.

CACI data for the borough shows that the total average equivalised household income in the borough in 2010 (latest available) was £30,827. This data also shows that around 38% of households in Harrow have a household income of less than £25,000 per annum. The table below shows the minimum household income required for households at the LHA limit and 80% market rent for each bedsize in Harrow (as at April 2012) using 40% net income as the affordability measure.

	LHA Cap (pw)	Per Annum	Min Net Income Required	Min Gross Income (if Net income = 75% Gross)
1 bed	£173.08	£ 9,000.16	£22,500.40	£ 30,000.53
2 bed	£219.23	£11,399.96	£28,499.90	£ 37,999.87
3 bed	£288.46	£14,999.92	£37,499.80	£49,999.73
4 bed	£346.15	£17,999.80	£44,999.50	£59,999.33

	80% Market (pw)	Per Annum	Min Net Income Required	Min Gross Income (if Net income = 75% Gross)
1 bed	£149.60	£ 7,779.20	£19,448.00	£25,930.67
2 bed	£186.40	£ 9,692.80	£24,232.00	£ 32,309.33
3 bed	£240	£12,480.00	£31,200.00	£41,600.00
4 bed	£304.80	£15,849.60	£39,624.00	£52,832.00

### Guidance to RPs on the implementation of the Affordable Rent model in Harrow

Taking into account the affordability issues outlined above and the size of the social housing stock in Harrow, our approach is set out below. We stress the importance of RPs continuing to talk to us at an early stage about their proposals so that we can find solutions that enable affordable housing development to continue that will meet priority local needs.

- RPs should continue to have regard to Harrow's policies which encourage the development of affordable housing and in particular 3 bed plus family sized housing, wheelchair housing and supported housing which is affordable to those on the Harrow housing waiting list.
- The Council will consider a "hybrid approach" to the new Affordable Rent model which will allow the continued development of affordable housing, including larger homes at lower rent levels alongside 1 and 2 bed homes at higher rent levels where affordability allows. We would stress that the following ranges represent an indication of what may be considered affordable in Harrow but it is highly important that proposed rents are discussed with the Housing Department early in the scheme formation process.

1 bed – up to 80%

2 bed – up to 70%

3 bed – up to 60%

4 bed plus – up to 40% with a suggested guideline maximum of £200 per week<sup>5</sup>

- In the interests of sustainable communities the Council would encourage a stepped approach to rent levels by unit size to ensure that there are no anomalies between 2 and 3 bedroom rent levels. For example it is often the case that if 3 bedroom properties are charged at target rents, a 2 bedroom property on the same development may cost more if charged at 80% market rent. This may fetter the Council's ability to encourage under occupiers to downsize.

<sup>5</sup> £200 represents 40% of universal cap of £500 per week.

- We will continue to consider shared ownership that is affordable at the current target income levels. The ratio between rented and shared ownership on development schemes will be 60:40 as a starting point as per current planning policy.
- No rents should be higher than the Local Housing Allowance applicable in Harrow.
- There are relatively few relets of existing RP properties in Harrow and, in view of the overall small size of the social housing stock, conversions of existing target rent properties should be no more than 25% of 1 and 2 bed properties. Conversion of larger properties should not generally be undertaken.
- **All conversion proposals should be discussed and agreed with the borough before they are implemented. It is extremely important that RPs discuss this with the borough as soon as a conversion is identified due to the possibility of clashes with policies such as the Under Occupation Strategy. In addition if there is a S106 agreement attached to the scheme this will require properties to be let at target rents and the agreement would need to be varied to enable properties to be let at the new Affordable Rent.**
- Disposal of family homes (3 bed+) should only be undertaken as a matter of last resort, following discussion and agreement with the borough.
- All nominations for Affordable Rent homes will be through the Locata choice based lettings system i.e. similar applicants to existing arrangements.

We encourage RPs to speak to Harrow about proposals for the new Affordable Rent model as early as possible in the formation of development proposals. Early dialogue will ensure that proposals can be assessed in line with overall priority and agreed accordingly from the outset.

For further information please contact the Enabling team:

Elaine Slowe (Housing Enabling Manager) on 020 8420 9229 or

Damien Lynch (Project Manager – Enabling) on 020 8420 9228